

Electric Drives
and Controls

Hydraulics

Linear Motion and
Assembly Technologies

Pneumatics

Service

Rexroth
Bosch Group

Annual Report 2007



Bosch Rexroth (India) Limited

Bosch Rexroth (India) Limited

Board of Directors
as on 01-02-2008

Dr. A. Weber - Chairman
Mr. H. Ott
Mr. V. K. Viswanathan
Mr. Martin Voglsanger - Managing Director
Mr. Rahul Desai - Executive Director

Company Secretary

Mr. Rahul Desai

Audit Committee

Mr. V. K. Viswanathan - Chairman
Dr. A. Weber
Mr. H. Ott
Mr. Martin Voglsanger
Mr. Rahul Desai

Bankers

Deutsche Bank
HDFC Bank Ltd.

Auditors

M/s. Price Waterhouse & Co.
Chartered Accountants

Works, Registered &
Corporate Head Office

Near Vatva Railway Station
Vatva
Ahmedabad 382 445

Works

Plot no. 96, Phase III
Peenya Industrial Area
Bangalore 560 058

Bosch Rexroth (India) Limited

33rd Annual General Meeting

Date : 21st May, 2008
 Day : Wednesday
 Time : 2.00 P.M.
 Place : **Bosch Rexroth (India) Limited**
 Near Vatva Railway Station,
 Vatva, Ahmedabad 382 445

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Bosch Rexroth (India) Limited

Notice

NOTICE is hereby given that the 33rd Annual General Meeting of the Members of Bosch Rexroth (India) Limited will be held at the Registered Office of the Company at Near Vatva Railway Station, Vatva, Ahmedabad 382 445 on Wednesday, the 21st May, 2008 at 2.00 P.M. to transact the following business:

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st December, 2007, and the Balance Sheet as at that date together with the Report of the Directors and Auditors thereon.
2. To declare a dividend on ordinary shares for the year ended 31st December, 2007.
3. To appoint a Director, in place of Mr. H.Ott, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

Special Business:

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

“RESOLVED THAT Mr. V. K. Viswanathan who was appointed by the Board of Directors as an additional Director with effect from 1st February, 2008 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956, (“the Act”) and in respect of whom the company received a notice in writing from a member under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company.

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, Schedule-XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory amendments, modifications or re-enactments thereof), the Company hereby approves the

appointment and terms of remuneration of Mr. C. S. Sukumaran as the Managing Director of the Company with effect from 11th May, 2007 for 5 consecutive years, on the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any accounting year during the aforesaid period) as set-out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors and Mr. Sukumaran.”

“RESOLVED FURTHER THAT any of the directors and/or Mr. Rahul Desai, Executive Director & Company Secretary of the Company be and is hereby authorised to do all such acts, things and deeds as may be required to give effect to this Resolution.”

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

“RESOLVED THAT Mr. Rahul Desai, who was appointed by the Board of Directors as an Additional Director on 1st September, 2007 and who holds office under Section 260 of the Companies Act, 1956, upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, not liable to retire by rotation.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to provisions of Sections 198, 269, 309, 314 and other applicable provisions of the Companies Act, 1956, including Schedule XIII to the said Act as amended to date, consent of the Company be and is hereby accorded to the appointment of and payment of remuneration and perquisites to Mr. Rahul Desai, as Whole time Director of the Company, designated as Executive Director & Company Secretary, with effect from 1st September, 2007 to 31st August, 2012 on the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any accounting

year during the aforesaid period) as set-out in the Agreement entered into between the Company and Mr. Rahul Desai, the particulars of which are enumerated in the Explanatory Statement annexed hereto with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors and Mr. Desai.”

“RESOLVED FURTHER THAT any one of the Directors of the Company for the time being on the Board be and is hereby authorised to do all such acts, things and deeds as may be required to give effect to this Resolution.”

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

“RESOLVED THAT Mr. Martin Voglsanger, who was appointed by the Board of Directors as an Additional Director of the Company on 1st December, 2007 and who holds office under Section 260 of the Companies Act, 1956, upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, not liable to retire by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, Schedule-XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory amendments, modifications or re-enactments thereof) and subject to the approval of the Central Government and such other approvals/sanctions as may be necessary, the Company hereby accords its consent and approval to the appointment and the terms of remuneration of Mr. Martin Voglsanger as Managing Director of the Company, not liable to retire by rotation, for the period from 1st December, 2007 to 30th November, 2012, on the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any accounting year during the aforesaid period) as set-out in the Agreement entered into between the Company and Mr. Martin Voglsanger, the particulars of which are

enumerated in the Explanatory Statement annexed hereto, with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors and Mr. Voglsanger or that may be approved by the Central Government.”

“RESOLVED FURTHER THAT any one of the Directors for the time being on the Board be and is hereby authorised to make the necessary applications with the Central Government and to do all such acts, things and deeds as may be required to give effect to the above Resolution.”

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

“RESOLVED THAT in supersession of the resolution passed at the 31st Annual General Meeting of the Company held on 31st May, 2006, the consent of the Company be and is hereby accorded under the provisions of Section 293 (1) (e) of the Companies Act, 1956 and all other enabling provisions, if any, to the Board of Directors of the Company to contribute monies to Charitable and other funds not directly related to the business of the Company or the welfare of the employees PROVIDED HOWEVER that the aggregate amount of such contributions shall not in any one financial year exceed Rs.60 Lacs or 5% of the Company's average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Companies Act, 1956 during the three financial years immediately preceding, whichever is higher.”

Notes:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING.

A blank form of proxy is enclosed and, if intended to be used, should be returned to the Company not less

Bosch Rexroth (India) Limited

- than 48 hours before the Annual General Meeting, duly stamped and completed.
- b) The Share Transfer Books and the Register of Members of the Company will remain closed from Wednesday, the 14th May, 2008 to Wednesday, the 21st May, 2008 (both days inclusive) in connection with the Annual General Meeting.
 - c) Dividend, if declared at the Annual General Meeting, will be payable to those Members whose names appear on the Company's Register of Members as on the date of the Annual General Meeting.
 - d) Members are requested to notify immediately any change in their address/ bank mandate to their respective Depository Participants (DPs) for shares held in the electronic mode or to the Company at its Registered Office, if shares are held in physical form.
 - e) The Company, as required under the provision of Section 205A of the Companies Act, 1956 has transferred unclaimed dividends up to the accounting year ended 30th September, 1994 to the General Revenue Account of the Central Government.
- Members who have not encashed the dividend warrants for the said period/s are requested to claim the same from the Central Government in the prescribed form.
- f) In terms of Sections 205A and 205C of the Companies Act, 1956, any dividend remaining unpaid for a period of seven years from the due date of payment is required to be transferred to the Investor Education & Protection Fund. Accordingly, unclaimed/unpaid dividend for the accounting year ended on 31st December, 1995 has been transferred to this fund. Members who have not encashed their dividend warrants for the year 2003 to 2006 are requested to send the same to the Company for payment. It may be noted that once the unclaimed dividend is transferred to the Investor Education & Protection Fund, no claim shall lie with the Company or with the Fund in respect of such amount.
 - g) Members/Proxies should bring the attendance slip and hand over the same at the entrance of the meeting hall, failing which admission to the meeting may be refused.
 - h) As a measure of economy, the Company does not distribute copies of the Annual Report at the meeting. Members, therefore, are requested to bring their copies with them.
 - i) Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company at least seven days before the date of the meeting, so that the information required by the members may be made available at the meeting.

By Order of the Board of Directors

Rahul Desai
Executive Director & Company Secretary

Place : Bangalore
Dated : 30th January, 2008

Registered Office:
Near Vatva Railway Station,
Vatva,
Ahmedabad 382 445

Bosch Rexroth (India) Limited

Annexure to the Notice

Explanatory statement as required under Section 173 of the Companies Act, 1956.

Item No.5

Mr. V. K. Viswanathan was appointed by the Board at its meeting held on 30th January, 2008 as an additional Director of the Company with effect from 1st February, 2008. In terms of Section 260 of the Companies Act, 1956 and Article 148 of the Articles of Association of the Company, Mr. V. K. Viswanathan holds office as Director up to the date of this Annual General Meeting. The Company has received a notice accompanied with deposit of Rs.500/-, as required by law, from a member signifying his intention to propose the appointment of Mr. V. K. Viswanathan as a Director of the Company. Mr. Viswanathan has rich experience in business and industry and has contributed significantly to the deliberations at Board meetings in the past also. He is the Managing Director of Bosch Limited (MICO), Bangalore.

Your Directors are of the view that it will be in the interest of the Company to appoint him as a Director of the Company liable to retire by rotation, and accordingly recommend his appointment.

None of the Directors except Mr. V. K. Viswanathan is concerned or interested in the said Resolution.

Item No.6

Mr. C.S. Sukumaran is a technocrat holding a Bachelor of Engineering Degree in Mechanical Engineering. He has hands on experience in running an Engineering Enterprise. He also gained knowledge by getting trained at Japan and Germany on various aspects of CNC machines.

Mr. Sukumaran was an Application Engineer in M/s Wendt (I) Ltd., for 2 years before starting his own Company M/s Vinayaka CNC Centre Pvt. Ltd in 1986. He is also one of the Promoter Directors of M/s. MIVIN Engg. Technologies Pvt. Ltd., and continues his association with that company as its Whole time Director.

Considering the qualification and experience of Mr. Sukumaran, the Board of Directors of the Company appointed him as Managing Director with effect from 11th May, 2007 for 5 consecutive years on the following terms and conditions:

REMUNERATION:

Salary - Rs.2,50,000/-per month.

In addition, performance bonus up to 55% of the Annual Salary.

The annual increment will be merit based and take into account the Company's performance.

The aforesaid remuneration shall be subject to the condition that he being a Whole time Director of M/s. MIVIN Engg. Technologies Pvt. Ltd., a subsidiary of the Company, he may draw remuneration from both the Companies provided that the total remuneration drawn from both the Companies does not exceed the higher maximum limit admissible from any one of the companies.

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PERQUISITES:

In addition to the salary payable, the Managing Director shall also be entitled to Perquisite like use of car with driver.

LEAVE:

Mr. Sukumaran will be entitled to receive leave according to the regulation applicable to the Company i.e. of 30 working days (including casual and annual leave) per year.

BUSINESS TRIPS:

Travel costs for business trips will be reimbursed within the framework of the Company guidelines applicable for the time being.

AMENDMENTS AND SUPPLEMENTS TO THE CONTRACT:

Amendments and supplements to the Contract are required to be made in writing in order to be legally valid and they shall be subject to Government approval.

MINIMUM REMUNERATION:

In the event of loss, absence or inadequacy of profits in any accounting year during his tenure as a Managing Director, the remuneration aforesaid shall be paid as the "Minimum Remuneration" for that accounting year.

MEMORANDUM OF INTEREST:

None of the Directors except Mr. C. S. Sukumaran is concerned or interested in the said Resolution. However, Mr. Sukumaran relinquished his position of Managing Director on 31-07-2007.

Item No.7 & 8

Mr. Rahul Desai was appointed by the Board pursuant to Section 260 of the Companies Act, 1956, at its meeting held on 27th August, 2007 as an Additional Director with effect from 1st September, 2007.

Mr. Rahul Desai has considerable experience to his credit and prior to his appointment on the Board, he was in employment of the Company as Head – Finance & Admn. & Company Secretary. Mr. Desai holds degree in Commerce and is a Fellow Member of Institute of Chartered Accountants and an Associate Member of The Institute of Company Secretaries of India. Mr. Desai has over 27 years of experience in the areas of finance, taxation, accounts and secretarial matters.

The Board at the same meeting held on 27th August, 2007 appointed Mr. Rahul Desai as Whole time Director of the Company designated as Executive Director & Company Secretary. Under Section 260 of the Companies Act, 1956, Mr. Rahul Desai holds office as Additional Director upto the date of this Annual General Meeting. The Company has received a notice from a member signifying his intention to propose the appointment of Mr. Rahul Desai as Director of the Company. The said notice is accompanied by a deposit of Rs.500/- as required by law.

The following are the details of the remuneration and perquisites payable to Mr. Rahul Desai as Executive Director & Company Secretary:

1. PERIOD OF APPOINTMENT:

From 01-09-2007 to 31-08-2012

2. REMUNERATION:

Basic Salary - Rs.88,155/- per month.

In addition, performance bonus up to 55% of the Annual Salary.

The annual increment will be merit based and take into account the Company's performance.

3. PERQUISITES:

- a) As the Executive Director of the Company, the Company will provide him, with unfurnished housing accommodation (including all common charges and maintenance expenses.)
- b) Conveyance Allowance, Leave Travel Allowance, Medical Reimbursement and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed by the Board of Directors.
- c) Personal Accident Insurance coverage for him, as per the rules of the Company as applicable to Senior Management Cadre Executives of the Company.
- d) The Company's contribution to Provident Fund, Superannuation Fund and Gratuity as per the rules of the Company as applicable to Senior Management Cadre Executives of the Company.

Note: Contribution to Provident Fund, Superannuation Fund and Gratuity will not be included in the computation of the ceiling on perquisites to the extent it is not taxable under the Income Tax Rules, 1962.

- e) Use of a car with driver for the Company's business as per the Company's scheme applicable to the Senior Management Cadre Executives of the Company.
- f) Free telephone and fax facility at the residence.

Explanations: Provision of car for use on the Company's business and telephone and fax at residence would not be considered as perquisites. Personal long distance calls on telephone and fax and use of car for private purpose would be billed to the Executive Director by the Company and reimbursed by him to the Company.

- g) Fees in respect of one Club will be borne by the Company.
- h) Leave as per the rules of the Company as applicable to Senior Management Cadre Executives of the Company.
- i) Reimbursement of traveling, entertainment and other expenses incurred by him during the course of the business of the Company.
- j) He will also be eligible for all other privileges, facilities and amenities as may be applicable from time to time to the Senior Management Cadre Executives of the Company.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income Tax Rules

Bosch Rexroth (India) Limited

wherever applicable and in the absence of any such Rules, perquisites shall be evaluated at actual cost. -

4. MINIMUM REMUNERATION:

In the event of loss, absence or inadequacy of profits in any accounting year during his tenure as Executive Director, the remuneration aforesaid shall be paid as the "Minimum Remuneration" for that accounting year subject to the limits laid down in Section II of Schedule XIII of the Companies Act, 1956.

5. VARIATION OF REMUNERATION:

The Directors of the Company shall have the liberty to vary the remuneration of the Executive director within the limits set out herein above, subject to the provisions of Schedule XIII of the Companies Act, 1956.

6. OTHER TERMS OF THE APPOINTMENT

- i) Subject to the supervision, control and direction of the Board and the Managing Director of the Company, Mr. Rahul Desai will carry out such duties as may from time to time be entrusted to him by the Board and the Managing Director of the Company.
- ii) If at any time the Executive Director ceases to be the Director of the Company for any cause whatsoever, he will cease to be the Executive Director of the Company.
- iii) The Company will enter into separate agreement with Mr. Rahul Desai which will contain, inter-alia, the above terms and conditions.

An abstract of the draft agreement between the Company and Mr. Desai under Section 302 of the Companies Act, 1956, was sent to the Members for their information.

Section 314(1) of the Companies Act, 1956, provides that except with the consent of the company accorded by a special resolution passed at the general meeting of the company held for the first time after the holding of such office or place of profit, no director of a company shall hold any office or place of profit. Since Mr. Desai holds office of profit, the proposed Special Resolution is intended to obtain the approval of the Members under Section 314 of the Act in respect of the said Mr. Rahul Desai holding office of profit.

The Resolution is accordingly recommended for approval of the Members.

MEMORANDUM OF INTEREST:

None of the Directors except Mr. Rahul Desai is concerned or interested in the said Resolution.

Item No.9 & 10

Under Section 260 of the Companies Act, 1956, Mr. Voglsanger holds office as Additional Director upto the date of the Annual General Meeting. The Company has received a notice from a member signifying his intention to propose the appointment of Mr. Voglsanger as Director of the Company. The said notice is accompanied by a deposit of Rs.500/- as required by law.