

Electric Drives  
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Linear Motion and  
Assembly Technologies

Pneumatics

Service

**Rexroth**  
Bosch Group

## Annual Report 2009

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**Bosch Rexroth (India) Limited**

## Board of Directors

Mr. V. K. Viswanathan - Chairman  
 Mr. H. Ott  
 Mr. Martin Voglsanger - Managing Director (Sales & Admn.)  
 Mr. Reinhard Liebe - Managing Director (Production & Mfg.)  
 Mr. Rahul Desai - Executive Director

## Company Secretary

Mr. Rahul Desai

## Audit Committee

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

## Bankers

Deutsche Bank AG  
 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

Municipal No. 31, Sy. No. 37-1  
 Nadekerappa Industrial Estate,  
 Andhrahalli  
 Bangalore 560 091

Bosch Rexroth (India) Limited

## 35th Annual General Meeting

Date : 18th June, 2010  
 Day : Friday  
 Time : 2.00 P.M.  
 Place : **Bosch Rexroth (India) Limited**  
 Near Vatva Railway Station,  
 Vatva, Ahmedabad 382 445

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## Notice

NOTICE is hereby given that the 35<sup>th</sup> 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 Friday, the 18<sup>th</sup> June, 2010 at 2.00 P.M. to transact the following business:

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31<sup>st</sup> December, 2009, and the Balance Sheet as at that date together with the Report of the Directors and Auditors thereon.
2. To appoint a Director, in place of Mr. H. Ott, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

### Special Business:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL 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 shareholders, Central Government and such other approvals/sanctions as may be necessary, the Company hereby accords its consent and approval to the increase in remuneration and perquisites of Mr. Rahul Desai, Executive Director & Company Secretary of the Company for the period from 01-01-2010 to 31-08-2012 (including the remuneration to be paid in the event of loss or inadequacy of profits in any accounting year during the aforesaid period).”

**“RESOLVED FURTHER THAT** any one of the directors of the Company be and is hereby authorized to make the necessary application with the Central Government and to do such acts, things and deeds as may be required to give effect to the above resolution.”

### 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 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 Friday, the 11<sup>th</sup> June, 2010 to Friday, the 18<sup>th</sup> June, 2010 (both days inclusive) for the purpose of 35<sup>th</sup> Annual General Meeting to be held on 18<sup>th</sup> June, 2010.

- c) 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.

- d) 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 30<sup>th</sup> 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.

- e) 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

Bosch Rexroth (India) Limited

Investor Education & Protection Fund. Accordingly, unclaimed/unpaid dividend for the accounting year ended on 31<sup>st</sup> December, 1995 has been transferred to this fund. Members who have not encashed their dividend warrants for the year 2003 to 2007 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.

- f) 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.

- g) 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.
- h) 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

Place: Bangalore  
Date: 29<sup>th</sup> March, 2010

**Rahul Desai**  
Executive Director & Company Secretary

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

**Annexure to the Notice**


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

**Item No.4**

The Board of Directors at its meeting held on 27<sup>th</sup> August, 2007, pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 approved the appointment and remuneration & perquisites payable to Mr. Rahul Desai, Executive Director & Company Secretary for the period from 01-09-2007 to 31-08-2012.

The shareholders at their Annual General Meeting held on 21-05-2008 approved the appointment of Mr. Rahul Desai as Executive Director & Company Secretary with effect from 01-09-2007 to 31-08-2012.

The Central Government vide its letter dated 20-08-2009 granted approval for the payment of increased remuneration and perquisites payable to Mr. Rahul Desai, Executive Director & Company Secretary for the period from 01-01-2008 to 31-12-2009.

Since the approval of the Central Government expired on 31-12-2009, the Board of Directors at its meeting held on 7<sup>th</sup> January, 2010, pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the shareholders at the next General Meeting and subject to such other approvals/sanctions as may be necessary, approved the payment of increased remuneration and perquisites payable to Mr. Rahul Desai, Executive Director & Company Secretary for the period from 01-01-2010 to 31-08-2012.

The remuneration and other terms of appointment of Mr. Rahul Desai, in his capacity as Executive Director & Company Secretary, are as follows:

1. PERIOD OF APPOINTMENT:

From 01-01-2010 to 31-08-2012

2. REMUNERATION:

Basic Salary - Rs.144,970/- per month.

Increments: Such increments as may be fixed by the Board of Directors from time to time in the salary range of Rs.144,970 to Rs.191,723 per month.

Performance related bonus up to 55% of the Annual Salary as may be approved by the Board.

3. PERQUISITES:

- a) House Rent Allowance, 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.
- b) Personal Accident Insurance coverage for him, as per the rules of the Company as applicable to Senior Management Cadre Executives of the Company.
- c) 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.

d) 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.

e) 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.

f) Fees in respect of one Club will be borne by the Company.

g) Leave as per the rules of the Company as applicable to Senior Management Cadre Executives of the Company.

h) Reimbursement of traveling, entertainment and other expenses incurred by him during the course of the business of the Company.

i) 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 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.

Bosch Rexroth (India) Limited

MEMORANDUM OF INTEREST:

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

The Explanatory statement together with the accompanying notice should be treated as an abstract under Section 302 of the Companies Act, 1956.

Place: Bangalore  
Date: 29<sup>th</sup> March, 2010

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

By Order of the Board of Directors

**Rahul Desai**  
Executive Director & Company Secretary

Bosch Rexroth (India) Limited

## Directors' Report

To the Members of **Bosch Rexroth (India) Limited**

Your Directors have pleasure in presenting the 35<sup>th</sup> Annual Report with the Audited Statement of Accounts for the year ended 31<sup>st</sup> December, 2009.

Financial Results	2009 Current Year Rupees	2008 Previous Year Rupees
Profit before Interest, Depreciation and Income-Tax	464,126,240	404,649,611
Less: Interest	81,897,882	46,882,791
Profit after interest but before depreciation and Income-Tax	382,228,358	357,766,820
Less: Depreciation	66,350,253	54,917,902
Profit before Income-Tax	315,878,105	302,848,918
Less: Provision for Income-Tax	131,104,000	132,000,000
Less: Deferred Tax	(6,877,078)	(1,021,617)
Less: Fringe Benefit Tax	525,000	7,050,000
Profit after Taxation	191,126,183	164,820,535
Balance brought forward from the previous year	796,541,105	631,720,570
Available for appropriation	987,667,288	796,541,105
(1) Proposed dividend	-	-
(2) Tax thereon including surcharge	-	-
(3) Transferred to General Reserve	-	-
Surplus in Profit & Loss Account carried to Balance Sheet	987,667,288	796,541,105

### Dividend

In view of the uncertain global and Indian economic situation, planned capital expenditure in coming years and with a view to conserve financial resources, the Board of Directors does not recommend any dividend for the Accounting Year 2009.

### Year in Retrospect

Turnover of the Company for the year 2009 was Rs.3,522.62 million compared to Rs.3,350.13 million in

2008. The increase of Rs.172.49 million (5.15 %) in turnover has to be seen against the backdrop of difficult economic situation in India and abroad, negligible growth in the capital goods sector and fierce competition from indigenous manufacturers and from importers. Profit before Tax for the year under review was Rs.315.88 million compared to Rs.302.85 million in the previous year (4.30 %) after considering exceptional and non-recurring items.

During the year under review, the company has started installation of SAP. It has become operational during the

first quarter of 2010. An amount of Rs.43.60 million is spent on SAP during 2009, which is a non-recurring expense.

### Subsidiary Company

As MIVIN Engg. Technologies Private Ltd., Bangalore is a subsidiary of our Company, the audited Financial Statements of MIVIN Engg. Technologies Private Ltd. for the financial year ended 31-12-2009 pursuant to section 212 of the Companies Act, 1956 are annexed to this Annual report.

The Company acquired 26% Equity Shares held by Bosch Limited, Bangalore in the Equity Capital of MIVIN Engg. Technologies Pvt. Ltd., Bangalore at the consideration of Rs.49/- per share. Thus, MIVIN Engg. Technologies Private Ltd. has become 100% subsidiary of our company.

In view of the losses incurred by MIVIN Engg. Technologies Private Ltd., severe economic recession in India and other world economies and uncertain future outlook of this subsidiary company, the Board of Directors has decided to make provision for full diminution in the value of investments.

### Purchase of Industrial Land

The Company has purchased an Industrial land admeasuring 134,828 sq. mtrs. at Sanand on Sanand Viramgam Highway, Near Ahmedabad. The Company proposes to set up manufacturing facility in phased manner to cater to increased demand and to take up manufacture of new but related products.

### Directorate

Mr. H. Ott retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

### Directors' Responsibility Statement

The Board of Directors of the Company confirms that:

- i) in the preparation of the annual accounts, the

applicable accounting standards have been followed along with the proper explanation relating to any material departure;

- ii) the selected accounting policies were applied consistently and the Directors made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at the end of the financial year ended 31<sup>st</sup> December, 2009 and of the profit of the Company for that period;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts for the year ended 31<sup>st</sup> December, 2009 have been prepared on a going concern basis.

### Audit Committee

The Audit Committee, constituted by the Company in accordance with the provisions of Section 292A of the Companies Act, 1956 performs the functions as required under the provisions of the Companies Act, 1956 and such other matters as are specified by the Board of Directors of the Company from time to time.

The composition of the Audit Committee is as under:-

Mr. V. K. Viswanathan	- Chairman
Mr. H. Ott	- Member
Mr. Martin Voglsanger	- Member
Mr. Rahul Desai	- Member

### Managerial Remuneration

The Company had made applications on 25-02-2008 and 16-10-2008 respectively as required under Clause(e) of Part I of Schedule XIII to the Government of India for appointment and payment of remuneration to Mr. Martin Voglsanger and Mr. Reinhard Liebe, Managing Directors.