

Annual Report 2010

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.) Dr. Karl Tragl (appointed w.e.f. 22-02-2011)
Company Secretary	Mr. Rahul Desai
Audit Committee	Mr. V. K. Viswanathan - Chairman Mr. H. Ott Mr. Martin Voglsanger
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

36th Annual General Meeting

Date : 23rd June, 2011
Day : Thursday
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 Thirty-Sixth 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 Thursday, the 23rd June, 2011 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, 2010, 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. V. K. Viswanathan, 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 an **ORDINARY RESOLUTION**:

“RESOLVED THAT Dr. Karl Tragl who was appointed by the Board of Directors as an additional Director with effect from 22nd February, 2011 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.”

5. 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 and 311 read with 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. Martin Voglsanger, Managing Director – Sales & Administration of the Company for the period from 01-12-2009 to 30-11-2012 (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 Director or Company secretary 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.”

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 and 311 read with 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. Reinhard Liebe, Managing Director – Production & Manufacturing of the Company for the period from 01-01-2010 to 30-06-2013 (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

Director or Company secretary 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.”

7. 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 34th Annual General Meeting of the Company held on 17th June, 2009, the consent of the Company be and is hereby accorded under the provisions of Section 293 (1) (d) of the Companies Act, 1956 and all other enabling provisions, if any, to the Board of Directors of the Company for borrowing from time to time any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the Paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board shall not at any time exceed the limit of Rs.500 Crore. (Rupees Five Hundred Crore only)”

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 Thursday, the 16th June, 2011 to Thursday, the 23rd June, 2011 (both days inclusive) for the purpose of 36th Annual General Meeting to be held on 23rd June, 2011.
- 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 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.

- 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 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 2004 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.

Place: Bangalore
Date: 7th April, 2011

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

By Order of the Board of Directors

Rahul Desai
Company Secretary

Annexure to the Notice

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

Item No.4

Dr. Karl Tragl was appointed by the Board at its meeting held on 22nd February, 2011 as an additional Director of the Company with effect from 22nd February, 2011. In terms of Section 260 of the Companies Act, 1956 and Article 148 of the Articles of Association of the Company, Dr. Karl Tragl 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 Dr. Karl Tragl as a Director of the Company. Dr. Karl Tragl has rich experience in business and industry and has contributed significantly to the deliberations at the Board meetings in the past also. He is the President of Bosch Rexroth AG, Germany.

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 Dr. Karl Tragl is concerned or interested in the said Resolution.

Item No.5

The Board of Directors at its meeting held on 15th November, 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. Martin Voglsanger, Managing Director – Sales & Administration for the period from 01-12-2007 to 30-11-2012.

The shareholders at their Annual General Meeting held on 21-05-2008 approved the appointment and remuneration of Mr. Martin Voglsanger, Managing Director – Sales & Administration with effect from 01-12-2007 to 30-11-2012.

The Central Government vide its letter dated 15-07-2010 approved the appointment of Mr. Martin Voglsanger, Managing Director – Sales & Administration for a period of 5 years from 01-12-2007 to 30-11-2012. But, his remuneration has been approved only upto 30-11-2009. Mr. Voglsanger's salary for December, 2009 has remained the same, but the same needs to be revised from 01-01-2010.

The Board of Directors, as recommended by the Remuneration Committee at its meeting held on 28-09-2010, pursuant to the provisions of Section 198, 269, 309 and 311 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 ensuing General Meeting and subject to such other approvals/sanctions as may be necessary, approved the payment of revised remuneration and perquisites payable to Mr. Martin Voglsanger, Managing Director – Sales & Administration for the period from 01-12-2009 to 30-11-2012.

The terms of the remuneration payable and of perquisites allowable to Mr. Martin Voglsanger, Managing Director – Sales & Administration are as follows:

1. PERIOD OF APPOINTMENT:

From 01-12-2007 to 30-11-2012 as approved by the shareholders and the Central Government.

2. REMUNERATION:

Base Salary - Rs.996,241/- per month from January, 2010

Increments: Such increments as may be fixed by the Board of Directors from time to time in the salary range of Rs.1,095,865/- to Rs.1,205,452/- per month, for 2011 and 2012.

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

3. PERQUISITES:

i) HOUSING:

As the Managing Director of the Company, the Company will provide him with housing accommodation (including all common charges and maintenance expenses.)

ii) 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.

iii) MOTOR CAR:

Free use of a Car with driver for the Company's business purposes. All the expenditures in connection therewith will be borne by the Company.

iv) LEAVE:

Annual Leave will be 6 weeks.

v) BUSINESS TRIPS:

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

vi) Actual expenses incurred on travel and on packing, forwarding, loading, unloading as well as freight, insurance, local transportation and installation expenses in connection with the moving of personal effects for employee and family for joining duty and for returning to home country on leaving the employment will be paid by the Company.

vii) SOCIAL SECURITY COSTS:

Social security expenses for Statutory Pension insurance, unemployment insurance, entitlement to health and care insurance in the home country and the foreign health insurance for the employee and his family in India are borne by the Company.

viii) SITTING FEES:

He is not entitled to sitting fees for attending meetings of the Board of Directors or of a Committee thereof.

ix) OTHER FACILITIES:

He will be eligible for such other perquisites and allowances in accordance with the Rules of the Company or as may be agreed by the Board of Directors.

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 Managing Director, the remuneration aforesaid shall be paid as the "Minimum Remuneration" for that accounting year.

5. VARIATION OF REMUNERATION:

The Board of Directors of the Company shall have the liberty to alter, vary the terms and conditions of his appointment (including the payment of remuneration) provided that such alteration or variation is in accordance with the provisions of the Companies Act, 1956 and within the limits sanctioned by the Central Government and are acceptable to Mr. Martin Voglsanger.

6. OTHER TERMS OF THE APPOINTMENT

- i) The Managing Director shall be under the overall control, guidance and superintendence of the Board of Directors of the Company and he shall obey such orders and directions as may be given to him by the Board with such restrictions as the Board may in its absolute discretion determine and entrust to him.
- ii) If at any time the Managing Director ceased to be the Director of the Company for any cause whatsoever, he will cease to be the Managing Director and the appointment shall stand terminated forthwith.
- iii) The Company will enter into separate agreement with Mr. Martin Voglsanger which will contain, inter-alia, the above terms and conditions.

7. The Agreement may be terminated by either party giving the other party six months' notice.

MEMORANDUM OF INTEREST:

Mr. Martin Voglsanger is interested in his aforesaid appointment as the Managing Director. No other Director of the Company is in any way concerned or interested."

Item No.6

The Board of Directors at its meeting held on 18th June, 2008, 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. Reinhard Liebe, Managing Director – Production & Manufacturing for the period from 01-07-2008 to 30-06-2013.

The shareholders at their Annual General Meeting held on 17-06-2009 approved the appointment and remuneration of Mr. Reinhard Liebe, Managing Director – Production & Manufacturing with effect from 01-07-2008 to 30-06-2013.

The Central Government vide its letter dated 26-07-2010 and correction letter dated 31-08-2010 approved the appointment of Mr. Reinhard Liebe, Managing Director -- Production & Manufacturing for a period of 5 years from 01-07-2008 to 30-06-

2013. But, his remuneration has been approved only upto 30-06-2010. Mr. Liebe's salary upto December, 2009 has remained the same, but the same needs to be revised from 01-01-2010.

The Board of Directors, as recommended by the Remuneration Committee at its meeting held on 28-09-2010, pursuant to the provisions of Section 198, 269, 309 and 311 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 ensuing General Meeting and subject to such other approvals/sanctions as may be necessary, approved the payment of increased remuneration and perquisites payable to Mr. Reinhard Liebe, Managing Director – Production & Manufacturing for the period from 01-01-2010 to 30-06-2013.

The terms of the remuneration payable and of perquisites allowable to Mr. Reinhard Liebe, Managing Director – Production & Manufacturing are as follows:

1. PERIOD OF APPOINTMENT:

From 01-07-2008 to 30-06-2013 as approved by the shareholders and the Central Government.

2. REMUNERATION:

Base Salary - Rs.1,127,596/- per month from January, 2010.

Increments: Such increments as may be fixed by the Board of Directors from time to time in the salary range of Rs.1,240,355/- to Rs.1,500,830 per month, for 2011 to 2013.

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

3. PERQUISITES:

i) HOUSING:

As the Managing Director of the Company, he will occupy the Company house in 35, Amrakadamb Bunglows, Ramdevnagar, Ahmedabad 380054, India free of charge or he will be entitled for a Company rented house in Ahmedabad.

ii) 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.

iii) MOTOR CAR:

Free use of a Car with driver for the Company's business purposes. All the expenditures in connection therewith will be borne by the Company.

iv) LEAVE:

Annual Leave will be 6 weeks.

v) BUSINESS TRIPS:

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