

Electric Drives
and Controls

Hydraulics

Linear Motion and
Assembly Technologies

Pneumatics

Service

Rexroth
Bosch Group

Annual Report 2012

Bosch Rexroth (India) Limited

BOSCH REXROTH (INDIA) LIMITED

Board of Directors	Dr. Karl Tragl - Chairman Mr. H. Ott Dr. Johannes Thomas Grobe - Managing Director Mr. Franz Hauber Mr. Deepak S. Chellani - Wholetime Director Mr. R. S. Pradeep - Wholetime Director
Audit Committee	Dr. Karl Tragl - Chairman Mr. H. Ott Dr. Johannes Thomas Grobe Mr. Franz Hauber
Bankers	Deutsche Bank HDFC Bank Ltd.
Auditors	M/s. Price Waterhouse & Co. Chartered Accountants
Works, Registered & Corporate Head Office	Sanand Viramgam Highway Mouje Iyava, Taluka Sanand, Dist. Ahmedabad 382 170
Works	Municipal no.31, Sy. No.37/1 Nadekerappa Industrial Estate, Andrahalli, Bangalore - 560 091

BOSCH REXROTH (INDIA) LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY-EIGHTH ANNUAL GENERAL MEETING OF THE MEMBERS OF BOSCH REXROTH (INDIA) LIMITED WILL BE HELD AT THE REGISTERED OFFICE OF THE COMPANY AT SANAND VIRAMGAM HIGHWAY, MOUJE IYAVA, TALUKA SANAND, DIST. AHMEDABAD 382 170 ON TUESDAY, THE 25TH JUNE, 2013 AT 2.00 P.M. TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited statement of Profit & Loss for the year ended on 31st December, 2012, and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Dr. K. Tragl, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard 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 Section 224, 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Price Waterhouse, Chartered Accountants, (Firm Registration No. 301112E) be appointed as Statutory Auditors of the Company, in place of the retiring Auditors, M/s. Price Waterhouse & Co., Chartered Accountants, (Firm Registration No. 007567S) to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company on a remuneration to be fixed by the Board of Directors of the Company, in consultation with the Auditors of the Company.”

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. Johannes Thomas Grobe who was appointed by the Board of Directors as an additional Director with effect from 1st August, 2012 and who holds office up to 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 Dr. Grobe 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 , not liable to retire by rotation."

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, 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 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 Dr. Johannes Thomas Grobe as Managing Director of the Company, not liable to retire by rotation, for the period from 1st August 2012 to 31st July, 2017, 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 Dr. Johannes Thomas Grobe, 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 Dr. Johannes Thomas Grobe."

"RESOLVED FURTHER THAT any one of the Directors for the time being on the Board be and is hereby authorized to do all 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 Mr. Deepak S. Chellani who was appointed by the Board of Directors as an additional Director with effect from 1st August, 2012 and who holds office up to 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 Mr. Chellani 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, not liable to retire by rotation."

7. 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 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. Deepak S. Chellani as Whole time Director of the Company, not liable to retire by rotation, for the period from 1st August 2012 to 31st July, 2017, 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. Deepak S. Chellani, 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. Deepak S. Chellani.”

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

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. R. S. Pradeep who was appointed by the Board of Directors as an additional Director with effect from 1st August, 2012 and who holds office up to 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 Mr. R. S. Pradeep 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, not liable to retire by rotation.”

9. 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 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. R. S. Pradeep as Whole time Director of the Company, not liable to retire by rotation, for the period from 1st August 2012 to 31st July, 2017, 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. R. S. Pradeep, 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. R. S. Pradeep.”

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

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

“RESOLVED THAT Mr. Franz Hauber who was appointed by the Board of Directors as an additional Director with effect from 1st January, 2013 and who holds office up to 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 Mr. Hauber 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.”

Notes:

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER. IN ORDER TO BE EFFECTIVE, THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING. A BLANK PROXY FORM IS ENCLOSED.**
- b) The Share Transfer Books and the Register of Members of the Company will remain closed from Monday, the 17th June, 2013 to Tuesday, the 25th June, 2013 (both days inclusive) for the purpose of 38th Annual General Meeting to be held on 25th June, 2013.

- 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 Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Company.
- 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, 2004 has been transferred to this fund. Members who have not encashed their dividend warrants for the year 2005 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: Ahmedabad
Dated: 5th March, 2013

Dr. Johannes Thomas Grobe
Managing Director

Registered Office:
Sanand Viramgam Highway,
Mouje Iyava, Taluka Sanand,
Dist. Ahmedabad 382 170

Annexure to the Notice

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

Item No.3

The present Auditors M/s. Price Waterhouse & Co., Chartered Accountants, have expressed their unwillingness for re-appointment.

In view of the above, it is proposed to appoint M/s. Price Waterhouse, Chartered Accountants, (Firm Registration no. 301112E) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company. As required, M/s. Price Waterhouse, Chartered Accountants, have forwarded a Certificate to the Company stating that the appointment, if made, will be within the limits specified in the Sub-Section (1B) of Section 224 of the Companies Act, 1956. Further, they have confirmed that they are not disqualified from being appointed as Auditors under Section 226 of the Companies Act, 1956.

The necessary Resolution seeking your approval for appointment of Statutory Auditors has been incorporated in the Notice convening the Annual General Meeting.

The Directors recommend adoption of the Resolution.

None of the Directors is concerned or interested in the resolution.

Item No.4 & 5

Under Section 260 of the Companies Act, 1956, Dr. Johannes Thomas Grobe holds office as Additional Director up to the date of this Annual General Meeting. The Company has received a notice from Dr. Grobe signifying his intention to propose his candidature as Director of the Company. The said notice is accompanied by a deposit of Rs.500/- as required by law.

Dr. Johannes Thomas Grobe achieved his PhD mechanical engineering in computer science at the University Aachen (RWTH Aachen). He joined Bosch in 1998. Since then he held several positions at Bosch and has broad experience in leading product and technology development and innovation projects, production and manufacturing processes and teams for different Bosch divisions. He also held several business management, product development and strategy

positions in different divisions. The last position held was Vice President sales industry sector management, key account management and application engineering for Industrial Manufacturing Equipment in Bosch Rexroth AG, Germany.

Considering the qualification and experience of Dr. Johannes Thomas Grobe, the Board of Directors of the Company at its meeting held on 27th July, 2012 appointed Dr. Johannes Thomas Grobe, as an Additional Director with effect from 1st August, 2012 pursuant to Section 260 of the Companies Act, 1956 and designated as the Managing Director of the Company with effect from 1st August 2012 to 31st July, 2017 subject to such approvals as may be required on the following terms and conditions:

1. PERIOD OF APPOINTMENT:

From 01-08-2012 to 31-07-2017

2. REMUNERATION:

Basic Salary of Rs.2,81,067/- per month and various allowances of Rs.6,55,825/- per month.

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

The annual increment will be merit based and take into account the Company's performance. The total Salary will not exceed Rs.16,86,406/- per month during the tenure of this agreement.

3. PERQUISITES:

i) HOUSING:

As the Managing Director of the Company, the Company will provide him with Company leased unfurnished housing accommodation.

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 30 days.

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 will be paid by the Company.

vii) SITTING FEES:

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

viii) 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/s or variation/s are in accordance with the recommendations made by the Remuneration Committee and are as per the provisions of the Companies Act, 1956 and are acceptable to Dr. Johannes Thomas Grobe.