

Bosch Limited

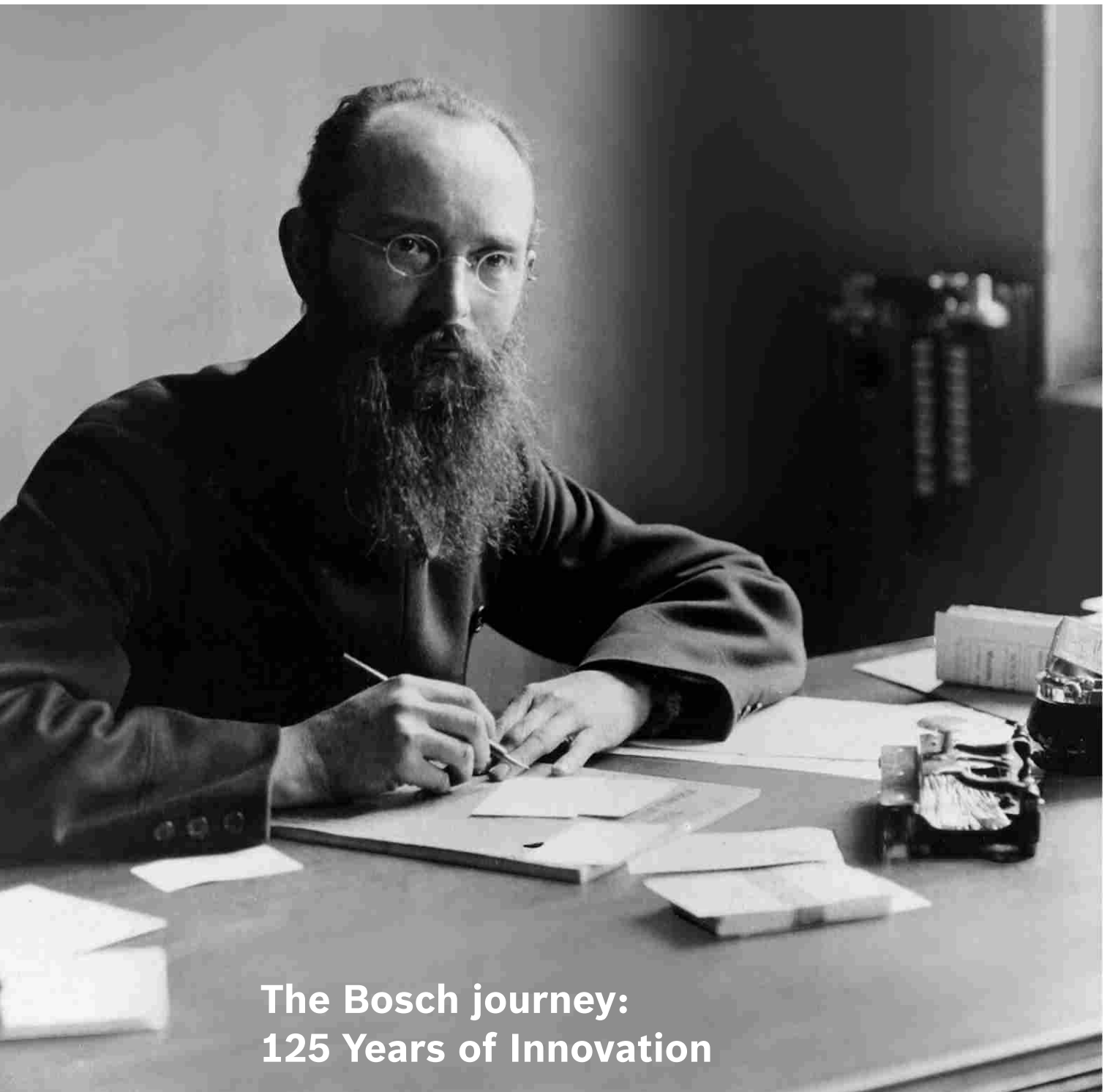
Annual Report 2010

125 Bosch
Years 1886–2011



BOSCH

Invented for life



**The Bosch journey:
125 Years of Innovation**

Bosch Limited - Our vision

Creating values - sharing values

If we want to work successfully as a team in a global and complex world, then we need a common image of the future for our Company. This image and vision will help us bring our strategic thinking into clear alignment.

We are the flagship Company of Bosch in India. We take advantage of opportunities for an accelerated growth. We focus on our core competencies in automotive and industrial technologies as well as in products and services for professional and private use.

We strive for sustained economic success and a leading market position in our business areas guided by a long-term perspective. We are the preferred business partner to our customers and vendors, based on our leadership in technology, innovation, reliability, response and quality.

We set ambitious goals and we are determined to jointly achieve them. We value our associates who accept challenges and are committed to continuous improvement. Together we enhance the quality of life.

In all our actions, we are committed to environment, society and all stakeholders. We live by Bosch values that provide us a long common bond and orientation. We are proud to be part of the Bosch family.

Important milestones of Bosch Group world wide



1886
Robert Bosch opens the "Workshop for Precision Mechanics" at Stuttgart.



1887
The company's first low-voltage magneto ignition device for stationary gas engines.



1902
First Bosch high-voltage magneto ignition system with spark plug.



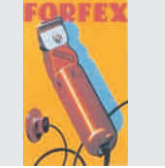
1913
Headlights, reserve-current cutout, generator.



1914
Production of Starter begins.



1927
The first series-produced diesel injection pump.



1928
The first Bosch power tool, the forfex hair trimmer.



1932
Ideal Werke launches 1st Car Radio; Bosch gains majority stake of company by 1933 and renames it to Blaupunkt Werke in 1938.



1933
Bosch presented its first refrigerator at the Leipzig spring fair- its first step into the household appliance market.



1960
The first fully automatic Bosch washing machine, launched two years after Bosch showcased its first-ever washing machine in 1958.



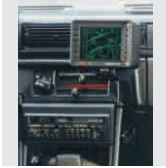
1967
The Volkswagen 1600 E featuring the first Bosch electronic gasoline injection system, the D-Jetronic.



1976
World's first swivel arm robot developed by Bosch.



1978
Production of the electronically controlled ABS antilock braking system.



1989
The Bosch Travel Pilot IDS, Europe's first automatic vehicle navigation system.



1995
World premiere of the ESP® electronic stability program. Depicted is a test drive during the development phase.



1997
Launch of the world's first mass-produced common-rail diesel-injection system.



2002
Filling and sealing machine for liquid pharmaceutical products with vertical machine plate.



2003
Launch of the Ixo cordless - lithium-ion battery power tool.



2005
Bosch night vision system. By means of an infrared image.



2007
Initiation of production of Start Stop system.



2010
Bosch starts production of predictive emergency braking system, which alerts of emergencies & automatically applies brakes if needed.

Important milestones of Bosch Group in India



1922
Bosch steps into India with establishment of Calcutta Office.



1951
Establishment of Motor Industries Co. Ltd. (MICO).



1953
Initiation of manufacturing at Bangalore Plant.



1954
Manufacture of spark plugs, single-cylinder diesel fuel injection pumps & nozzle-holders.



1956
Manufacture of multi-cylinder diesel fuel injection pumps.



1972
Expansion of manufacturing with second Plant at Nashik, for nozzle and nozzle holders.



1981
Manufacture of special purpose machine and tools.



1989
Manufacture of hydraulic products and auto electricals.



1990
Further expansion of manufacturing with third Plant at Naganathapura (Near Bangalore) for auto electricals, starter motors and alternators.



1993
Manufacture of Bosch electric power tools.



1994
Manufacture of packaging machines for food industry."



1996
"Launch of Blaupunkt car audio systems (Blaupunkt Brand is now no more with Bosch; it was sold in March 2009)."



1998
Establishment of Robert Bosch Engineering and Business Solutions Ltd. to cater to the IT-Engineering and Business Service needs of the Bosch World."



1999
The fourth manufacturing Plant at Jaipur was established to manufacture distribution pump to meet domestic and export demands.



2001
With the acquisition of Rexroth, Bosch established itself as a leading player in drive, control and motion technology.



2003
Launch of Security Technology Products in India.



2005
With establishment of Bosch Chassis Systems India, Bosch takes a leading position in automotive brake system in India.



2006
Manufacture of Common Rail System.



2008
Manufacture of Gasoline Systems and Electric Drives.



2009
Manufacture of Electronic Control Unit and Anti Lock Brake Systems.



2010
Launch of A4000 Pump meeting BS3 norms of Commercial Vehicles in India.

Text in blue pertains to milestones of Bosch Limited.

Contents



Cover Page

The Cover Image depicts Robert Bosch at his desk in 1906. Invention is at the heart of business in the Bosch Group. We believe that technology can be a game changer and can create a revolution. The seed of this thought was planted at the time when Robert Bosch started his workshop in 1886 and his first production facility in 1901. It is this vision that has guided the Group all through its 125-year journey. A perfect example is the invention of the magneto ignition, which transformed the automotive ignition system altogether. It was a small invention with a huge impact. This vision has taken us across countries, helped break new grounds and enabled us to create new markets. Our distinctive corporate culture encourages freedom of thought and originality. Even today, invention drives excellence across all divisions of Bosch Limited. We strive to bridge the gap between what exists and what the market needs, through the development and launch of new products. Our innovations are driven by the passion to make a difference to everyone's lives in small and big ways, and improve overall quality of life. It is this thinking that will continue to drive us into the future as well.

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About Bosch Group

Bosch Headquarters
in Stuttgart, Germany.



The Bosch Group is a leading global supplier of technology and services. According to preliminary figures, some 283,500 associates generated sales of 47.3 billion Euros in the areas of automotive and industrial technology, consumer goods, and building technology in fiscal 2010. The Bosch Group comprises Robert Bosch GmbH and its more than 300 subsidiaries and regional companies in over 60 countries. If its sales and service partners are included, then Bosch is represented in roughly 150 countries. This worldwide development, manufacturing, and sales network is the foundation for further growth. Bosch spent some four billion Euros for research and development in 2010, and applied for over 3,800 patents worldwide. With all its products and services, Bosch enhances the quality of life by providing solutions which are both innovative and beneficial.

Bosch is celebrating its 125th anniversary in 2011. The company was set up in Stuttgart in 1886 by

Robert Bosch (1861-1942) as a “Workshop for Precision Mechanics and Electrical Engineering.” The special ownership structure of Robert Bosch GmbH guarantees the entrepreneurial freedom of the Bosch Group, making it possible for the company to plan over the long term and to undertake significant up-front investments in the safeguarding of its future. Ninety-two percent of the share capital of Robert Bosch GmbH is held by Robert Bosch Stiftung GmbH, a charitable foundation. The majority of voting rights are held by Robert Bosch Industrietreuhand KG, an industrial trust. The entrepreneurial ownership functions are carried out by the trust. The remaining shares are held by the Bosch family and by Robert Bosch GmbH.

The Bosch slogan 'Invented for Life' is part of its long tradition, through which it communicates the Group's core competencies and vision, that include technological leadership, modernity, dynamics, quality and customer orientation.

About Bosch Limited



Bosch Limited
Corporate Office in
Bangalore, India.

Bosch has been present in India for more than 80 years - first through a representative office in Calcutta since 1922, and then from 1951 through its subsidiary Bosch Limited (then Motor Industries Company Limited).

Robert Bosch GmbH holds 71.18% stake in Bosch Limited. The Company is headquartered in Bangalore. Its manufacturing facilities are located at Bangalore, Nashik, Naganathapura, Jaipur and Goa. These Plants are TS 16949 and ISO 14001 certified. Bosch Limited has its presence across automotive technology, industrial technology and consumer goods and building technology, with a strength of over 11,776 associates. It manufactures and trades products as diverse as diesel and gasoline fuel injection systems, automotive aftermarket products, auto electricals, special purpose machines, packaging machines, electric power tools and security systems. The Company touched a turnover of Rs.6630 crores in the year 2010.

The Company has developed excellent R&D and manufacturing capabilities and a strong customer base. Its market leadership is testimony to the high quality and technology of its products. It also has a strong presence in the Indian automotive services sector. Service network of Bosch in India spans across 1,000 towns and cities with 5000 sales outlets and over 4,000 authorized representatives who ensure widespread availability of both products and services.

Bosch is also represented by five other group

companies in India. Robert Bosch Engineering and Business Solutions Ltd., a 100% subsidiary of Robert Bosch GmbH, has been present in India since 1998. Today, it has emerged to become one of the largest Bosch development centers outside Germany. It provides end-to-end engineering and technology solutions for all the business sectors of automotive technology, industrial technology, consumer goods and building technology. Bosch Rexroth India Ltd., that was established in 2001 (by acquiring majority stake in Rexroth established in 1974), is an expert in drive, control and motion technologies. It provides a complete range of products, systems and services for the Industrial Drive & Control segment. It serves customers through its manufacturing facilities and service centers in Ahmedabad and Bangalore. Bosch Chassis Systems India Ltd., established in 2005, (by acquiring majority stake in Kalyani Brakes Ltd, established in 1982) is amongst the leading manufacturers of Hydraulic Brake Systems and Anti Lock Braking Systems meeting the stringent quality norms of many leading Indian and international vehicle manufacturers. Bosch Automotive Electronics India Private Ltd., is a 100% subsidiary of Bosch Group and is engaged in the manufacture and sale of electronic devices and electronic control units. The Company is based at Naganathapura in Bangalore. Bosch Electrical Drives India Private Ltd., is a joint venture company. It is based near Chennai and manufactures and sells electrical drives for various automotive applications such as window lift drive, wiper system, engine cooling fans etc.

Board of Directors, Committees, etc.



Dr. A. Hieronimus
Chairman



B. Steinruecke
Director



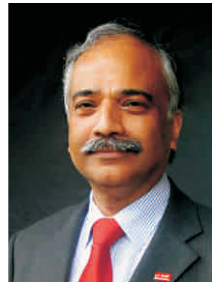
Dr. B. Bohr
Director



B. Muthuraman
Director



Renu S. Karnad
Director



Prasad Chandran
Director



V.K. Viswanathan
Managing Director



Dr. Manfred Duernholz
Joint Managing Director

Company Secretary

A. Vijay Shankar

Auditors

Price waterhouse & Co.

Bankers

State Bank of India

Canara Bank

Citibank, N.A.

Deutsche bank AG

Registered Office

Hosur Road

Adugodi

Bangalore - 560 030

Stock Exchanges

(Where the shares of the Company are listed)

Bombay Stock Exchange Limited

Phiroze Jeejeebhoy Towers

Dalal Street

Mumbai - 400 001

National Stock Exchange of India Limited

Exchange Plaza, Bandra-Kurla Complex

Bandra (E)

Mumbai - 400 051

Registrar & Transfer Agent

Integrated Enterprises (India) Limited

No. 30, Ramana Residency

4th Cross, Sampige Road

Malleswaram

Bangalore - 560 003

Audit Committee

Renu S. Karnad, *Chairperson*

Dr. A. Hieronimus

B. Steinruecke

B. Muthuraman

Prasad Chandran

Shareholders'/Investors' Grievance Committee

B. Steinruecke, *Chairperson*

Renu S. Karnad

Dr. A. Hieronimus

V. K. Viswanathan

Prasad Chandran

Remuneration Committee

Dr. A. Hieronimus

B. Muthuraman

B. Steinruecke

Prasad Chandran

Investment Committee

B. Muthuraman

Renu S. Karnad

Dr. Manfred Duernholz

V. K. Viswanathan

Property Committee

Dr. A. Hieronimus

Renu S. Karnad

V. K. Viswanathan

Dr. Manfred Duernholz

Share Transfer Committee

B. Muthuraman

B. Steinruecke

V. K. Viswanathan

Prasad Chandran

The Bosch Journey: 125 Years of Innovation

The year 2011 marks the 125th year of Bosch and the 150th birth anniversary of its visionary founder, Robert Bosch.

The story of Bosch is the story of how the vision and entrepreneurship of one man changed the way the world functions. It all began in the town of Stuttgart on November 15, 1886. Robert Bosch, along with two of his associates, started a workshop and called it the "Workshop for Precision Mechanics and Electrical Engineering." Their work involved constructing and installing all kinds of electrical equipments, including telephone systems and remote electrical water-level indicator.

No one would have imagined that a business of that level would turn into a huge global conglomerate a century later. What changed that was an innovation pertaining to the magneto ignition device. A device created for a stationary internal combustion engine at the request of a customer was later used in a three-wheeled vehicle in autumn of 1897. Even Robert Bosch didn't realise the true potential of this innovation till it was unveiled at the "First Motor Vehicle Exhibition" in Berlin in 1898 and his first customer order was secured.

Based on this construction, the company designed the high voltage magneto ignition system with spark plug. This innovation became the standard automotive ignition system within a decade. Having opened his first factory in 1901, the Bosch Group had rolled out the 50,000th device within the first one year. In the next 10 years, it managed to hit the one-million-unit mark.

Robert Bosch was not one to sit back and relax. He knew it was just the beginning of many more such innovations. And also, it was time to take the innovations beyond the shores of Germany.

Going Global

Global focus has been at the center of the Group's thinking since its inception. Robert Bosch understood that internationalisation presented a big opportunity for growth. Even as early as 1898, he opened his first sales office outside Germany in United Kingdom, in partnership with the British businessman Frederick R. Simms. He used his earlier marketing experience in UK and United States to sell these products in the region.

A year later, he expanded his business to France and Belgium. By 1903-1904, he had opened additional offices in Italy, Austria, Hungary, Netherlands, Russia, Switzerland and Scandinavia. The Stuttgart Plant could no longer handle the increasing demand for the ignition device. The Group opened its first manufacturing Plant outside Germany in 1905 in Paris, and used that as a base to serve customers in France, Belgium and the United Kingdom.

Going beyond Europe, the Group opened its sales offices in countries like United States, South Africa, Australia, New Zealand, China and Japan (1910s).

The rise of the automobile industry in the United States opened new avenues of growth for the Group. By 1912, 88 per cent of the Group's sales came from outside Germany.

Robert Bosch's journey to success was an arduous one. The outbreak of the First World War brought the Bosch Group's international business, especially in the US, UK and France to a near standstill. Even his company, Bosch Magneto Company, was expropriated in the US in 1918.



◀ First workshop 1886: Robert Bosch opened his "Workshop for Precision Mechanics and Electrical Engineering" at Stuttgart. (Photograph of a pen and ink drawing.)

1887: Robert Bosch built his first low-voltage magneto ignition device for a mechanical engineer. ▶



Prior to WW-I, he used this opportunity to venture into other parts of the globe and signed new contracts with agents in Argentina in 1908, Chile in 1913.

Over a period of time he also established presence in Cuba, Egypt, Syria, Thailand and Indonesia.

The strategy to spread the business across geographies paid off during the Second World War and the Great Depression period as the Bosch Group was able to stabilise and maintain its performance and leadership positions.

Even as the expansion plans were being implemented, inventions at the Bosch Group were on an upward trajectory. Over the years, inventions like the lubricating pump (oiler), headlights, starter, battery, auxiliary starting system, battery ignition, windshield wipers, diesel injection pumps, shock absorbers and car radio had found their way into the Bosch Group's portfolio.

The next two decades saw the Bosch Group move beyond the automotive sector and diversify into industrial technology and consumer needs. During this period, the US became its main market. In the 1930s, an agreement was reached with the erstwhile owners of Bosch Magneto Company and American Bosch Corporation came into being. In 1953, a new sales company was established in New York City and during the same period, a manufacturing Plant was built in the Indian city of Bangalore. The Group had embarked on a policy to manufacture locally and avoid trade barriers and long supply routes in the process. The Bangalore Plant was an effort started with this purpose. On similar lines, a Plant was opened in Campinas, Brazil, which went on to become one of the Group's most important regional subsidiaries.

Since the European and US markets had matured, the time was apt to venture into other growing markets and strengthen its roots.

Meanwhile, 1970s was also the time when the Bosch Group's interest in Southeast Asia grew steadily. The setting up of a manufacturing Plant in Penang, Malaysia, laid foundation for the Bosch Group's activities in that region. By mid-80s, the Group has established offices and manufacturing sites in Hong Kong, South Korea, Taiwan, Bangkok and, more importantly, in China in 1989.

Growing globalisation and fall of the Iron Curtain gave further impetus to the Bosch Group's growth plans from 1990s. Opening up of economies in Europe and Asia increased the scope to expand business. As early as 1994, the Bosch Group had gained a foothold in 13 countries of the former Eastern Bloc.

The period of 1990s is also the time when the Chinese government realised the importance of foreign suppliers for its automotive industry. The Bosch Group, which was so far represented in China by companies working under license, was awarded a contract to equip vehicles produced in China with electronic gasoline injection systems. What began as a process of assembling, soon ventured into production and, in 1999, the Group founded a holding company for China in 1999.

It is during the same period that the Bosch Group acquired a majority holding in Japan's Zexel Corporation, its biggest affiliated company in that country. By 2005, it had merged the Zexel Corporation with the other Group companies in Japan to form Bosch Corporation, headquartered in Tokyo.



◀ De Dion Bouton three-wheeler with Bosch magneto ignition device 1897: In 1897, Bosch tested his magneto ignition device for the first time in a motor vehicle.

Cie des Magnétos Simms-Bosch, London 1905: The first international sales office, the Cie des Magnétos Simms-Bosch Ltd. in London, was of key importance in the company's early history. ▶



By the end of 20th century, the Bosch Group had established itself as a strong global player. The proportion of sales outside Germany grew rapidly; from 51 percent in 1990, it touched 76 percent in 2009.

Constant innovation and perseverance served as the Bosch Group's assets during its 125-year long journey across 60 countries.

The India Connection

The Bosch Group set its foot in India first in 1922, when it opened its first office in the city of Calcutta (now Kolkata), which was at that time under the British rule.

Breaking into a market that is as diverse as the country itself was never going to be easy, but the ability to turn challenges into opportunities has always been in the Bosch Group's DNA.

The biggest challenge for the Bosch Group in India was perhaps the struggle to find its foothold in a country that was grappling with issues after independence. Using global exposure and modern technology to its advantage, the Company created products that suited specific Indian market needs. Strong local competencies, the ability to create right products for the market and deliver quality at the right cost gave the organisation a competitive edge.

Visualising a great technological partnership between India and Bosch in Germany in 1951, a company named 'Motor Industries Company Limited' was established with a sum of Rs.2.8 million.

The Company began its operations by importing and marketing Bosch automotive products. Later on the manufacture of Spark Plugs for Gasoline Fuel engines and Fuel Injection Equipment for diesel engines was taken up.

Cashing in on consumer awareness of the brand, it then continued expanding its presence in the original equipment sector. It took a major step forward by initiating the production of Multi-Cylinder Fuel Injection Pumps.

Import restrictions placed by the Government, the mounting cost of imports and the difficulties involved in local procurement, led Bosch in India to embark on a policy of self-sufficiency. It followed the Bosch Group's policy of financing growth and development largely from internal accruals. Interestingly, the austerity measures did not prevent the Company from introducing employee-friendly policies.

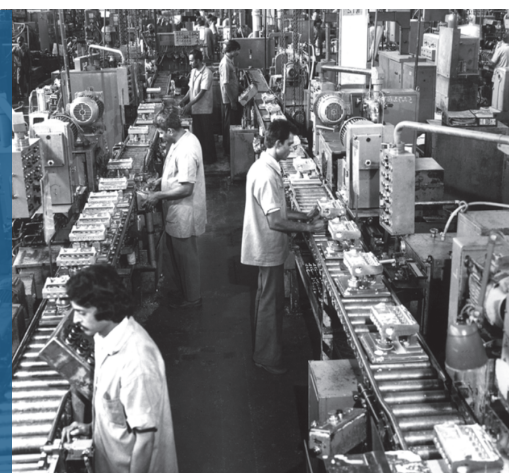
In the financial year ending March, 1959, its turnover doubled to reach Rs.22 million, thus enabling the Company to declare a dividend of 12 percent. To contribute towards easing the country's tight foreign exchange situation, the Company made a far-sighted move. With the experience that it had gained in the domestic market, it started exporting products to countries in Asia and Africa in 1962. By 1965, a regular flow of exports was taking place, aided of course, by the worldwide Group sales and service network.

In 1969, the second production centre, the Nashik Plant came into existence and production of injectors began. By 1970, four major expansion schemes had been completed, largely financed by prudently built-up reserves and some loans. The turnover had increased manifold to Rs.160 million and the number of employees to 6,500. The Company's shares were listed on the Mumbai Stock Exchange.



◀ 1922: First Bosch Sales Office in India was established in Calcutta.

▶ 1953: Start of Manufacturing at Bangalore Plant (An important Milestone for Bosch in India.)



In the year of its Silver Jubilee celebrations, Bosch in India became a supplier of fuel injection equipment as original equipment to engine manufacturers in Europe and the United States. The Soviet Union became a major importer of spark plugs. Exports touched Rs.147 million in 1978, exceeding the stipulation made by the government while approving the expansion plans. This consolidated the Company's position as a net foreign exchange earner.

The journey of Bosch in India mirrors the growth of India after independence. It stood as an able partner when India was taking its first few steps into industrialisation.

In 1994, the Company ventured into creating power tools and packaging machines. In 1996, the Rs.10 billion mark in annual turnover with reserves exceeding Rs.1,500 million was crossed. Market capitalisation exceeded Rs.30,480 million, with foreign institutional investors showing increasing interest in acquiring the Company's shares. This was yet another index of the globalisation of the Indian economy and the role played by Bosch in India in the process.

The Company opened its fourth manufacturing location in Jaipur in 1999. In the year 2003, it produced a total of 25 million single-cylinder diesel injection pumps for stationary engines and a further ten million for passenger cars and commercial vehicles. Today, the parent company Robert Bosch GmbH controls 71% of the shares in the Company, its Indian subsidiary, which was renamed as 'Bosch Limited' in 2008.

Today the Company's divisions namely Diesel Systems, Gasoline Systems, Packaging Machinery, Starter and Generators, Security Technology, Automotive After market and Power Tools have contributed towards a consolidated revenue of Rs.66,300 million in 2010 and a diverse product offering in India.

The Nano Moment

For the Company, a very significant moment of glory was being part of the Nano story. As a system supplier to the car, the launch of Tata's much-talked about small car gave to the Company an opportunity to go into the automobile history book.

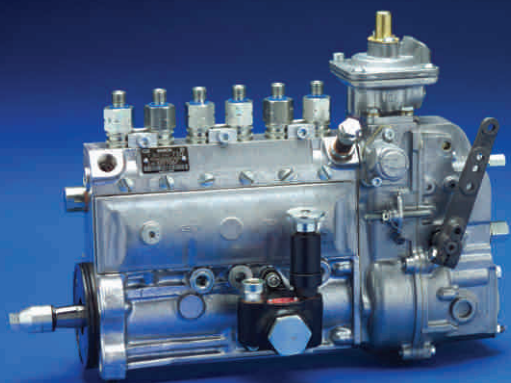
The launch of Tata Nano was a defining moment in the history of automobiles, not just for India but for the entire world. A technological marvel, it had the world look at India with awe. Nano was not about delivering a quality four-wheeled vehicle to the Indian population at a low cost, but about the confidence that such an invention was indeed possible. And for the Company, it was an opportunity to partner in such an important venture and prove its capabilities.

The Pursuit for Innovation

The Company continues to strive for catering to needs of the industry. The development and launch of new products that bridge the gap between the present and market requirements is an aspect that it specializes in. The launch and production of the A4000 pump is one such product. On account of meeting BS3 norms it is perceived as an important usherer of change in the commercial vehicle segment.

Present Perfect

There is a bit of Bosch in everyone's life. Since its inception, the Bosch Group's name synonymous is with innovation, leadership and righteousness. This spectacular 125-year journey is testament to the fact that Bosch



◀ 2010: Keeping in line with its practice of developing and producing state of the art technology for the market, Bosch Limited began production of the A4000 pump in 2010; the A4000 is strictly in accordance with BS3 emission norms and has contributed significantly in changing the landscape of the Commercial Vehicle Space.

values and the Bosch way of life have stood the test of time and have ensured that the Bosch Group has delivered despite some extremely bad times. The anniversary is an opportunity for the Bosch Group and everyone associated with it to celebrate this momentous journey.

This is the time to take the Bosch Brand to the next level. The celebrations will renew The Bosch Group's commitment towards delivering excellence and becoming an active partner in the development of the community in which it functions. It is an endeavour to re-entrench the trust created over these years.

More importantly, the celebrations are a way of thanking each and every person who has contributed to its success and enriched this 125-year long journey. The occasion calls for Boschlers to delve into the past, ponder over the present and plan for the future. It is a moment to appreciate all that makes the Bosch Group what it is today.

Through the various programs and events, the Company aims to inform its customers, including employees, media, Government, suppliers, research institutes, analysts, NGOs and the general public, about its history, strategy, constitution and operational methods, and establish a strong connect with all stakeholders and position the Company as a reliable, long-term partner.

The 125-year celebrations are an effort to enhance the image and broaden people's knowledge on the Group's modern corporate and management culture. It also aims to bring to focus, the Group's international presence, long-term corporate strategy that focuses on areas with a promising future and philosophy that is value-based, all while accepting social and ecological responsibility.

"The Group's 125-year long journey is purely driven by a passion to offer value to mankind and improve the quality of lives through innovation and technology. This is an occasion for us to reiterate, assimilate and appreciate the values that have made the Bosch Group a successful organisation and a great contributor to society over many decades. I would like to congratulate everyone involved with the Group for this unique fete. Reaching this juncture would have been impossible without dedication of our associates. Instead of resting on our past laurels, we will continue to work hand in hand with our customers to offer pragmatic solutions, mainly in the areas of personal mobility, safety and comfort and energy conservation, and thereby create value for all the stakeholders," says Mr. V.K. Viswanathan, Managing Director, Bosch Ltd.

The Big Moment

The unveiling of the insignia on December 31, 2010, at the Company's India headquarters in Bangalore marked the beginning of 125th anniversary celebrations. Held in the presence of employees and media persons, events were organised simultaneously at all Company locations across India.

The insignia, created especially for the occasion, symbolises the capabilities and beliefs of the Bosch Group. The insignia's three vertical lines representing the three business segments of the Group signify its preparedness for the future. The central graphic element stands for upward movement. While the colour blue represents the technological expertise of the Group, green stands for the environment.

The year-long celebrations will include series of events across the globe that will reach out to its stakeholders.



◀ "At this juncture of 125 years it is the values of Bosch that we intend to make a way of life. The unveiling of the 125 years insignia marks the beginning this very important year."

- Mr. V K Viswanathan,
Managing Director, Bosch Limited

▶ "It has always been our endeavour to make meaningful contribution to society. The basic objective of our undertakings have been to make the fruits of technology more affordable by the masses"

- Dr. Manfred Duernholz,
Joint Managing Director, Powertrain,
Bosch Limited



During the anniversary period, stakeholders will get an opportunity to experience the Bosch culture through the various activities that will be organised in various countries. The focus of these events will be on beliefs, business, technology and innovations that continue to drive the Group to scale greater heights.

During the period, special efforts will also be taken to reach out to the community as part of the Group's social responsibility. The aim is to promote education. By setting up Bosch professorships at various technical universities worldwide, it aims to bridge the knowledge gap that exists between the academic and the corporate world. On another level, partnerships will be forged with schools and youth clubs across the world to enhance technical knowledge through tool kits, projects and special activities. In India, especially, the Company will work towards school adaptation, improvement of school infrastructure and distribution of free text books and stationery at schools across the nation. It is an opportunity to show its commitment towards society, environment and development of technologies for the future.

In all, the events marking the 125 years of Bosch are an opportunity for the Bosch Group and all its stakeholders to celebrate a shared journey and rededicate themselves to each other.

Values for Life

For Robert Bosch, a keen sense of economic efficiency and a far-reaching awareness of responsibility were fundamental for successful business. His willingness to explore new avenues, newer geographies and push the boundaries of thinking helped the Company achieve the growth trajectory.

Robert Bosch firmly believed that only in the betterment of all its stake holders could his Group truly see sustained and long term growth. This belief and value till date continues to be strongly entrenched in the Bosch DNA world over.

Times have changed, but the values haven't.

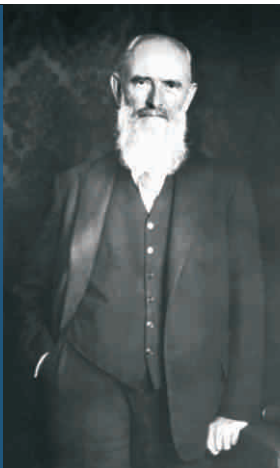
Very evidently this strong value system has ensured consistent and long term success. It is the penchant for innovation that has driven the Bosch Group to excellence so far and will continue to guide the business in the future as well.

Not only does the Bosch Group see itself as frontrunner in innovative thinking but also as an active partner in helping those working with the Group achieve the same.

Going forward too, the Group will continue to draw strength from its unique sense of belonging to the entire organisation worldwide and a distinctive corporate culture that encourages freedom of thought.

Success is never achieved in isolation. We understand it is possible only when all stakeholders are aligned to the same objective. This is why the Company is working in collaboration with all relevant stakeholders to ensure that the communication flow is constant.

"In these glorious times when we are celebrating 125 years of Bosch and 150th birth anniversary of Robert Bosch, the founder of this institution, I wish all the very best to our business partners, customers, suppliers, service providers, and above all, to our employees who have been a part of this eventful and exciting journey. With our



◀ 2011: Since inception Bosch Limited continues to be governed by tenets and principles of its visionary founder Robert Bosch. One of the most famous quotes from Robert Bosch is, "In the long term, an honest and fair approach to doing business will always be the most profitable. And the business world holds such an approach in much higher esteem than is generally imagined". This sums up the entrepreneur's particularly strong focus on business ethics.

competencies and preparedness, I have no doubt that the Company will be a great powerhouse of innovation," said Mr. V.K. Vishwanathan, Managing Director, Bosch Ltd.

The Way Forward

Since inception, the Bosch Group has continuously strived to do business and achieve excellence by fair means revolving around principles of legality and fairness. The Group's focus on technical excellence and sustainability has been the backbone of development over the past 125 years. It is an advantage that will lead the Group into the future as well.

Some of the areas in which the Bosch Group has identified having substantial growth potential are machine-to-machine communication, interoperation, micro-systems engineering and telehealth. By developing promising new lines of business and linking them closely with its existing activities, the Bosch Group is laying the foundation today to offer cutting-edge applications tomorrow.

Globally 50 percent of the Bosch Group's total research and development budget is devoted to products that help protect the environment and conserve natural resources. This category of products already accounts for one-third of all sales – a share that is set to rise still further.

Globally the Bosch Group is developing solutions for future electric vehicles that will help to make tomorrow's vision of sustainable mobility a reality. Its focus on energy efficiency also extends to other areas of business such as building technology.

The Bosch Group believes that the first, biggest step towards sustainability is to ensure that its own business processes are energy efficient. The Group uses renewable energy at its locations worldwide and employs energy-efficient production technology. By 2020, the Group aims to reduce carbon dioxide emissions from its manufacturing sites worldwide by at least 20 percent compared with 2007 levels.

Green is the colour of future at the Bosch Group. Sustainability is the cue word. Green technology not only offers exciting new growth prospects but also promises to open up new markets for the Group. The Group's commitment to environmental responsibility is thus a strong factor in its business success.

Let's join hands and continue to make the world a better place to live.



◀ The Insignia's 3 vertical lines comprising of 8 square blocks each represent the three business segments of Bosch namely, Automotive Technology, Industrial Technology and Consumer Goods & Building Technology. The insignia symbolizes the ability of Bosch to meet challenges of the future. Its central graphic element stands for upward movement and embodies positive force. The shape of its individual elements signifies electronics – such as microchips and solar cells. These elements are symbolic of pioneering technologies of Bosch. The colour blue stands for technology while green stands for the environment. The blue to green colour gradation effect is indicative of technology that is environment friendly. The extensive technological expertise of Bosch is represented by the colour blue; while the alignment of the business activities of Bosch to ecological challenges and energy efficiency is indicated by the colour green.

Report of the Directors

The Directors have pleasure in presenting their FIFTY-NINTH Annual Report together with the Audited Statement of Accounts for the year ended 31st December 2010.

Financial Results

The following are the financial results:

	(Rs. Million)	
	2010	2009
Net Sales (excluding recovery of duties and taxes)	66,305.0	47,497.7
Of which Export Sales	8,460.7	5,854.6
Profit before tax	12,027.9	7,934.1
Less: Provision for tax	3,660.0	2,495.5
Add: Deferred tax and tax adjustments relating to earlier years	221.1	467.8
Profit after tax	8,589.0	5,906.4
Appropriations:		
Capital Redemption Reserve		6.3
Dividend:		
Dividend recommended at Rs.40 per share (previous year: Rs.30 per share)	1,255.9	941.9
Tax on Dividend	208.6	160.1
General Reserve	3,750.0	4,500.0
Capital Reserve	0.6	35.4
Dividend and Dividend Tax thereon write back relating to previous year	(3.6)	(14.7)
Balance carried forward	3,377.5	277.4
Total	8,589.0	5,906.4

Net sales for the year 2010 grew by 39.6%. The Profit Before Tax (PBT) in 2010 as a percentage of net sales was at 18.1% as compared to 16.7% in 2009. The Profit After Tax (PAT) as a percentage of net sales was 13.0% in 2010 as against 12.4% in 2009.

Material costs as a percentage to sales increased to 54.3% in 2010 as compared to 53.7% in 2009.

Overall, the Profit Before Interest, Depreciation and Taxes, for the year shows an increase of 38.9% over

the previous year.

Investments

Capital investment during 2010 was higher than previous year, at Rs.3,021 mio. as against Rs. 1,446 mio. in 2009.

Dividend

The Board of Directors recommend a dividend of Rs.40 per equity share for 2010 as against a dividend of Rs.30 per equity share in 2009.

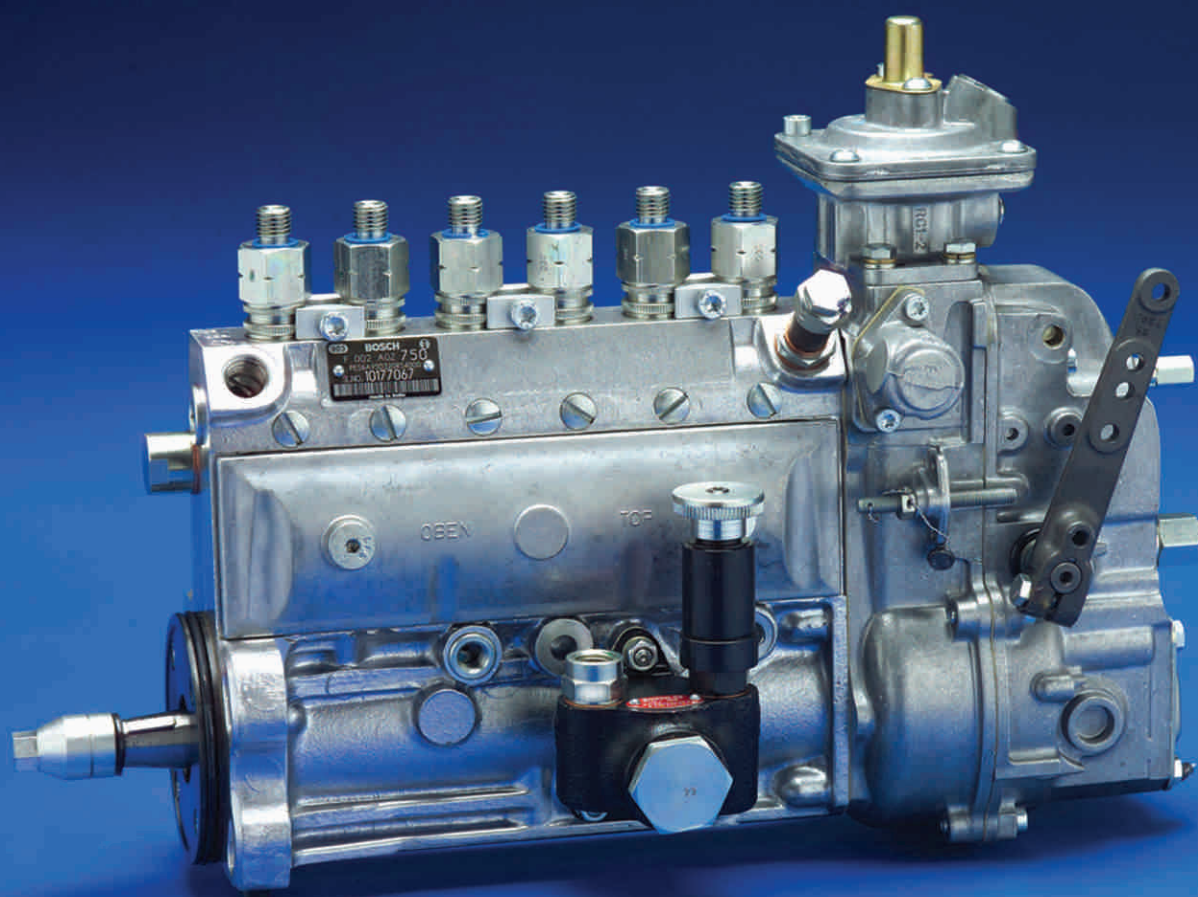
Business Situation

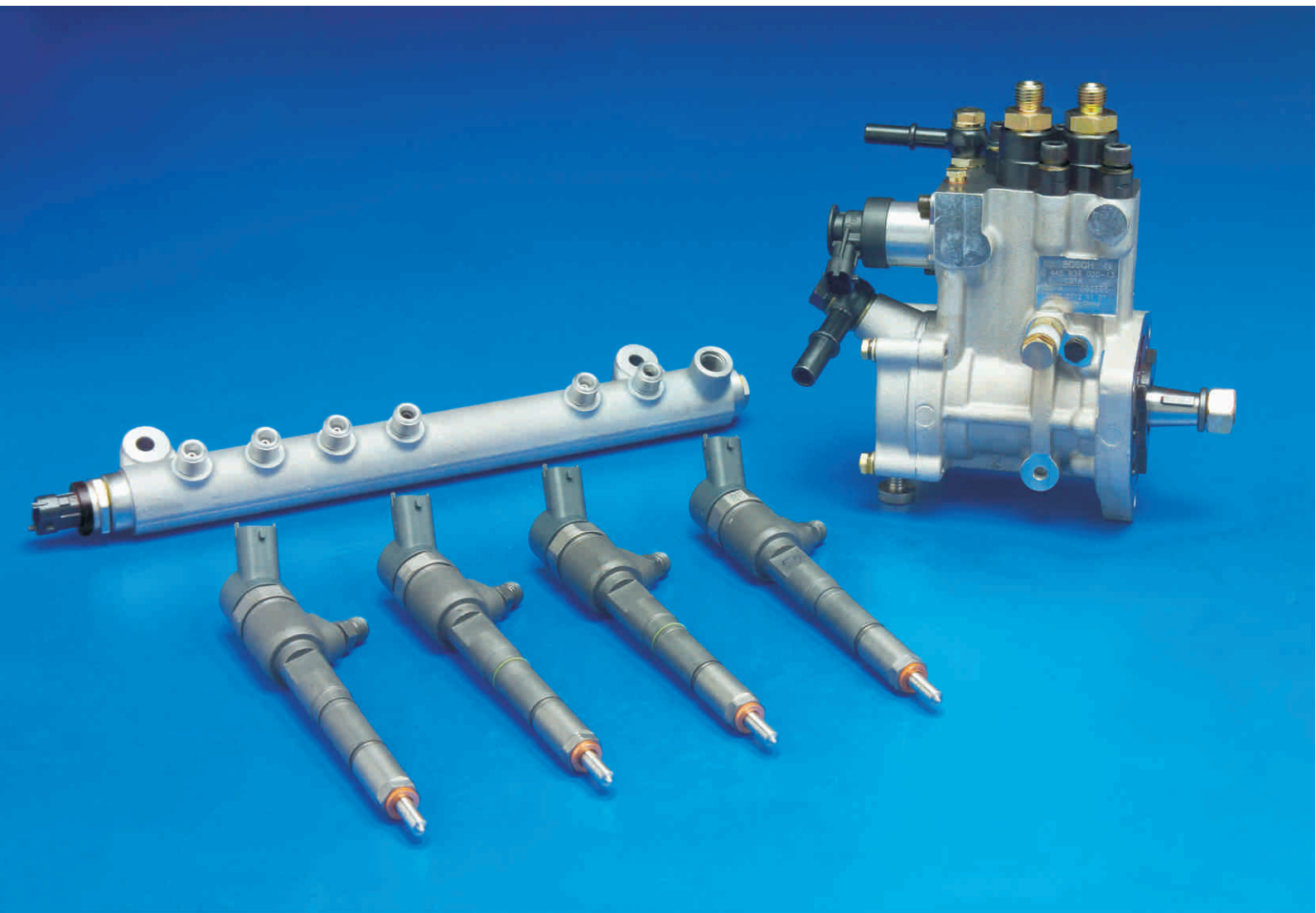
The upswing in the Indian automotive industry which began in the second half of the year 2009 continued in 2010 as well. India's fast growing middle class segment coupled with soaring demand from rural areas created a very buoyant market in 2010, resulting in all business units attaining an all-time high production and sales volumes. New model launches and easy financing options were the other key drivers that helped to achieve a higher growth trajectory in 2010.

All segments, be it commercial vehicles, passenger cars or tractors, posted strong double digit growth levels. Leading the pack, was the Medium and Heavy Commercial Vehicle segment which recorded a growth of 70% over 2009. Light Commercial Vehicle and Passenger Car segments which were the first to recover post the stimulus packages announced by the Government of India in 2009, continued their robust performance in 2010 with 44% and 30% growth respectively. The tractor segment crossed the half a million production mark. This segment registered a growth of 29% over the year 2009.

As a result, our Company performed exceedingly well with sales from the automotive segment growing by 41.5% and Exports recording the best ever performance at Rs.8,461 million with a growth of 44.5% over 2009.

Our non-automotive businesses grew by 26.6% in 2010 compared to 2009. This can be mainly attributed to growth in the Power Tools, Security Technology and Machine Building divisions.





Left : Diesel Systems division developed A4000 pump, a mechanical based system, with enhanced pressure capability to 750 bars. This pump can cater to engines upto 6 cylinders and launched for commercial vehicles in India to meet BS3 emission norms.

Top : CB18 Common Rail pump is an electronically controlled diesel fuel injection pump developed for Light Commercial Vehicles and Medium Commercial Vehicles. This is a low cost Common Rail Pump with a pump pressure of 1400 bar to meet BS3 and BS4 emission norms.

Automotive Technology

Diesel Systems business grew by a significant 51.9% in the year 2010, recording an all time high sales. This phenomenal growth was driven primarily by the robust demand in the Medium / Heavy Commercial Vehicle and Tractor segments.

The Bharat Stage 3 (BS3) and Bharat Stage 4 (BS4) emission norms were also introduced in 2010 and our Company was closely associated with all OEMs for effective, timely and smooth transition.

One of the major highlights of the division was the successful introduction of inline fuel injection pumps for Medium duty Commercial Vehicle applications meeting BS3 emission norms. The year also saw the introduction of 'Value-Line' Common Rail Systems for Medium duty Commercial Vehicle applications. These unique products are a clear testimony to the Company's strong innovative culture and its focus on providing value to the customers.

Gasoline Systems business achieved a growth of



Quick change engine mounting trolley at the engine test field.

60.9% in the year 2010. The key highlights of the division were the development of Engine Management Systems for two wheelers and Low Priced Vehicles. As a firm commitment to providing local development and application support, the division focused on heightened R & D infrastructure build up.

Starter Motors and Generators business witnessed a growth of 12.2% in the year 2010 over 2009. The division was successful in acquiring many new projects. A new product HX87 Starter Motor was launched for Commercial Vehicle applications.

The Automotive Aftermarket division registered an

impressive growth of 24% in the year 2010. This success was achieved primarily on account of expansion of product and customer portfolio, widened distribution network, effective channel management and innovative customer binding programmes.

The division expanded its presence pan India, taking the number of workshops to 1963 outlets in 2010 as compared to 1600 workshops in 2009. Another key highlight was the introduction of 500th Bosch Car Service outlet. With this, Bosch Car Service has become one of the largest distributor and service networks in the automotive market in the country.

The cost effective Indian Common Rail System at work in the 2 cylinder load carrier.





High Speed Vial filling and Closing Pharmaceutical Machine FLC 30X0.

Industrial Technology

Packaging Technology (Verna Plant)

The year 2010 saw many challenges in Packaging Technology business with postponed customer projects and increased competition in general. Despite these market dynamics, the division achieved a growth of 6.2% in the year 2010 over 2009.

Significant improvements in design quality and dedicated engineering efforts have resulted in the reduction of design lead time and cost optimization. The division successfully launched Transwrap 1650

and High speed cup doser machine in Chocolate and Confectionery segment.

The division sold a record 24 Nos. BVK 2000 candy wrappers in the year 2010, as well as bagging the first order for sale of this machine in the African market. It also executed the first commercial order for Pharmaceutical machine for the overseas market.

Industrial Equipment

The Industrial Equipment division posted a positive growth of 6% in the year 2010 after a de-growth in the previous year. This was mainly driven by capital

Vertical Machining Centre 'BeAT-40' for productivity, performance and precision.





Bosch Power Tools division has set up 35 world-class BSS (Bosch System Specialist) show rooms that display and sell Bosch Power Tools and Accessories apart from offering solutions to the customers.

investments within our Company and our external customers.

New product launches such as Bosch Vertical Machining Centre, BeAT 40 and assembly lines for key and core processes in the manufacture of diesel and gasoline fuel injection systems were the major highlights of the division.

Consumer Goods and Building Technology Power tools

The Power Tools business recorded a strong growth of 28.3% in the year 2010 and maintained a robust pace of growth higher than that of construction and infrastructure sectors in India.

The division launched the full range of Lawn and Garden Tools including the Hedge Cutter and Lithium Ion Lawn Mower. To capitalise on the potential in the infrastructure segment, the division also launched the I&I (Industrial & Institutional) concept which caters to the needs of these segments along with the FATS (Fischer-Accessories-Tools-Spares) concept to provide comprehensive construction solutions to the thriving infrastructure sector.

Localization was one of the core focus areas of the division. Production of 2kg Hammer was started in 2010 at the Bosch Power Tools Plant in Bangalore. This is the 3rd Plant in the Bosch Power Tool World to manufacture these kinds of hammers. The division launched the first Fischer Exclusive Store at Hyderabad to provide anchoring solutions.

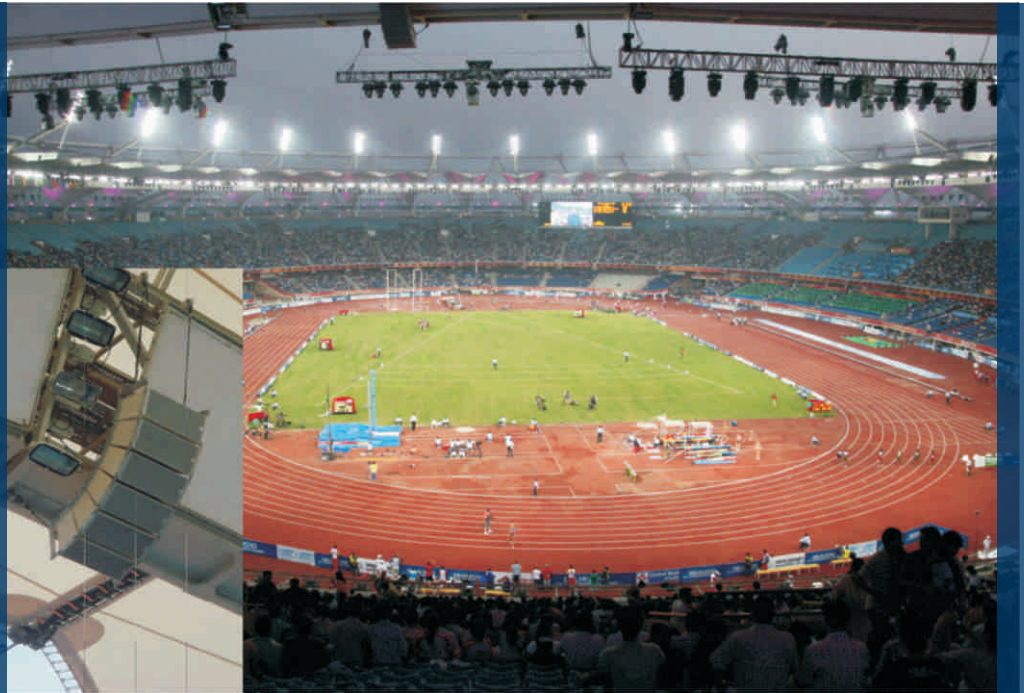
The division also supplied tightening system solutions to the major automotive OEMs in India and specialized power tools and anchoring solutions for a major metro rail projects.

Security Technology

The Security Technology business achieved a 19.8% growth in the year 2010 compared to 2009. The division was successful in implementing the Professional Sound System at the Jawaharlal Nehru Stadium for the Common Wealth Games held in New Delhi. The Company is also successfully implementing the Video Surveillance System for a major Metro Rail project.

Another key highlight of the division was the launch of Bosch Security Training Academy. The state-of-

Electro-Voice Line array speakers - top quality in terms of sound, performance and reliability.



the-art demo and training center was set up at Bangalore. This training academy aims to bring the highest level of manufacturer training to the industry, to improve product knowledge, its application and awareness.

Competition and challenges in our business sectors

Our Company will continue to expand its product portfolio, deploy its resources towards developing innovative technologies and market relevant products with a view to take on the challenges arising from competition both locally and globally.

Focus on increasing productivity, achieving cost competitiveness in all areas, efficient utilization of resources and customer centric initiatives will be accorded paramount importance.

While the year 2010 saw an exhilarating pace in our operations, 2011 will see more dynamic activity across business spheres. With innovative and market relevant products, we shall strive to be successful in converting business potential into profitable growth and secure the leadership position of our Company.

Plants

Bangalore

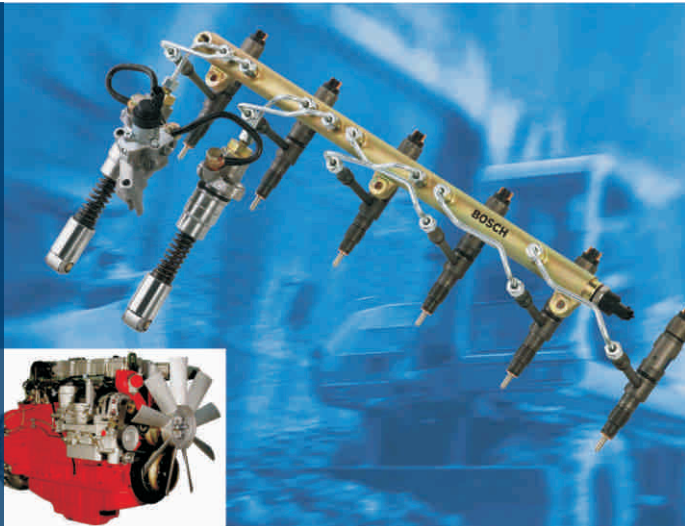
Bangalore Plant attained the highest production levels in all its value streams viz., Inline Pumps, Elements, Delivery Valves and Glow Plugs, in the year 2010.

The Plant added new generation products with the start of production of the Rail which is part of the Common Rail system. A-Pump (Inline Pump) which has been the main line product for the Plant since its inception in 1951, has extended the life of the product further with the launch of A4000 variant which conforms to BS3 norms.

Nashik

Nashik Plant has achieved the highest production levels of Nozzle Holder assembly, DSLA Nozzle and Common Rail Injector.

The Plant was honored with CII-EXIM Bank's 'Commendation for significant achievements in Business Excellence' for the year 2010.



Launch of Single cylinder PF45-20 pump based Common Rail applications for Off-Highway segment to meet Tier 4 emission norms for Export Markets.

Jaipur

Jaipur Plant rolled out its 3 millionth VE Pump in the year 2010 alongside achieving highest production levels since its inception in 1999. With focused effort, the Plant was able to ensure seamless transition from BS2 to BS3 norms by supporting OE customers efficiently with respect to product mix and call-off schedules.

The Plant won the first prize from Rajasthan Government for Energy Conversation in the automotive segment.

Naganathapura

In the year 2010, the Plant has expanded its product portfolio by setting up a new hangar for the

manufacture of Gasoline Systems.

The Plant has obtained BS OHSAS 18001 certification from TUV-Nord for having implemented the new Occupational Safety and Management System keeping in mind the safety of associates.

Information Technology (IT)

The Company's IT systems and processes are periodically audited to ensure adequacy of Information Security and controls for Authorizations.

The Automotive Aftermarket division of the Company migrated its business operations to an SAP system to meet the increasing and varying needs of its business for optimized support of the retail business.



◀ Left to Right-Clock wise: Gear Reduction Starter Motor, RF78 12V 1.8 kW; Compact Direct Drive Starter Motor, DE 78 12V 0.8 kW; Gear Reduction Starter Motor, HX87 24V 4.8kW; New Baseline Generator, B3 14V 110A

▶ "Low cost, Low automation" Flexible Assembly Line for Speed Sensor DG6 at Gasoline Systems





- ◀ Bosch Diagnostics-The key to the automotive workshop of the future.
- ▶ The 500th Bosch Car Service (BCS) centre inaugurated at Kaithal, Haryana. BCS workshops spread across the country are one-stop multi brand car service and testing stations, equipped with sophisticated diagnostic tools and computerized working systems.



Change Initiatives

Continuous Improvement Program (CIP)

In 2010, a more methodical approach of CIP was adopted through involvement of leaders, known as LeaderCIP. It is a structured improvement process that works with the goal of excellence in controlling everyday work, thereby increasing the value contribution. The program attained a multifold growth in support functions in 2010 and provided a platform for leaders and associates to address issues through many CIP workshops, laying the foundation for sustainable development. Along with this, a new approach called VSDiA - Value Stream Design in Indirect Areas, applying Lean (waste elimination) philosophy in indirect processes has immensely helped in identifying and eliminating "Non-value adding activities".

While indirect functions benefitted from LeaderCIP and VSDiA, CIP for direct functions resulted in many problems being solved through the Shop Floor CIP drive. In the year 2010, associate involvement in improvements also increased through Team Oriented Production (TOP) and Voluntary Lernstatt teams. Our associates participated in regional, national & international competitions and won accolades for the Company.

Bosch Production System (BPS)

BPS, a time tested and proven model at Bosch, can be successfully implemented through continuous

improvements. The BPS has 8 guiding principles and supporting implementable tools called 'elements'. The main focus in 2010 was to align the BPS principles and its elements with the business objectives. The measurement of overall effectiveness of BPS implementation was improved from audit orientation to system maturity and business penetration. The two supportive strategies viz., 'BPS leadership trainings' and 'New BPS Assessment model' helped align value stream culture with business Key Performance Indicators (KPIs).

The BPS focus is now being extended to our business partners with an aim to holistically improve the entire "value chain". 'Project Transform' has been launched with our key component suppliers to improve their operational efficiencies through training and implementing lean concepts.

Deployment of Business Excellence (DBE)

Deployment of Business Excellence (DBE) in our Diesel Systems business led to improvements in leadership aspects, strategy management, people engagement, process orientation, resource management and eventually business results. DBE is facilitating the organization to align all its functions towards the Company's vision and mission. This management concept places a strong emphasis on meeting all stakeholders' expectations.

While the Bangalore Plant (Diesel Systems) was



The Company has consistently been receiving accolades and recognition for its contribution to the industry.

Displayed are some of the awards received by Bosch Limited in 2010. (Left to Right - Clock wise) The Hyundai Appreciation Award for successfully catering requirements of Hyundai; The vendor performance award given by Maruti Suzuki; The technological excellence award by Tata Motors; The overall quality excellence award by Eicher.

awarded the CII-EXIM Bank award for business excellence based on the European Foundation for Quality Management (EFQM) model in 2009, the Company's Nashik Plant has been honored with CII-EXIM Bank Commendation for significant achievements in Business Excellence' for the year 2010.

Bosch Vocational Centre

The Company has always emphasized on skills development and has believed in keeping in pace with the latest technological advancements. The focus on overall development of skill sets has resulted into a comprehensive and an intensive training programme under the aegis of the Bosch Vocational Centre (BVC). The training is designed in accordance with the Bosch guidelines to develop the skills and technical knowledge of the employees. With the multicraft approach, the emphasis is on practical hands on training.

BVC crossed a milestone by winning 7 Gold Medals at the 83rd All India Competition for Apprentices. The present medal tally is at 182 gold medals. BVC received the Best Establishment Award for the 40th time. BVC also continuously invests in upgrading facilities and infrastructure to maintain high standards of training.

Awards and Recognition

The Company received several awards and

recognitions for its achievements:

- Mahindra & Mahindra Best Performance Award 2009-10 for product development.
- Overall Excellence Award conferred by Maruti Suzuki India Limited for Vendor Performance.
- Par Excellence Trophy Award from Quality Circle Forum of India for Naganathapura and Jaipur Plants.
- Gold Award from M/s Bajaj Auto for meeting the quality and delivery targets.
- Award from M/s Volvo Eicher for outstanding contribution to Supply Chain Management.
- Excellence in Technology Award from Tata Motors at National Vendor Meet.

Dematerialization of shares

Of the 28.82% shares held by the public, 27.74% shares have been dematerialized as on 31.01.2011.

Members holding shares in physical form are advised to dematerialize their shares to avoid the risks associated with the physical holding of such share certificates.

Bosch India Foundation

Bosch India Foundation, in its continued effort to serve the underprivileged sections of the society, initiated over 15 different projects in the fields of vocational training and health program during the year 2010. The programs were conducted with active

participation of Bosch Associates across four cities viz., Bangalore, Pune, Ahmedabad and Coimbatore. One of the new projects introduced was the training for Fitter, Electrician, CNC mechanics and Mobile set repairers. Around 1200 underprivileged youths have benefitted from the program so far. Also conducted was the Health awareness for women and children in slums through radio communication.

Industrial Relations

Industrial relations at all Plants and other establishments continued to be cordial. Long term productivity linked wages settlement for a four year period (2009 - 2012) was signed at 4 Plants of the Company. The Directors place on record their deep appreciation of the sincere and dedicated teamwork by employees at all levels to meet the quality, cost and delivery expectations of our customers in a growing market.

Subsidiary Companies

As the aggregate assets and income of MICO Trading Pvt. Ltd., as on 31st December 2010 is not material, no consolidated financial statements under Accounting Standard 21 "Consolidated Financial Statements" as notified under section 211(3C) of the Companies Act, 1956, has been prepared.

As required under Section 212 of the Companies Act, 1956, annexed hereto are the Audited Statement of Accounts, the Report of the Board of Directors and Auditors' Report for the year ended 31st December 2010 of MICO Trading Pvt. Ltd.

Directors

Names of companies/firms in which Directors of the Company hold/held office as Director/Partner are given below:

Dr. A. Hieronimus

- MindTree Ltd.
- Bosch Rexroth AG (Member of the Board)
(from 01.01.2011)

Dr. B. Bohr

- Robert Bosch GmbH, Germany.
(Member of the Board)

- ZF Lenksysteme GmbH
(Member of Supervisory Board)

Mr. B. Steinruecke

- Indo German Chamber of Commerce.
(Director General)
- FAG Bearings India Ltd.
- Zodiac Clothing Company Ltd.
- HDFC ERGO General Insurance Company Ltd.
- Apollo Munich Health Insurance
Company Ltd.

Mr. B. Muthuraman

- Tata Steel Ltd. (Vice Chairman)
- Tata International Ltd. (Chairman)
- Tata Incorporated, New York.
- Tata Industries Ltd.
- Tata Steel Global Minerals Holdings Pte. Ltd.
- Tata Steel Europe Ltd.
- Tulip UK Holdings No.2 Ltd.
- Tulip UK Holdings No.3 Ltd.
- National Institute of Technology,
Jamshedpur (Chairman)
- Xavier Labour Relations Institute,
Jamshedpur (Chairman, Board of Governors)
- Indian Institute of Technology, Khargpur
(Chairman, Board of Governors)
- Strategic Energy Technology Systems Pvt Ltd.
- Tata Africa Holdings (SA) (Pty) Ltd.

Mrs. Renu S Karnad

- Housing Development Finance Corporation
Ltd. (Managing Director)
- Credit Information Bureau (India) Ltd.
- GRUH Finance Ltd.
- HDFC Asset Management Co. Ltd.
- HDFC ERGO General Insurance Co. Ltd.
- HDFC Property Ventures Ltd. (Chairperson)
- HDFC Standard Life Insurance Co. Ltd.
- HDFC Venture Capital Ltd.
- Indraprastha Medical Corporation Ltd.
- Sparsh BPO Services Ltd.
- HDFC Sales Pvt. Ltd. (Chairperson)
- Feedback Ventures Pvt Ltd.
- G4S Corporate Services (India) Pvt. Ltd.
- Transunion LLC, Chicago.

- HDFC PLC, Maldives.
- Value and Budget Housing Corporation (India) Pvt. Ltd.
- Credila Financial Services Private Limited. (Chairperson)
- HDFC Bank Ltd. (from 27.01.2011).
- AKZO Nobel India Limited.

Mr. Prasad Chandran

- BASF India Ltd. (Chairman and Managing Director)
- BASF Polyurethanes India Ltd. (Chairman and Managing Director)
- BASF Construction Chemicals (India) Pvt. Ltd. (Chairman)
- BASF Coatings (India) Pvt. Ltd. (Chairman)
- BASF Asia Pacific (India) Pvt. Ltd. (Chairman)
- BASF Catalysts (India) Pvt. Ltd.
- BASF Lanka (Private) Limited, Sri Lanka.
- BASF Pakistan (Private) Ltd.
- BASF Bangladesh Ltd.
- BASF Grameen Ltd.
- Styrolution India Private Ltd. (Chairman)
- Indo German Chamber of Commerce. (Committee Member)
- Federation of Indian Chamber of Commerce. (Executive Committee Member)
- Bombay Chamber of Commerce and Industry. (Managing Committee Member)
- The Energy and Resource Institute (TERI). (Committee Member)

Mr. V. K. Viswanathan

- Robert Bosch Engineering and Business Solutions Ltd. (Chairman)
- Bosch Chassis Systems India Ltd.
- MICO Trading Pvt. Ltd.
- Bosch Rexroth (India) Ltd. (Chairman)
- Bosch Electrical Drives India Pvt. Ltd.
- Bosch Automotive Electronics India Pvt. Ltd. (Chairman)
- BSH Home Appliances Pvt. Ltd.
- Hagglunds Drives (India) Pvt. Ltd.
- Indo German Chamber of Commerce. (Committee Member)

Dr. Manfred Duernholz

- MICO Trading Pvt. Ltd.

Mr. B. Steinruecke, Dr. B. Bohr, and Mr. B. Muthuraman are liable to retire by rotation and offer themselves for re-election.

Mr. B. Steinruecke, 55, studied Law and Economics in Vienna, Bonn, Geneva and Heidelberg. He has a Law degree from the University of Heidelberg and passed the Bar Examination of the High Court of Hamburg. He worked with Coopers and Lybrand, Hamburg before joining Deutsche Bank in 1984 and rose to become General Manager of the Mumbai Branch and Joint Chief Executive Officer of Bank's operations in India. Later, he became the Managing Partner and Speaker of the Board of the ABC Privatkunden-Bank, Berlin. In July 2003, he became the Director General of Indo-German Chamber of Commerce. Mr. Steinruecke is an Independent Director of the Company, Chairman of Shareholders'/Investors' Grievance Committee, member of Audit Committee, Remuneration Committee and the Share Transfer Committee of the Board.

Dr. B. Bohr, 54, holds a Diploma in Production Engineering and a Doctorate in Engineering from the University of Aachen, Germany. He joined Robert Bosch, GmbH, Reutlingen, in Production Engineering in 1983 and held several positions such as Manager (Production Engineering): Manager (Product Planning): Managing Director (Manufacturing), Nippon ABS Ltd., Japan: Executive Vice President (Manufacturing), Semiconductors and Electronic Control Unit Division; Executive Vice President (Development worldwide), ABS and Braking Systems Division. In 1999, he became a Deputy Member of the Board of Management of Robert Bosch GmbH and a Member of the Board of Management of Robert Bosch GmbH in 2001. He has corporate responsibilities for Automotive Group, Automotive Systems Integration and Quality Management,

divisional responsibility for Gasoline, Diesel Systems, Chassis Systems, Brakes and Control and Steering Systems with regional responsibility for India.

Mr. Muthuraman, 66, holds degree in Metallurgical Engineering from Indian Institute of Technology (IIT), Madras and Masters Degree in Business Administration from Xavier Labour Relations Institute (XLRI), Jamshedpur. Mr. Muthuraman joined Tata Steel as a Graduate Trainee in 1966 and worked in the areas of Iron-making and Engineering Development for 10 years. Thereafter he moved to Marketing and Sales Division and rose to the position of Vice President. He was appointed Executive Director (Special Projects) in August 2000 and contributed as change Manager for the major diversification projects of Tata Steel. He was appointed Managing Director of Tata Steel in July 2001. He is currently the Vice Chairman of Tata Steel Ltd. Mr. Muthuraman is an Independent Director of the Company, member of Audit Committee, Remuneration Committee, Investment Committee and the Share Transfer Committee of the Board.

Particulars of Employees

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, forms part of this Report. However, as per provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, this Report and Accounts are being sent to the Shareholders of the Company excluding the Statement of Particulars of Employees under Section 217(2A) of the Companies Act, 1956. Any Shareholder interested in obtaining a copy of the said Statement may write to the Company Secretary at the Registered Office of the Company and the same will be sent by post.

Corporate Governance

A Report on Corporate Governance approved by the Board of Directors of the Company and a Certificate

from the Practicing Company Secretary is set out in the Annexure to the Directors' Report. The Company has fully complied with the Corporate Governance practices specified under the Companies Act, 1956, and the Listing Agreement with the Stock Exchanges.

A Code of Conduct for Directors and Senior Management, Code of Conduct for Prevention of Insider Trading, Whistle Blower Policy, Rules & Regulations of Service Conduct for Managerial & Superintending Staff, Code of Business Conduct etc., effectively support the Corporate Governance processes.

A Management Discussion and Analysis Report also accompany this report.

Energy, Technology, Foreign Exchange, etc.

The report in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under Section 217(1)(e) read with The Company's (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is set out in the Annexure to the Directors' Report.

Auditors

M/s. Price Waterhouse & Co., Chartered Accountants, the retiring auditors are eligible for re-appointment.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Board of Directors report that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- Accounting policies have been selected and applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.

- 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.
- The annual accounts have been prepared on a going concern basis.

Acknowledgements

The Directors express their gratitude to the Central

Government and the State Governments of Karnataka, Maharashtra, Rajasthan and Goa for the support given to the Company. The Directors also thank all customers, dealers, suppliers, financial institutions and banks, members and others connected with the business of the Company for their co-operation.

For and on behalf of the Board of Directors

Bangalore
28th February 2011

Albert Hieronimus
Chairman

Financials at a glance

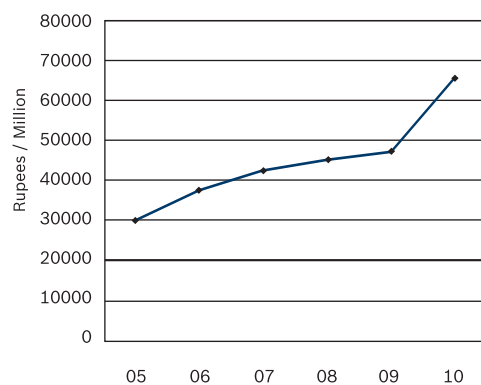
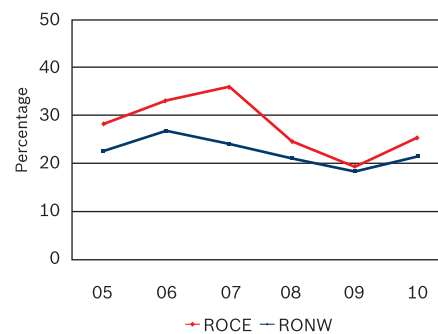
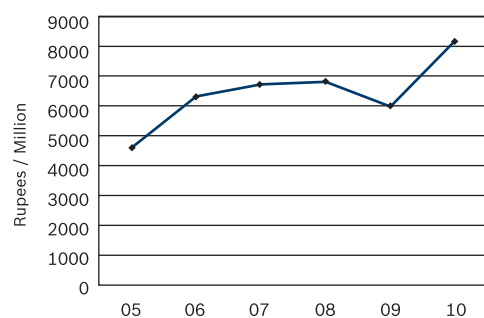
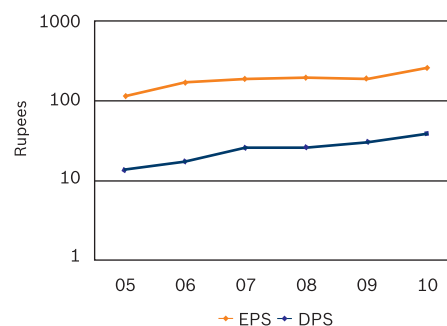
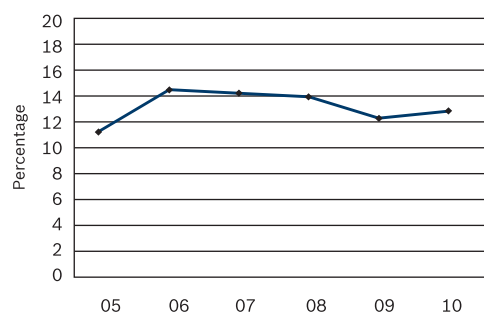
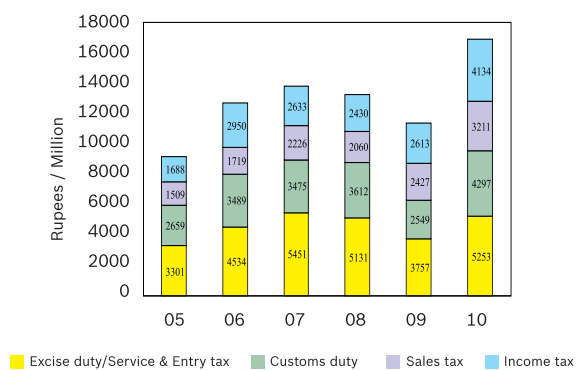
(Rs. Million)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Sales	66305	47498	45416	42796	37837	29775	23277	18979	15507	14513
<i>Of which export sales</i>	8461	5855	6845	6730	6270	4231	3997	3256	2490	1928
Profit before tax	12028	7934	8566	8560	7983	5290	5635	3836	2005	1290
Less: Provision for tax on income	3439	2028	2227	2468	2503	1859	1887	1486	664	473
Profit after tax	8589	5906	6339	6092	5480	3431	3748	2350	1341	817
Profit before appropriation	8589	5906	6339	6092	5480	3431	3748	2350	1341	817
Appropriations										
Capital redemption reserve	-	6	-	-	-	-	-	-	20	20
Capital reserve	0.6	35	-	-	-	-	-	-	-	3
Interim Dividend (%)	-	-	-	-	385 (120)	-	-	-	10 (3)	-
Dividend (%)	1256 (400)	942 (300)	801 (250)	801 (250)	128 (40)	385 (120)	321 (100)	208 (65)	128 (40)	99 (31)
Tax on dividend	209	160	136	136	76	57	42	27	-	10
Tax on dividend written back	(3.6)	-	-	-	-	-	-	-	(10)	-
Tax on dividend for 2002	-	-	-	-	-	-	-	16	-	-
Dividend & tax on dividend written back relating to 2008	-	(15)	-	-	-	-	-	-	-	-
General Reserve	3750	4500	5000	4800	4500	2500	2700	1700	900	685
Balance carried forward	3377	278	402	355	391	489	685	399	293	-
Total	8589	5906	6339	6092	5480	3431	3748	2350	1341	817
Paid-up Capital	314	314	320	321	321	321	321	321	321	341
Reserves	40666	33538	30634	25313	20099	15208	12218	8833	6734	6001
Net Worth	40980	33852	30955	25634	20420	15528	12539	9154	7055	6342
Gross Block	30238	28712	27286	23459	21027	18290	14894	14392	14263	13699
Net Block	4360	5133	6086	4871	4488	3838	1947	1927	2290	2463
Additions to Gross Block	1776	2121	4248	2943	3177	3881	1019	680	940	1133
Earnings per share (EPS) (Rs.)	274	187*	198*	190	171	107	117	73	42*	24*

* Based on weighted average of the number of shares.

Previous years' figures have been recast/regrouped wherever necessary.

EPS for the years 2001, 2002 & 2003 has been changed to bring the same in line with the face value of Rs. 10 per share (upto 2003: face value of Rs. 100 per share).

Net Sales**Return on Capital Employed (ROCE)
Return on Net Worth (RONW)****Exports****Earnings per Share (EPS)
Dividend per Share (DPS)****Profit After Tax (PAT) as % of Sales****Contribution to Exchequer**

Annexure to the Report of the Directors

[Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988]

A. Conservation of energy

The Company has been implementing various projects for conservation of resources like energy, water, fuel etc. Among these, projects on energy conservation have been receiving highest priority to enable reduced carbon dioxide emissions from our locations which can reduce our carbon foot print and contribute towards reversing the trend of global warming.

a) Measures taken during the year 2010

- Introduction of energy efficient induction lamps in place of the metal halide lamps for production hangar, LED lights for office areas and street lights.
- Replacement of HPSV (High Pressure Sodium Vapour) lamps, fluorescent lamps and metal halide lamps by T5 lamps.
- Optimize the lighting voltage at 210 V in the identified areas.
- Upgradation of AMF (Automatic Start on Mains Failure) DG sets.
- Introduction of energy efficient pumps.
- Reducing heat sources in air conditioned areas.
- Compressed air pressure reduction at the generation, regulation through PID value and arresting of leakages.
- Upgradation of glaze heater with ceramic heater.
- De-rating of negative pressure motors for basement area.
- Switching off roof lights on Sundays & holidays and exhaust switching off during non-working hours.
- Energy efficient drier with scroll type compressor.
- Optimization of power consumption by using VFD (Variable Frequency Drive) in blowers at heat treatment.

b) Additional proposals being implemented

- Implementation of SCADA (Supervisory Control and Data Acquisition) for power management.
- Harmonics analysis in power distribution system to minimise transmission losses.
- Reduction in fans power of ventilation plant by

replacing heat exchanger.

- Use of energy efficient pumps.
- Introduction of low pressure air for buildings.
- Power factor improvement of the power system from 0.97 to 0.98.
- Use of solar energy for office lighting and security booths.
- Load optimization on 2 x 5 MVA power transformers and 3 x 1 MVA dry type transformers.

c) Impact of the above measures

During the last year 2010, the implementation of energy conservation measures has resulted in net electrical energy savings of 2.63 Mio. KWh annually.

B. Technology absorption

(a) Research and Development

1. Specific areas in which R&D was carried out.

Fuel Injection Equipment: Diesel

- Having met Bharat Stage 3 with Inline pump (PE), further efforts were made to upgrade PE pumps for higher injection pressure capability and refinement of mechanical governor in combination with exhaust after treatment to meet forth coming emission norms.
- Common Rail System was further developed with the focus on improvement of fuel consumption for the Low Price Vehicle (small 3 and 4 wheeler) segment, which is used as goods and passenger carrier in urban and rural areas of India.
- Advanced engineering department has been set up to develop and evaluate new concepts in Diesel FIE and Diesel Powertrain.
- Looking beyond Indian emission norms, the Company has invested additional infrastructure to meet Bharat Stage 4 and Bharat Stage 5 customer project requirements.

Gasoline Systems:

- System engineering and component development capability with corporate support and local expertise for specific market requirements.
- Technical Center and Component Laboratory with state-of-the-art infrastructure and equipment.
- Development of Engine Management Systems for port fuel injection (Gasoline, CNG) and all related components: Air Management, Sensors & Ignition, Fuel Supply and Fuel Injection.

Starters and Generators:

- Development of fully sealed starter to prevent water entry and to suit Indian conditions.
- Weight and performance optimized Gear reduction starters for HCV & LCV segment applications.
- Development of products specially for ultra Low Cost Vehicle segment.
- Intelligent safety relay for protecting starter motors against abnormal operating conditions.

Spark Plugs:

- Hybrid Spark Plugs: Combining the advantages of 'good combustion in a single electrode spark plug' and 'reduced fouling in a multiple electrode spark plug'.
- Cold Spark Plugs: Design of spark plugs which dissipates heat faster than usual ones, used in high temperature engines.
- Twin electrode design extension to M18 spark plugs, presently used in stationary engines.

Glow Plug & Glow Control Units:

- Development of new platform Glow Plugs with reduced diameter at tip.
- Development of Glow Control Units for BS3 and BS4 engine applications.

2. Benefits derived

The initiatives have resulted in benefiting our customers and the end users by:

- Complying with the latest emission and legislative regulations.
- Supporting OE manufacturers to enter into vehicle segments unique to the Indian market.
- Providing OE manufacturers a product that suits the Indian requirements in order to reduce fuel consumption.
- High performance segment spark plugs.
- Design solutions for customer specific requirement for spark plugs and improvement in the business thereby.

3. Future plan of action

- Extending the product portfolio relevant to the low price vehicle segment.

- Increase the depth of localisation.
- Increase in competencies across business sectors to take advantage of the potential in the Indian market. E.g., supporting customers in exhaust after treatment calibration.
- Improve performance levels of spark plugs in terms of acceleration/drivability.
- Work for low priced markets for doing away with the spurious spark plugs.

4. Expenditure on R&D

		Rs. Million
a)	Capital	494
b)	Revenue	646
c)	Total	1140
d)	Total R & D expenditure as a percentage of total turnover	1.72%

(b) Technology absorption, adaptation and innovation**1. Efforts made**

As done in the past, during the year 2010, the Company intensified its efforts for the continuous exchange of information with member companies of the Bosch Group worldwide. This has enabled the Company to keep abreast with the latest developments in product technology, manufacturing process and methods, quality assurance and improvement, marketing, management systems and benefit out of mutual experience.

The Company has, over the years built the requisite infrastructure and technically competent engineers to translate the latest technical know-how into products that meet the requirements of local and international customers and will continue to do this in future.

2. Benefits derived

The benefits are the same as enumerated in B (a) 2 above.

3. Technology imported during the last 5 years

In addition to the existing technical collaborations for products in the field of Fuel Injection Equipment, Spark Plugs, Auto Electrical, Power Tools, Compact Alternators, etc., the Company has entered into technical collaborations for the following products:

Common Rail Diesel Fuel Injection system	2006
Baseline Generators	2008
Throttle Position Sensor and Assembly Lines (ATMO)	2009
Manufacturing of Packaging Machines, Manufacturing of Electronic Control Units	2010

4. Technology absorption

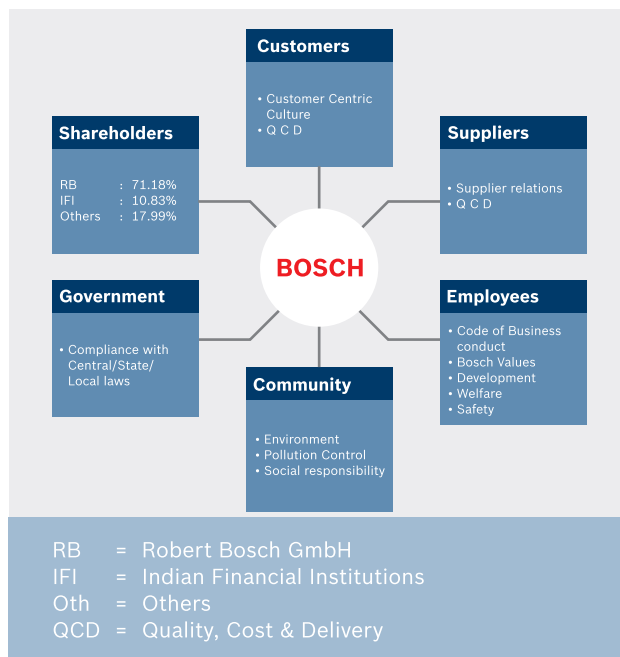
The Company's membership in the Bosch Group gives it access to the future technologies. The Company is, as a result, able to offer at any point of time state-of-the-art technology to meet the requirements of its national and international customers.

C. Foreign exchange earnings and outgo

		Rs. Million
a)	Export activities	
	Exports	8,461
b)	Total foreign exchange used and earned:	
	Foreign exchange used (including for capital assets)	24,150
	Foreign exchange earned	8,849

Report on Corporate Governance

The Company is committed to good Corporate Governance practices aimed at increasing value for all stakeholders.

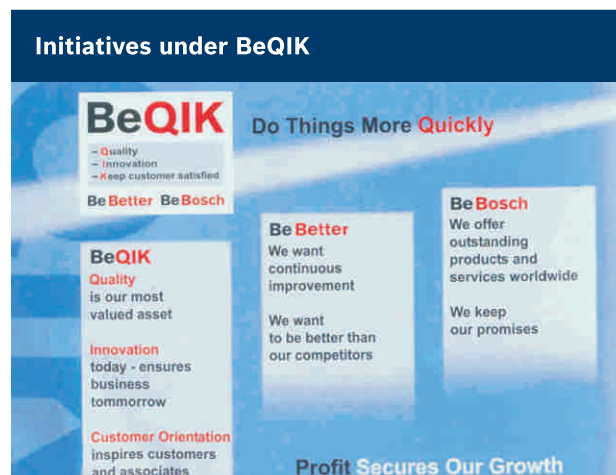


Shareholders

The equity shares of the Company were listed in the year 1969 in The Stock Exchange, Bombay, pursuant to public offer of 22,000 shares of the Company held by Central Bank of India. Since then there has been significant participation by small shareholders in the capital of the Company. The Company is committed to enhancing long term shareholder value and delivering speedy and efficient services to the shareholders. Buy back of shares carried out by the Company in May 2000, January 2001, February 2002 and Dec-2008 to Oct-2009; sub-division of shares in July 2004 are steps in this direction.

Customers

Customers are the primary focus of our business activity. Quality, Cost and Delivery are the key driving forces for achieving customer delight. The **BeQIK** initiative gives impetus to the efforts of the Company in achieving world-class quality, innovation and continuous improvement to enhance customer satisfaction.



Quality

Robert Bosch's statement that "quality is our most valued asset" has remained an unwavering guideline for our business policies. Our customers put their trust in our ability to deliver high quality in all our activities. This trust is based on our strength in implementing necessary improvements in a fundamental and lasting way.

The Company firmly believes in the Bosch quality principles as laid down in our quality manual.

Suppliers

Suppliers are our partners in progress. The Company aims at a long term partnership with suppliers and recognizes the mutuality of interest. The Bosch principle of Quality, Cost and Delivery equally applies to our suppliers.

Employees

The Company continued its emphasis on employee training and development as in the previous years. There was a significant increase in the scope of application of various employee development tools relating to potential identification, career planning, assessment centres and enlargement of the training landscape. Further initiatives were taken by way of tie-up with institutes for week-end Masters Campus Programmes.

HR remuneration policies and service conditions for officers were modified with the introduction of variable pay for junior management levels. Attrition continues to be well below market levels due to the measures taken by the Company. The Company has

the strength of 11,776 employees as at the close of the year 2010.

The Company has a well laid out appraisal program system for managerial staff called as 'Bosch Performance Review and Employee Development (PRED)' program. Setting of individual objectives which closely align with corporate objectives, evaluation of performance and providing personal and professional growth opportunities to the employees, identifying the training and development needs to further enhance the performance of the employees are the key principles governed by this program. Employees in middle and senior management levels are appraised based on the Bosch Competency Model driven by 'Bosch values' and 'Bosch Guidelines for Leadership' that provide a common framework and give direction for the action of all associates.

In addition, the codified rules & regulations of service and conduct for the Managerial and Superintending Staff; the standing orders for Workmen, Code of Conduct for Prevention of Insider Trading, Whistle Blower Policy, Code of Business Conduct (Principles of Legal Compliance) etc., reflect value based employment related practices. A high level of global orientation and working experience is given to a large number of managers by deputing them to international assignments, participation in international workshops/seminars /forums, identifying and developing high potential managers through Management Development Programs (MDP) conducted by Bosch.

Society

In keeping with Bosch philosophy, our priority is to combine the pursuit of economic objectives with consideration for social and environmental factors.

The Company contributes to the society at large, more particularly in areas proximate to its works and establishments through donations and infrastructural support to organizations who promote the cause of children, mentally and physically challenged, orphans, education, fine arts, health care, consumer research, sports, etc. The Company and the employees also contribute for relief measures in times of natural calamity

affecting sections of the society.

Social Responsibility

The assumption of responsibility for society and future generations has a long tradition in the Company.

Combining the pursuit of economic objectives with consideration for social and environmental factors is our priority. We accept that our actions must accord with the interests of society. Above all else, we place our products and services in the interests of the safety of people, the economic use of resources, and environmental sustainability. A report on 'Corporate Social Responsibility (CSR)' is annexed to this Annual Report.

Environment, Occupational Health and Safety

Over the years, the Company has demonstrated its responsibility as a socially responsible corporate. Maintenance of natural and clean environment, economical use of natural resources and concern for people's health and safety are the basic principles of the Company's business policy.

The Company continuously strives for reducing/optimizing consumption of water, energy and chemicals. By conserving natural resources, reducing risks by eliminating hazardous substances, building concern for environmental protection & safety among employees, the Company has been bringing out effectiveness in the Environment, Health and Safety Management System. The four Plants (Bangalore, Naganathapura, Nashik and Jaipur) of the Company are ISO14001 (Environmental Management System) and OHSAS 18001 (Occupational Health and Safety) accredited. This way the corporate responsibility defined under Bosch Values for minimizing impacts on the environment and ensuring safer work places is taken care by the Company.

Conservation of natural resources is a continuous activity. Water conservation is one of the major thrust areas under Environmental Management System. Technologies like Reverse Osmosis and Ion Exchange processes are employed for treatment and reuse of process waste water. At

the Company's Plants treated effluent is reused for various secondary purposes which along with other water conservation measures like rainwater harvesting have resulted in significant reduction in fresh water consumption.

In view of the present need to reduce carbon dioxide emissions, there is an increased focus on energy conservation. Various energy conservation programmes are initiated resulting in saving of electrical energy.

Bosch Environment Logo



"Blue" stands for clean water and clean air, and for objectives to minimize adverse impacts on the environment.

The "Green leaf" represents the link to nature and the careful use of resources, as well as the continuous improvement of operational processes serving to protect nature.

The circular shape symbolises nature's cycles, and our responsibility during the development and manufacture of products, up until their disposal at the end of the life cycle.

The shape of a "Q" - the RB symbol for Quality - emphasizes that environmental protection is a feature of quality.

Bosch Safety Logo



The round shape symbolises the employee in the centre being protected.

The division into two parts signifies that there are rules and one's own responsibility.

The combined inner and outer circular shape emphasizes the interaction between rules and one's

own responsibility

Greenery at Bosch



Government

The Government as a stakeholder earns revenue through income tax, service tax, customs duty, sales tax, excise duty, etc. These contributions to the exchequer was ~ Rs.13,233 million in 2008, ~ Rs. 11,347 million in 2009 and ~Rs.16,895 million in the year 2010, excluding tax deducted at source on salaries paid to employees, payments to contractors and to other service providers.

Risk Management

The Company has evolved a framework for systematic management of Business Risks. Towards this the Company has identified risk categories under strategic risks, operative risks, information technology risks, financial risks and global risks to which this framework is applied. This system of risk management is audited regularly by the Company's internal audit team.

Values

The Company as a constituent of the Bosch Group has always been a value driven company. Many of these values go back to Robert Bosch, the founder. Other values have evolved over time. These values have been codified to ensure uniform and common understanding and systematic implementation across all Bosch locations and units worldwide.

Employees who know the values of the Company,

who have internalized them and who live according to them gain confidence and orientation for their daily work. This helps the employees to take better and faster decisions, to develop greater initiative and to take on greater accountability for their own actions. In the end this gives them greater empowerment and makes the Company better.

These values are:

1. *Future and Result Focus*
2. *Responsibility*
3. *Initiative and Determination*
4. *Openness and Trust*
5. *Fairness*
6. *Reliability, Credibility and Legality*
7. *Cultural Diversity*

Understanding and living the corporate culture

The 'House of Orientation' sets out how we see our future development, the principles of our approach, and the capabilities that we have and want to exploit for our continued success in the future. It also contains information on the standards and values that motivate us in our daily striving for success and improvement. 'House of Orientation' will help all associates to understand and live our corporate culture – a culture that offers orientation, reinforces cohesiveness, and creates identification.

'The House of Orientation' comprises the following modules:

- ▶ The **vision** is the overriding ideal for the Company's future. It points the way forward for a strong and meaningful development of the Bosch Group.
- ▶ As a guideline for everyday action, the **mission** gives concrete guidance on how to secure long-term profit and growth.
- ▶ Our **values** create a common basis for successful global co-operation. This vital Bosch

culture enables the Company to continue to evolve in an international market environment.

- ▶ The Bosch Group has clear **core competencies** that cross departmental boundaries. Utilizing this potential systematically across all business sectors and regions of the world will enhance our competitiveness.
- ▶ The **Bosch Business System** promotes the continuous improvement of all Company-internal processes and their practical implementation.

The 'House of Orientation' helps all associates of the Bosch Group to better understand the changes in the Company, to play their part in shaping those changes, and in this way to ensure our long-term competitiveness.

Bosch Business System (BBS)

BBS comprises following sub systems:

- ▶ **The Bosch Product Engineering System (BES)** focuses on product creation and related activities. Best-practice processes and qualified associates allow us to attain excellence in product creation and best-in-class products.
- ▶ **The Bosch Production System (BPS)** is a systematic approach to adjusting and restructuring value creating processes up to delivery to our customers. The focus of BPS is on the avoidance of waste in production and its contributory business processes.
- ▶ **The Bosch Sales and Marketing System (BSS)** starts from the requirements made of Sales and Marketing by the market. The defined goal of BSS is to achieve "sales excellence".
- ▶ **Bosch Human Resources System (BHS)**, a management and support system, is the global change initiative in Human Resources. It provides both a framework and direction for strategic and operational HR work. Its goal is to achieve systematic control and optimization of HR processes and organization worldwide.

Board of Directors, Board Meetings, etc.

The composition of the Board of Directors of the Company is governed by the provisions of the Companies Act, 1956, the Articles of Association of the Company and the Listing Agreement with the Stock Exchanges. The Board is comprised of eight Directors, both executive and non-executive. Dr. A. Hieronimus is the non-executive Chairman. Mr. B. Steinruecke, Mr. B. Muthuraman, Mrs. Renu S Karnad and Mr. Prasad Chandran are the independent directors who constitute fifty percent (50%) of the total strength of the Board.

The Directors of the Company are persons of eminence having vast and varied experience in manufacturing, marketing, sales, banking, financial and business administration. The Board of Directors meet as often as required but not less than four times a year and once in a calendar quarter. The Board of Directors of the Company receive a copy of Minutes of all committee meetings namely Audit Committee, Shareholders'/Investors' Grievance Committee, Remuneration Committee and Property Committee. During the year 2010 meetings of the Board of Directors were held on 5th March, 3rd June, 2nd September, and 3rd December.

Particulars of the directorship of Board, membership and office of the Chairman of Board Committees across all companies (as on 31.12.10) and attendance at the Board Meetings of the Company are given below:

Name of the Director	Directorships held *	Membership of Board Committees **	Chairman/Chairperson of Board Committees **	Board meetings attended in 2010
Dr. A. Hieronimus Chairman Non-Executive Director	2	3	1	4
Dr. B. Bohr Non-Executive Director	3@	-	-	1
Mr. B. Steinruecke Independent Non-Executive Director	5	1	1	4
Mr. B. Muthuraman Independent Non-Executive Director	10@@	1	-	-
Mrs. Renu S Karnad Independent Non-Executive Director	14@@@@	2	3	2
Mr. Prasad Chandran Independent Non-Executive Director	7@@@	3	-	3
Mr. V.K. Viswanathan Managing Director	4	2	1	4
Dr. Manfred Duernholz Joint Managing Director	1	-	-	3

- * Excludes office of Alternate Director, directorship in private companies, membership of trusts etc.
- ** includes only Audit and Shareholders'/Investors' Grievance Committees.
- @ Including Directorship in two Foreign Body Corporate.
- @@ Including Directorship in six Foreign Body Corporates.
- @@@ Including Directorship in four Foreign Body Corporates.
- @@@@ Including Directorship in two Foreign Body Corporates.

The non Whole-time Directors do not hold any shares in the Company. Dr. Hieronimus, Chairman, holds 640 shares in the Company.

Directors furnish Notice of Disclosure of Interest as specified in Section 299(1) of The Companies Act, 1956. The Company maintains Register of Contracts, Companies and Firms in which Directors are interested as provided under Section 301(1) of The Companies Act, 1956.

Audit Committee

During the year 2010, the Committee met on 5th March, 26th April, 11th August, 2nd September and 26th October. The constitution and particulars of meetings attended by members of the Committee are given below:

Name of the Director	No. of meetings attended
Mrs. Renu S Karnad Chairperson – Independent Director	3
Mr. B. Steinruecke Independent Director	4
Mr. B. Muthuraman Independent Director	2
Mr. Prasad Chandran Independent Director	2
Dr. A. Hieronimus Non-Executive Director	2

The terms of reference of the Audit Committee as per guidelines set out in the Listing Agreement with the stock exchanges read with Section 292A of The Companies Act, 1956 is set out below:

- Chairman:
Chairman of the Audit Committee shall be an Independent Director.
- Invitees:
The Audit Committee may invite such executives of the Company as it considers appropriate (and

particularly the head of the finance function) to be present at the meetings of the Committee, but on occasions it may also meet without the presence of any of the executives of the Company. The Managing Director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the Audit Committee.

3. Secretary:

The Company Secretary shall act as Secretary of the Audit Committee.

4. Frequency of meetings:

The Audit Committee shall meet at least four times in a year and not more than four months shall elapse between two meetings.

5. Quorum:

The quorum shall be either two members or one-third of the members of the Audit Committee, whichever is higher but there shall be a minimum of two independent members present.

6. Powers:

The Audit Committee shall have powers which shall include the following:

- (a) to investigate any activity within its terms of reference.
- (b) to seek information from any employee.
- (c) to obtain outside legal and other professional advice.
- (d) to secure attendance of outsiders with relevant expertise, as the Committee considers necessary.

7. Role:

The role of the Audit Committee shall include the following:

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommend to the Board the appointment, reappointment and replacement/removal of the statutory auditor and the fixation of audit fee.
- c. Approval of payment to the statutory auditors for any other services rendered by them.
- d. Review with the management the annual financial statements before submission to the Board for approval with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to

be included in Board's Report in terms of Clause 2AA of Section 217 of the Companies Act, 1956.

- Any changes in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
- e. Review with the management, performance of the statutory and internal auditors, adequacy of internal control systems.
 - f. Review with the management the quarterly financial statements before submission to the Board for approval.
 - g. Review the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
 - h. Discuss with the internal auditors any significant findings and follow up thereon.
 - i. Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 - j. Discuss with the statutory auditors before the audit commences about the nature and scope of audit as well as hold post-audit discussions to ascertain any area of concern.
 - k. Look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 - l. To review the functioning of the whistle blower mechanism, if any.
8. Review of information:
- The Audit Committee shall review the following information:
- (i) Management discussion and analysis of financial condition and results of operations;
 - (ii) Statement of significant related party

- transactions (as defined by the audit committee), submitted by management;
- (iii) Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - (iv) Internal audit reports relating to internal control weaknesses; and
 - (v) The appointment, removal and terms of remuneration of the Chief Internal Auditor.

Share Transfer Committee

Mr. B. Steinruecke, Mr. B. Muthuraman, Mr. Prasad Chandran and Mr. V.K. Viswanathan constitute the Share Transfer Committee.

To facilitate prompt services to the shareholders, the Company Secretary is authorized to approve transfer, transmission, consolidation, sub-division of shares and issue of duplicate share certificates not exceeding 500 shares per folio per occasion. These are processed every fortnight.

Shareholders'/Investors' Grievance Committee

During the year 2010, the Committee met on 5th March, 3rd June, 2nd September, and 3rd December. The constitution and particulars of meetings attended by members of the Committee are given below:

Name of the Director	No. of meetings attended
Mr. B. Steinruecke Chairman, Independent Director	4
Mrs. Renu S Karnad Independent Director	2
Mr. Prasad Chandran Independent Director	3
Dr. A. Hieronimus Non-Executive Director	4
Mr. V. K. Viswanathan Managing Director	4

The Committee reviews grievances received from the shareholders/investors and action taken thereon.

Three complaints were received and resolved during the year under report. The Company did not

receive any complaints from stock exchanges, investors' association and from The Securities and Exchange Board of India (SEBI). There were no complaints lying unresolved at the end of the year.

General Meetings

The Annual General Meeting of the Company is held at Bangalore in May/June each year. During the years 2008, 2009 and 2010, Annual General Meeting was held on, 5th June and 28th May and 3rd June respectively.

Dr. A. Hieronimus, Dr. B. Bohr, Mr. B. Steinruecke, Mrs. Renu S Karnad, Mr. Prasad Chandran, Mr. V.K. Viswanathan and Dr. Manfred Duernholz attended the last Annual General Meeting held on 3rd June 2010.

Insider Trading and Code of Conduct for Directors and Senior Management

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Company has prescribed a Code of Conduct for Prevention of Insider Trading and a Code of Corporate Disclosure Practices.

The Company observes a closed period for trading in securities of the Company by the Directors/Officers and Designated Employees of the Company for a period of seven days prior to the close of the quarter/half year/year and up to 24 hours after the date on which the results for the respective quarter/half year/year and is notified to the stock exchanges.

The Certificate by the Whole-time Management of the Company concerning compliance with the Code of Conduct for Directors and Senior Management is given below:

We hereby confirm that:
the Company has obtained from the Directors and Senior Management personnel affirmation that they have complied with the Code of Conduct for Directors and Senior Management for and in respect of the year 2010.

V.K.Viswanathan Manfred Duernholz
Managing Director Joint Managing Director

Place: Bangalore

Date: 28.02.2011

Mandatory/Non-mandatory requirements

The Company has complied with the requirements relating to Corporate Governance as mandated by the Listing Agreements with The Bombay Stock Exchange Limited and The National Stock Exchange of India Limited.

In addition the Company has, as mandated under the Listing Agreement, complied with the following non-mandatory requirements:

Remuneration Committee/Remuneration of Directors

In September 1993, the Board of Directors set up a Remuneration Sub-Committee to decide the compensation payable to the Executive Directors. Mr. B. Muthuraman, Mr. B. Steinruecke and Mr. Prasad Chandran being Independent Directors and Dr. A. Hieronimus constitute/d the Remuneration-Sub Committee. During the year 2010, the Committee met on 5th March, 3rd June and 2nd September. Dr. Hieronimus, Mr. B. Steinruecke and Mr. Prasad Chandran attended the meeting held on 05.03.2010 and 03.06.2010. The 2nd September meeting was attended by Dr. Hieronimus and Mr. B. Steinruecke.

The remuneration payable to the Executive Directors is approved by the shareholders at the general meeting of the Company. Remuneration of Executive Directors consists of a fixed salary and a variable bonus taking into account the economic results and individual performance. The Board of Directors determine the variable bonus from year to year. It can amount up to 180% of the base salary for Mr. V.K. Viswanathan and for Dr. Manfred Duernholz. The payment of the annual bonus is made in one/two installment/s at the end of April or June of the following year. In addition, Executive Directors receive benefits such as company owned / leased house, services of security and garden maintenance, company car and driver, telephone at home, club membership and reimbursement of joining time expenses and similarly on their return. Mr. V. K. Viswanathan also receive reimbursement of medical expenses, personal accident insurance cover and contribution to provident fund, gratuity and

superannuation etc. The term of Mr. Viswanathan which was valid up to 31.12.2010 has been extended for a further period of 2 years from 01.01.2011 to 31.12.2012 at the Board Meeting held on 02.09.2010 subject to the approval of members at the Annual General Meeting to be held on 01.06.2011. The term of Dr. Duernholz is valid up to 31.12.2011. The contract of employment of executive directors is terminable by observing a period of notice of twelve months to expire at the end of a calendar quarter.

Details of remuneration paid to Whole-time Directors are given below.

Particulars	Mr. V.K.Viswanathan Managing Director	Dr. Manfred Duernholz Joint Managing Director
	Rs.	Rs.
Salary	12,000,000	15,639,608
Commission/ Bonus	15,984,000	16,155,674
Contribution to Provident & other funds	3,000,000	924,770
Other perquisites (incl. book depreciation on assets used by the Directors)	1,041,789	986,401
Total	32,025,789	33,706,453

The Board of Directors decides the remuneration of the Non Whole-time Directors. The remuneration consists of a sitting fee of Rs.10,000 for Board/Committee Meetings held on the same day and Rs.5,000 for each Committee Meeting held on any other day and a commission based on the profits of the Company, limited to an amount not exceeding Rs.60,00,000 for all Non Whole-time Directors for or in respect of any one financial year of the Company. The amount of commission is commensurate with the activities of the Company, the responsibilities of Non Whole-time/Independent Directors under the listing agreement with the stock exchanges and under the Companies Act, 1956, and the responsibilities as member/chairman of the Board and member/chairman of committee/s of Board and all other relevant factors.

Details of remuneration paid to Non-Wholetime Directors for 2010 is given below.

Particulars	Commission Rs.	Sitting Fee Rs.	Total Rs.
Dr. A. Hieronimus	565,000	40,000	605,000
Dr. B. Bohr	400,000	10,000	410,000
Mr. B. Steinruecke	540,000	50,000	590,000
Mr. B. Muthuraman	515,000	10,000	525,000
Mrs. Renu S Karnad	540,000	35,000	575,000
Mr. Prasad Chandran	515,000	35,000	550,000

Code of Conduct and Whistle Blower Policy

The Company has adopted a Code of Conduct for the Directors and senior management personnel. The code can be accessed in the Company website at www.boschindia.com under the section 'Shareholder Information'. The code also incorporates a Whistle Blower Policy. The Whistle Blower Policy as well as the Code of Business Conduct afford to all the employees a right to draw their supervisor's attention to circumstances that appear to indicate a violation of code of business conduct. Such reporting may also be made anonymously or by speaking to the compliance officer over dedicated hotline or by email to the dedicated email address to the compliance officer.

Secretarial Audit

In the year 2010, an audit was carried out at the end of every quarter by a qualified Practicing Company Secretary for reconciling the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDS) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares held in physical form and the total number of dematerialized shares held with NSDL and CDS. The report for every quarter upon reconciliation of capital was submitted to the Stock Exchanges, NSDL and CDS and was also placed before the Board of Directors.

A Secretarial Audit was conducted internally by a competent professional for the period covering 24.05.2009 to 28.05.2010 and the report was placed before the Board of Directors at their meeting held on 02.09.2010. The report confirmed that the registers, records and papers as required to be maintained under the Companies Act, 1956 and the rules made thereunder, the provisions of listing agreement and the provisions contained in the Memorandum and Articles of Association of the Company, were duly complied with.

Disclosures

- (i) There are no materially significant transactions with the related party viz., Promoters, Directors

or the Management, their subsidiaries or relatives that may have potential conflict with the interest of the Company at large.

- (ii) There are no pecuniary relationships or transactions with Non-Executive Directors of the Company except the remuneration paid to them for services rendered as Directors of the Company.
- (iii) No penalties or strictures were imposed on the Company by the Stock Exchanges, SEBI or any statutory authority on any matter relating to capital markets.

Communication to shareholders

Quarterly/half yearly/annual results and information relating to convening of Annual General Meetings and Extraordinary General Meetings are published in leading newspapers (viz: Business Standard, English-all editions and Udayavani, Kannada) and/or hosted on the website of the Company and also notified to the stock exchanges as required under the Listing Agreement.

The balance sheet, profit & loss account, directors' report, auditors' report, cash flow statements, corporate governance report and quarterly/half yearly financial statements can be viewed by the shareholders and investors from the Company's website at <http://www.boschindia.com> under the section 'Shareholder Information'.

The quarterly and half yearly financial statements, shareholding pattern, etc. can be retrieved by the shareholders and investors from Corporate Filing and Dissemination System (CFDS) put in place jointly by BSE and NSE at www.corpfiling.co.in.

The Executive Management of the Company participated in the Conference call organized by financial intermediaries, post publication of audited/ unaudited, quarterly/ half yearly/ annual financial results of the Company.

Company sends notices relating to Annual General Meetings, Extraordinary General Meetings, Postal Ballot, disclosure of Directors' interest in respect of contracts appointing Managing/Joint Managing Director/s etc., to the members at their registered address.

Letters and transfer deeds received from shareholders are accorded a unique system-generated inward control number, monitored and replied in a week's time of its receipt.

Shareholder information

A detailed supplement containing information of importance to shareholders is given in this Annual Report.

Bangalore
February 28, 2011

Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

To
Members
Bosch limited
Hosur Road, Adugodi
Bangalore 560 030

We have examined all relevant records of Bosch Limited (the Company) for the purpose of certifying compliance of the conditions of Corporate Governance under clause 49 of the Listing Agreement with Bombay Stock Exchange Limited and National Stock Exchange of India Limited for the period commencing from 1st January 2010 to 31st December 2010. We have obtained all information and explanation which to the best of our knowledge and belief were necessary for the purposes of the certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of conditions of the Corporate Governance as stipulated in the said clause. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the records produced, explanations and information furnished, we certify that the company has complied with:

- a. all the mandatory conditions of the said Clause 49 of the listing agreement.
- b. The following non-mandatory requirements of the said clause 49:
 - Constitution of Remuneration Committee
 - Implementation of the Whistle Blower Policy

We further state that it is neither an audit nor an expression of opinion on the financial statement of the Company.

For J Sundharesan & Associates
Company Secretaries

J. SUNDHARESAN
Partner
Practicing Company Secretary
FCS 5229; CP No. 5164

Place: Bangalore

Date: February 21, 2011

Management Discussion and Analysis Report

A. Economic Overview

The world economy is moving from a post-crisis recovery to slower but solid growth this year and next, with developing countries contributing almost half of global growth. The global economy is forecasted to expand by 4.8% in 2010 and 4.4% in 2011 (Source: IMF). Output of emerging and developing economies is projected to expand at rates of 7.1% and 6.4% in 2010 and 2011, respectively. In advanced economies, however, growth is projected to be only 2.7% and 2.2% in 2010 and 2011 respectively.

India's macroeconomic performance has also been vigorous, with industrial production at a two-year high. Leading indicators - the production manufacturing index and measures of business and consumer confidence continue to point up. GDP Growth is projected at 8.7% in 2010-11 and 8.5% in 2011-12 (Source: RBI), led increasingly by domestic demand. Robust corporate profits and favorable external financing will encourage investment.

Inflation at double digit levels, high commodity prices and hardening interest rates remain key challenges needing focused attention.

B. Industry Structure and Development

Indian Automotive Industry witnessed an overall growth of 34% in 2010, exceeding the expectations and leaving behind the slowdown witnessed in the last 2 years.

The HCV segment led the growth story by growing strongly at 70% in the year 2010.

The LCV segment and 3-Wheeler segment also grew at a very healthy rate of 44% and 37% respectively.

The table below depicts the extent of growth in 2010 across various sectors in [automotive segment](#).

Segments	2007 +%PY	2008 +%PY	2009 +%PY	
HCV	4	(15)	(20)	70
LCV	20	(4)	13	44
Cars	16	9	18	29
UV's	17	(3)	18	35
Tractors	(1)	2	10	29
3 Wheelers	(1)	(6)	12	37
Total	10	1	13	34

Auto industry is optimistic of achieving a healthy growth in 2011. Positive sentiments running across several industries due to revival in economic activity, increasing consumerism, availability of credit and also discounts offered by dealers on account of stiff market competition is expected to attract more prospective customers, though severe inflationary pressures, firming up of interest rates and likely increase in fuel prices could act as a dampener.

C. Operational Highlights

The Company witnessed a robust growth of 39.6% Year on Year (YoY) in sales for the year 2010. This is the highest growth in sales for the Company in the last decade.

The profit before tax for the year grew by 51.6% YoY. The Company was able to achieve an increase of 144 basis points in terms of profit before tax % and stood at 18.1%.

The Automotive Aftermarket business has registered a strong double digit growth for the fifth consecutive year. Automotive Aftermarket business service network has also crossed another milestone this year with the opening of 500th Bosch Car Service (BCS) in the country.

Diesel system business grew by 51.9%. The growth was driven primarily by robust demand for medium/heavy commercial vehicle and tractor segment.

The Gasoline system business achieved a growth of 60.9%. The key highlights of the business were development of Engine Management System for 2 Wheelers and Low Priced Vehicles.

Bosch Packaging Technology, one of the largest manufacturers of packaging machinery invested INR 2,500 Lakhs in a new plant in Verna Industrial Estate, Goa.

Starter Motor and Generator business witnessed a growth of 12.2% over previous year. Starter Motor and Generator business launched its new starter called HX87 for the CV segment.

The Power Tools business registered double digit growth for the eighth consecutive year which includes the major business segments like Power

Tools, Accessories, Spares, Fischer Fixings etc.

The Power Tools business also increased its market share in a competitive environment and received '4 Diamond Award' for Eight consecutive years of Double Digit growth at the Bosch Power Tools World Wide Convention (WoCo) in Germany.

Power Tools business has launched over 100 new innovative products & variants along with new Marketing & Channel initiatives and very successfully launched the 'Skil' brand and Lawn & Garden products.

D. Results of operation

1. Sales

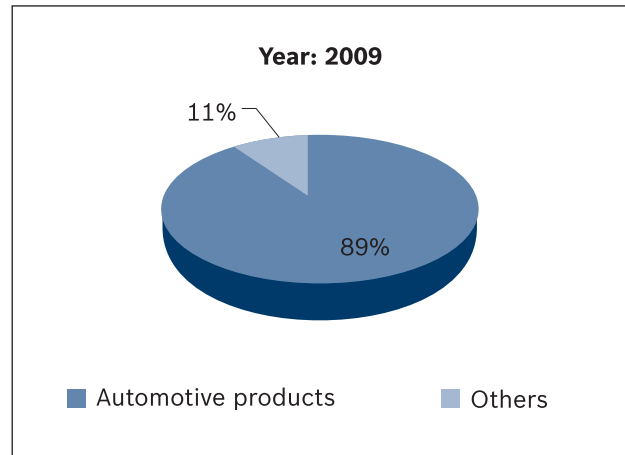
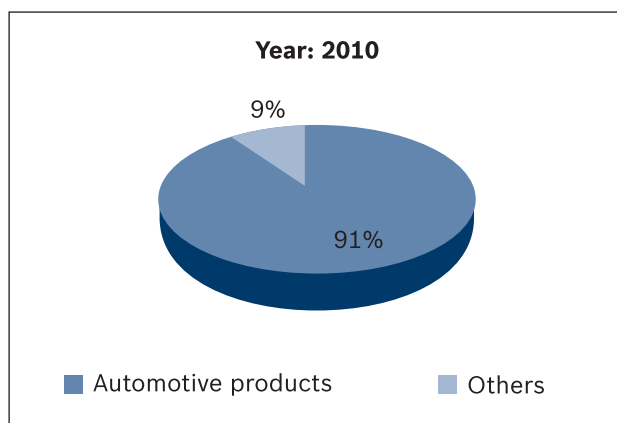
The sales for the year 2010 grew at an excellent rate of 39.6% YoY and stood at INR 6,63,050 Lakhs as against sales of INR 4,74,977 Lakhs in the previous year 2009.

2. Segment results

The Company predominantly operates in manufacturing and trading of automotive products and also manufactures non-automotive products (Industrial equipment and consumer products). Hence the operations of the Company can be classified as Automotive and other segments (Primary Segment).

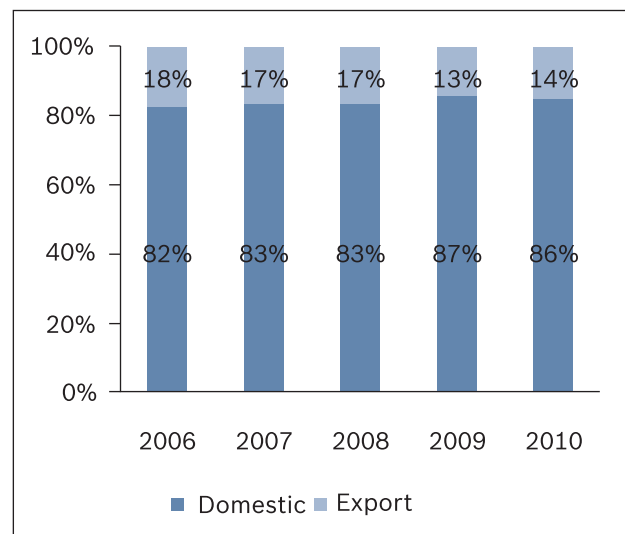
The share of automotive products has increased from 89% in the previous year 2009 to 91% for the year 2010, because of robust growth in the automotive market.

The following is the segment wise sales for the year 2010 and the previous year 2009:



2.1 Automotive Products

The automotive segment saw a robust growth in sales by 41.5% and stood at INR 6,00,830 Lakhs for the year 2010.



In the automotive segment 86% of the sales were derived from domestic sales. The share of export sales in the total sales of the segment has gone up to 14% for the year 2010 from 13% of previous year 2009.

2.2 Others

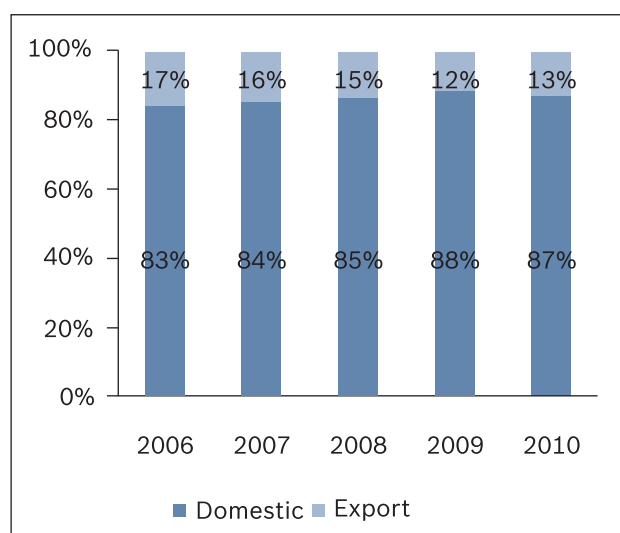
The other segment (Consisting - Industrial Technology and Consumer Goods & Building Technology) saw a healthy growth of 23.8% in sales and stood at INR 62,220 Lakhs as against INR 50,272 Lakhs of the previous year 2009.

Within the other segment the Industrial Technology business grew by 6% YoY and Consumer Goods and Building Technology business grew by 26.6% YoY.

The other (Non-automotive) segment is predominantly driven by domestic sales and accounts for 98% of the total sales of the segment.



Below is the breakup of export and domestic sales (Secondary Segment).



The export sales for the Company grew at a healthy rate of 44.5% YoY and improved its share in overall revenue by 0.5% and stood at 12.8% for the year 2010. The domestic sales also recorded a growth of 38.9%.

3. Other Income

For the year 2010 the income from interest on non-trade investments and deposits in banks has reduced by 12.4% to INR 11,443 Lakhs from INR 13,055 Lakhs

of previous year 2009. The reduction in interest income is due to lower interest rates which prevailed during the year, even though the absolute amount of investment for the year was higher than that of the previous year 2009.

The other income have also have gone down by 14.8% to INR 28,925 Lakhs. In the previous year 2009 there was onetime revenue on account of sale of investments due to which previous year's revenue was higher.

4. Cost of materials consumed

The percent of cost of material consumed as against sales for the year has gone up by 57 basis points to 54.27% as against 53.7% of the previous year 2009. The increase in percentage of cost of material consumed as against sales is attributable to the increasing input prices during the year basically in steel and other metals.

5. Personnel cost

Personnel cost as a percent of sales for the year stood at 12.1%, which has come down by 83 basis points in comparison to 12.9% of previous year 2009. Sales per employee have improved substantially by 28% from TINR 4,564 in the previous year 2009 to TINR 5,836 for the current year 2010.

6. Depreciation

The depreciation charge for the year 2010 is lower at INR 25,397 Lakhs as against a charge of INR 30,363 Lakhs of previous year 2009 due to effective control on capital investment during 2009.

7. Profit

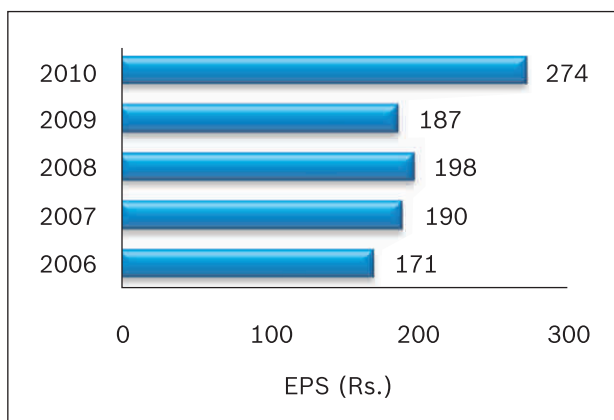
The profit after tax for the year 2010 is INR 85,891 Lakhs as compared to a profit after tax of INR 59,065 Lakhs of the previous year 2009, an impressive increase of 45.4% YoY.

The net profit after tax for the year 2010 was the highest profit of the Company in its history.

The effective tax percentage for the year 2010 has gone up slightly compared to previous year 2009, because in the previous year 2009 there were capital gains taxed at a lower tax rates.

8. Earnings per Share (EPS)

The EPS (Basic and Diluted) of the Company for the year 2010 has increased impressively by 46.1% to a record INR 274 per share from INR 187 per share in the previous year 2009.



The EPS for the Company has been growing consistently at a healthy rate over the years except for a small reduction during the slowdown period of 2009.

E. Financial Condition

1. Share Capital

At present we have only one class of share equity share with a face value of INR 10 each. Our authorized share capital is INR 3,805 Lakhs divided into 38,051,460 shares of INR 10 each. Issued, subscribed and fully paid-up capital as at December 31, 2010 was INR 3,139 Lakhs.

2. Reserves and Surplus - Profit and Loss account

The balance retained in profit and loss account as at December 31, 2010 is INR 66,688 Lakhs which includes retained profit for the year 2010 of INR 33,775 Lakhs after a proposed dividend of INR 40 per share.

3. Shareholders funds

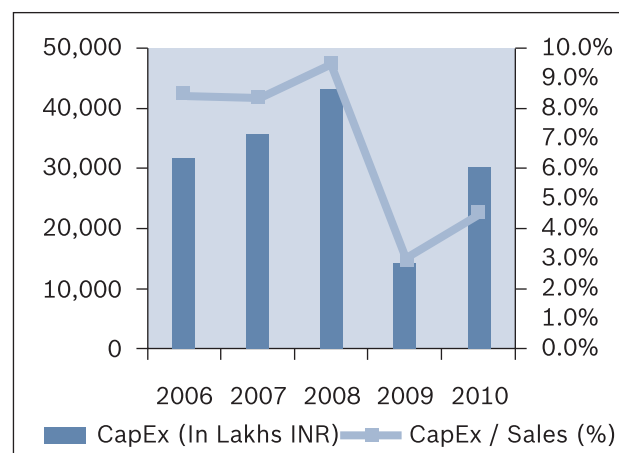
The total shareholder funds increased to INR 4,09,804 Lakhs as at December 31, 2010 from INR 3,38,523 Lakhs as of the previous year 2009 end representing a growth of 21.1%, mainly because of retained profits.

4. Fixed Assets – Capital Expenditure

The gross Fixed Assets as at December 31, 2010 was

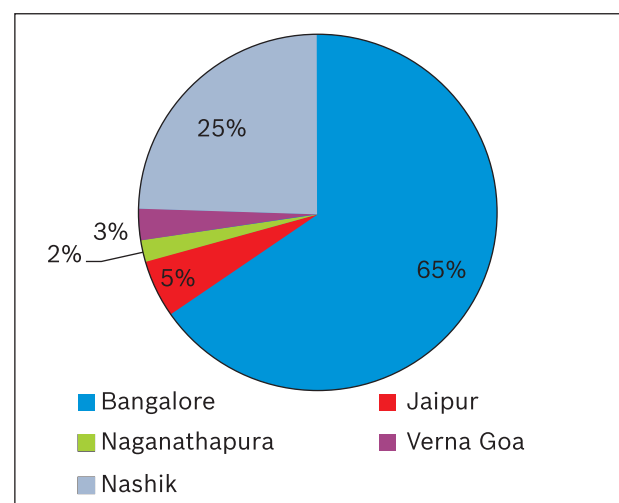
INR 3,02,380 Lakhs as compared to INR 2,87,119 Lakhs of previous year 2009.

We have incurred a Capital Expenditure of INR 30,213 Lakhs during the year 2010, an increase of 109% YoY. The following graph shows the trend of capital expenditure and the trend of percentage of capital expenditure to sales.



Though in 2009 due to economic slowdown Company had 3% of its sales invested in facilities, in 2010 the investment has been scaled up and 4.6% of sales have been invested in various facilities across India.

The Plant wise capital expenditure for the year 2010 is as follows:



5. Investments

The surplus funds of the Company which are not required for immediate use are invested mainly in tax

effective instruments. The total investment as at December 31, 2010 amounted to INR 1,60,730 Lakhs as against INR 1,41,761 Lakhs for the previous year 2009.

6. Sundry Debtors

Sundry Debtors as at December 31, 2010 amounted to INR 72,097 Lakhs as against INR 58,333 Lakhs of previous year 2009. The debtor's turnover ratio has come down to 36 days as at December 31, 2010 from 49 days of previous year due to effective debtor management and favourable liquidity positions of customers because of booming economy.

7. Cash and Cash Equivalents

Majority of the cash balance is held in the short term deposits with scheduled banks. The total balance of cash and cash equivalents as at December 31, 2010 was INR 1,32,587 Lakhs as compared to INR 1,06,777 Lakhs for the previous year 2009.

8. Net working capital

Net working capital as a percentage of sales of the Company stood at 28.5%, which in the previous year 2009 was 30.3%. In 2009 Company took 115 days to convert its working capital to sales revenue, but in 2010 the Company has improved this position substantially and brought down the number of days of working capital to 92 days, the same was possible because of better working capital management and control on inventories.

F. Key Ratios

Ratio	2009	2010
Return On Capital Employed (%)	21.6	27.5
Debtors Turnover ratio (In Days) *	49	36
Current Ratio	2.09	2.01
Number of Days In Working Capital (Days)	115	92
No. of Employee (Average)	10,378	11,361
*Average debtors is the simple average of opening and closing balance of sundry debtors.		

G. Human Resource Development

The Company continued its emphasis on employee training and development as in the previous years. There was a significant increase in the scope of

application of various employee Development tools relating to potential identification, career planning, assessment centers and magnification of the training landscape. Further initiatives were taken by way of tie-up with institutes for week-end Masters Campus programs.

Wage settlements were signed with Union at four plants has been a key event in 2010. HR remuneration policies and service conditions for officers were also modified, with the introduction of variable pay for junior management levels and increase in retirement age to 60 years. Attrition continues to be well below market levels.

H. Internal Control System

The Company has an effective and reliable internal control system which is complimented by a Code of Business Conduct binding all its employees to achieve high standards in Corporate Governance. The internal control system is designed to ensure quality and reliability of underlying processes in achieving operational efficiency, reliability of financial data and safe-guarding of assets. The efficacy of internal checks and control systems are validated by self audits, verified during internal audits and reviewed by the Audit Committee. The scope of internal audit is oriented towards mitigating or eliminating risks in business processes.

The Audit Committee reviews the internal audit plan, significant audit findings and sustainability of measures for corrective actions. The internal Audit Plan is also aimed at addressing concerns, if any of Statutory Auditors of the Company.

I. Opportunities and Threats

The Company is all set to leverage the demand in the automotive sector specifically, commercial vehicles and tractors. The Low Priced Vehicle (LPV) segment has evolved to become one of the most important growth segments both in the passenger car and commercial vehicles sector. Increased demand for safe personal mobility and growing stress on the overcrowded urban roads are key drivers that will boost sales in this segment.

Our non-automotive businesses are also pitched to grow in the backdrop of committed focus and spending in infrastructure related projects, especially metro rail projects. The rising gap

between demand and generation / supply of electricity will continue to create additional demand for auxiliary power units powered by diesel as well as other sources of energy viz. solar.

Tighter monetary policies to control inflation and increasing interest rates could affect consumer spending.

J. Risks and Concerns

1. Regulatory risk:

The changes in the tax laws, Government policies and regulatory requirement might affect the Company's business.

2. Input Costs and Inflation:

With many economies coming out of recession, prices of inputs are expected to rise significantly. Whilst the Company continues to pursue cost reduction initiatives, increase in price of input materials could impact the Company's profitability to the extent that the same are not absorbed by the market through price increases and/or could have a negative impact on the demand in the domestic market.

The inflation is expected to be higher for the next year, which could further increase the interest rates which can in-turn affect liquidity and demand for auto products.

3. Currency Risk:

Our operations are subject to risk arising from fluctuations in exchange rates with reference to currencies in which we transact. These risks primarily relate to fluctuations of Euro and USD to INR, the management will take appropriate decisions to mitigate the risk.

4. Competition:

We are operating in a highly competitive market which may exert pressure both on the top line as

well as the bottom line of the Company.

5. Other Risks:

There is no credit and liquidity risk foreseen by the Company due to its strong financial position.

The following are the few initiatives taken by the management for mitigating the above mentioned risks;

- ✓ Continuous improvement activities and implementing lean practices through the Bosch Production System (BPS).
- ✓ Retain and motivate talent by focused employee development programs.
- ✓ Enhance local engineering, development and testing capabilities to further drive the "develop locally for the local market" concept.
- ✓ Focus on cost reduction, productivity improvement and import substitution projects.

K. Outlook

In the automotive market, the prognosis for 2011 does not seem to be as bullish as the market is expected to grow at a more moderate pace due to higher base effect of 2010. A slew of new launches will broaden the choices available for customers across all segments and this is likely to push the growth trajectory for the year to a higher level than predicted. Though the volumes outlook looks positive, hardening of interest rates, increase in fuel prices and increase in selling price could act as short term impediments.

Government spending on infrastructure projects is likely to continue at a similar pace as the year before with more focus on urban transportation, major highway projects, electricity generation, both with conventional and non-conventional sources. Increased per capita income, higher discretionary spending, growing aspirations of the Indian middle class, growth of retail credit are the other key drivers of the economy this year.

Disclaimer

The information and opinion expressed in this section of the Annual report consists of certain 'forward looking statements' which management believes are true to the best of its information at the time of its preparation. We shall not be liable for any loss, which may arise as a result of any action taken on the basis of the information contained herein. The information contained herein may not be disclosed, reproduced or used in whole or in part for any purpose or furnished to any other person without the express prior written permission of the Company.

Report on Corporate Social Responsibility (CSR)

Social commitment is an essential principle underlying the corporate policy guidelines of the Company. Our responsibility towards Society and Environment is guided by Bosch values, principles of social responsibility, work safety and environment protection. The Bosch principles of social responsibility include - human rights, equal opportunities, employment of handicapped people, free choice of jobs, rights of children, relations with associate representatives and their institutions, fair working conditions, occupational health and safety, clean and safe environment with social engagement.

Besides the welfare initiatives within the factory premises, the Company is also promoting the interests of underprivileged and impaired sections of society through monetary contributions for the social work carried out by charitable organizations, old age homes and schools, and participates in women empowerment programs. The Company shares its best practices through information sharing sessions with other companies, Non Governmental Organizations (NGO) and professional bodies. To sustain cultural values, the Company supports cultural activities through its fine arts club. During the times of natural calamities like floods, cyclone, tsunami, earthquake etc., the Company actively supports the affected people through voluntary participation and donations.

Based on the survey, strategies on four thrust areas are evolved by the Company focusing on the Health & Hygiene, Environment Education, Community Development and Vocational Training. These strategies are deployed through social responsibility models that are communicated across the Plants through posters, visual boards handouts and guides. These aid in generating large number of volunteers willing to do their best towards the betterment of the society. In the spirit of our founder Robert Bosch, the Company demonstrates social and environment responsibility wherever it does business.

Some of the CSR initiatives undertaken by the various Plants during the year 2010 are summarized below.

Bangalore Plant:

Based on the need analysis of underprivileged society around the Bangalore Plant which is in the heart of the city, schools run by City Corporation/ Government were considered for projects where most of the children come from lower strata of the society. The Plant adopted a Primary Government School named 'Munichinnappa School' in its neighborhood and provided renovation of the buildings and upgradation of sanitation facilities.

A comprehensive health check-up camp was organized by the Plant at the schools in the



Mr. S.M. Hegde, Vice President (Commercial Plant Management), Bangalore Plant, addressing the stakeholders during the society day.



Medical camp held on 03.08.2010 at Munichinappa Govt. Primary School, Adugodi.

neighborhood and nearby areas. One of the projects included screening of over 250 school children by a team of 20 doctors. Of the 250 students screened, over 93% of them were diagnosed with health concerns that required immediate medical attention. In an ongoing initiative, Bosch volunteers accompany these children to the hospitals and get them treated on a daily basis.

The Plant collaborated with a Government recognized NGO to implement environment education program in schools in the neighborhood. Under this program, school teachers are trained on maintaining health and hygiene. These teachers in turn create awareness on this aspect to their students. Through this initiative, we have covered about 6000 students in 30 schools so far.

The Plant supported differently abled people through the organization called 'Ability in disability Foundation (AID)' and provided raw material to the organization that in turn assembles components for the Company. The Company recruited around 35 differently abled people for light jobs like component packaging inside the Plant.

'Manasi' a social service initiative by the women employees of Bangalore Plant were honoured with appreciation award for CSR activities by the corporate Diesel Systems. 'Manasi' works for the upliftment of the underprivileged in the slums

around the Plant.

The Plant extended its support by collecting and distributing medicines, utensils and food grains to the flood victims affected in Northern Karnataka last year and contributed medicines worth one million rupees which helped the district administration to contain the spread of epidemics such as Cholera, Malaria and Diarrhoea in these affected areas. The Plant in association with Art of Living Foundation has involved in constructing 143 houses for the homeless in Gulbarga District of the Karnataka State.

The 'Clean Air' campaign was conducted for students in colleges & schools, auto, cab, and bus drivers and general public in order to bring about awareness on environment pollution and various measures to reduce the same. The Plant commissioned an emission testing van for carrying out tests on vehicles.

The Plant organized a 'Society day' for the stakeholders on 25th October 2010. The Plant Management made a presentation to the stakeholders from State Government, members representing charitable institutions, NGO's etc., about the community development projects and other related activities taken up by the Plant during the year 2010. The stakeholders appreciated the efforts taken up by the Plant. The suggestions



World Disability Day celebration by 'Manasi' with 'Ability in Disability' Foundation, in Bangalore.



Company Official conducting 'Clean Air Bangalore' awareness programme for Bangalore Metropolitan Transport Corporation bus drivers.

offered by the participants were recorded for future action.

The Company always emphasized on skill development and has believed in keeping in tune with the latest technology in the market. In the pursuit of improving the skill set and thereby improving the demographic dividend of India, the Company continues to offer comprehensive and intensive skill based training programs under the aegis of 'Bosch Vocational Centre (BVC)'. The Company imparts training to students under 'Apprentices' scheme and 'engineering stream' besides imparting training to its own employees at BVC. The BVC also conducts training programs for business partners, other business units and employees' children.

Naganathapura Plant:

Volunteers from the Plant and Management have undertaken several activities to improve the infrastructure of surrounding areas. The Plant provided fire brigade and ambulance services to the neighboring villages during emergencies. Donations were made to 'Swayamwara Trust' towards expenses incurred for marriage of the hearing impaired. Furniture and computers were distributed to the nearby Govt. schools. The employees of the Plant contributed one day's salary/wages to help the people who suffered huge losses during the devastating floods that affected North Karnataka and

a similar amount was contributed by the Plant Management for the same purpose.

Nashik Plant:

The Plant has adopted Dubewadi Village in association with Kalpataru Foundation, Dubewadi, Trimbakeshwar taluk, which is 50 kms away from the Plant. Various projects are undertaken based on the needs of the village on the four focus areas of CSR of the Company. A health camp was organized in villages where over 500 people were diagnosed and treated for ailments and free medicines were provided. Eminent specialists from different fields like Ophthalmology, Orthopedics, Gynecologists, Pediatrics, Dermatologists, etc., lent their expertise for a social cause.

The Plant developed 'Annual Agri Plan' in co-ordination with ICRISAT (International Crops Research Institute for Semi-Arid Tropics). Improved varieties of rice was supplied to the farmers resulting in better production. Demonstration of the same with the help of Agriculture Department of the Government was conducted. Different crops were also suggested based on the season so that the farmers could get a better yield. Soil testing was conducted to know the strength and condition of the soil.

Income generating programmes were planned & carried out for Economic empowerment of the underprivileged in the neighborhood villages in



Apprentices are getting trained at the Bosch Vocational Centre



Medical camp held at Dubewadi village, Near Nashik.

Nashik. The main highlights of this initiative include - formation of three women Self-Help Groups (SHG), training the youth for acquiring skills at the training centre of Larsen and Toubro (L&T), sewing machine training for adolescent girls, goat rearing skills, bee keeping and honey collecting. The Company mobilized the resources towards renovating the Anganwadi School. Roofs, doors and windows have been replaced. Toilets and kitchens have been constructed to provide a hygienic environment across schools.

The Plant has partnered with neighboring corporates and formed the Nashik Run Charitable Trust, that works for the benefit of underprivileged members/groups such as physically and mentally challenged, old age people, orphan children, destitute ladies and adhvasis of the region. After the inaugural race in 2003, Nashik Run, in aid of a social cause has steadily grown in size and stature and popularity to become one of the most established sports events in the city's calendar. The funds raised through this 'Nashik Run' are channeled for the upliftment of underprivileged citizens in and around Nashik with an objective to bring consciousness for healthy living with caring attitude.

Jaipur Plant:

Water being a scarce resource in Rajasthan, clean & potable water for health and hygiene of the community was chosen as a focus area. A survey was

conducted covering 515 families living in the surrounding villages in Jaipur. A tripartite model was adopted to implement the clean water project with community partnership. A Reverse Osmosis Plant was set up in 'Village Goner' for fulfilling the above needs. Clean water is being supplied to the villagers with a very nominal price. Around 4000 litres of water is being taken by the villagers. In order to increase the awareness and easy accessibility of water to the villagers, few schemes are being worked out in the coming years.

The Plant supported local engineering colleges by providing opportunity to their students to work on projects at Plant premises. The projects are offered in various functions with clear mentors. This has increased awareness of right skills for the students and the employment opportunities.

Verna Plant, Goa:

Associates of Bosch Packaging Technology division at Goa started a project called 'Prerna' with the aim to serve the needy and those neglected by their own kith and kin. All the activities of Prerna are sponsored by the contributions made by the employees at the Plant with additional support from the management. Some of the benefits derived out of this were to the children at 'St. Valentines Little Home' and elders at 'Aliso Old Age Home'.



Nashik Run organised by Nashik Run Charitable Trust.



Dr. Manfred Duernholz mentoring a student of the vocational training supported by Bosch India Foundation.

Bosch India Foundation (BIF):

In an effort to serve the underprivileged and weaker sections of society and towards extending and sustaining philanthropic values of Bosch Group in India, Bosch formed a foundation in March 2008, called 'Bosch India Foundation'. The Bosch subsidiary companies in India are the Trustees of the foundation. The foundation has a corpus of Rs.125 Mio., and receives an annual contribution of post tax profits up to 0.5% by the Bosch subsidiaries in India.

Vocational training and unique health projects have been the main focus areas of the BIF in the initial years. Over 15 different projects in the field of Vocational Training and Health program were taken up during 2010-11 and about 1122 underprivileged youths benefitted from the programs so far. The projects have been taken up around Bosch locations.

The foundation has partnered with committed NGOs who have been working in the field of vocational training such as Ragpicker Education & Development Scheme (REDS), Shree Guruvayurappa Bajan Samaj Trust (SGBST-Unnati), Shree Ramana Maharishi Academy for the Blind (SRMAB), Sri Amman ITC, CII-Symbiosis, CII-YiLabs, Christ University Centre for Social Action (CSA), Shishu Mandir, and Loyola ITC. The health projects have been carried out in partnership with Sparsh and Gujarat Cleft and Craneofacial Research Institute (GCCRI).

Bosch volunteers offer their expertise by fine-tuning the trainings and also take time for periodic visits to project locations which help to motivate the staff and students as well as monitor the project status.

Auditors' Report

To The Members of Bosch Limited

1. We have audited the attached Balance Sheet of Bosch Limited (the "Company") as at December 31, 2010, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on December 31, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at December 31, 2010;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;

For Price Waterhouse & Co.
Firm Registration Number: 007567S
Chartered Accountants
Radhakrishnan B
Partner
Membership Number: F25516

Place : Bangalore
Date : February 28, 2011

Annexure to Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Bosch Limited on the financial statements for the year ended December 31, 2010.

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
 (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. (a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable. In respect of inventory lying with third parties, these have substantially been confirmed by them.
 (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act, accordingly sub clauses (b), (c) and (d) of clause (iii) of Paragraph 4 of the Order are not applicable.
 (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act, accordingly sub clauses (f) and (g) of clause (iii) of Paragraph 4 of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us no major weakness have been noticed or reported.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
 (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
 (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess as at December 31, 2010 which have not

been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)*	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise duty, Service Tax and interest	23,333,744	1992-95, 2002-04, 2005-10	Up to Commissioner's Level
		4,309,443	1998-01, 2003-05	Customs, Excise, Service Tax Appellate Tribunal
		6,466,479	2002-04	High Court
		29,015,788	1985-86, 1987-88, 1994-95	Supreme Court
Customs Act, 1962	Customs duty and interest	57,555,103	1991-92, 2009-10	Up to Commissioner's Level
Income Tax Act, 1961	Income tax and interest	940,734	1979-80, 1983-84	Up to Commissioner's Level
		71,711,985	1990-91, 1992-94, 1995-01, 2002-04	High Court
State and Central Sales Tax Acts	Sales tax, interest and penalty	80,407,645	1993-94, 1995-02, 2003-07, 2008-10	Up to Commissioner's Level
		15,911,541	1989-93, 1996-97, 1998-99, 2000-01, 2002-05	Sales Tax Tribunal
Entry Tax Act	Entry tax and interest	6,720,662	1993-94, 1998-01,	Up to Commissioner's Level
		3,477,597	1991-93	High Court

* Net of payments made in the normal course of appeal proceedings.

us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.

12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. The Company has not obtained any term loans.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.
20. The other clauses, (xix) and (xx) of paragraph 4 of the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, are not applicable in the case of the Company for the year, since in our opinion there is no matter which arises to be reported in the aforesaid Order.

10. The Company has no accumulated losses as at December 31, 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanation given to

Place : Bangalore
Date : February 28, 2011

For Price Waterhouse & Co.
Firm Registration Number: 007567S
Chartered Accountants
Radhakrishnan B
Partner
Membership Number: F25516

Balance Sheet

as at December 31, 2010

[Rs. in Thousands (TINR)]

	Schedule	2010	2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	313,989	313,989
Reserves and Surplus	2	40,666,425	33,538,292
		40,980,414	33,852,281
Loan Funds			
Secured Loans	3	30,435	284,130
Unsecured Loans	4	2,733,454	2,559,004
		2,763,889	2,843,134
Total		43,744,303	36,695,415
APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block		30,237,959	28,711,892
Less : Depreciation		25,878,075	23,579,229
Net Block		4,359,884	5,132,663
Capital Work-in-Progress		2,242,165	996,664
		6,602,049	6,129,327
Investments	6	16,073,030	14,176,119
Deferred Tax Asset [Refer Note 7 of Schedule 19]		2,182,000	2,014,000
Current Assets, Loans and Advances			
Inventories	7	8,092,812	5,511,801
Sundry Debtors	8	7,209,659	5,833,279
Cash and Bank Balances	9	13,258,674	10,677,700
Other Current Assets	10	589,214	460,049
Loans and Advances	11	8,370,506	5,096,084
		37,520,865	27,578,913
Less :			
Current Liabilities and Provisions			
Current Liabilities	12	13,370,518	8,545,324
Provisions	13	5,263,123	4,657,620
		18,633,641	13,202,944
Net Current Assets		18,887,224	14,375,969
Total		43,744,303	36,695,415
Notes on Accounts	19		

The schedules referred to above form an integral part of the Balance Sheet
This is the Balance Sheet referred to in our Report of even date

For Price Waterhouse & Co.
Firm Registration Number: 007567S
Chartered Accountants

Radhakrishnan B
Partner
Membership Number: F25516

For and on behalf of the Board

Dr. A. Hieronimus
B. Steinruecke
Prasad Chandran

V.K. Viswanathan
Dr. Manfred Duernholz

Place : Bangalore
Date : February 28, 2011

A. Vijay Shankar
Company Secretary

Directors

Profit and Loss Account

for the year ended December 31, 2010

		[Rs. in Thousands (TINR)]	
	Schedule	2010	2009
INCOME			
Gross Sales		70,721,699	50,253,977
Less : Excise duty		4,416,665	2,756,237
Net Sales		66,305,034	47,497,740
Income from Services		512,449	597,535
Interest	14	1,144,279	1,305,510
Other Income	15	2,892,518	3,395,041
		70,854,280	52,795,826
EXPENDITURE			
Materials Consumed	16	35,984,153	25,506,698
Operating Expenses	17	20,644,209	16,474,305
Depreciation		2,539,651	3,036,330
		59,168,013	45,017,333
Less : Expenditure transferred to Capital Accounts		341,645	155,661
		58,826,368	44,861,672
PROFIT BEFORE TAX			
		12,027,912	7,934,154
Provision for Taxation			
Current tax			
- for the year		3,660,000	2,485,000
- relating to earlier years		(53,138)	(151,218)
Fringe benefit tax		-	10,500
Deferred tax (credit)/ charge		(168,000)	(316,596)
PROFIT AFTER TAX			
		8,589,050	5,906,468
Profit brought forward from previous year		3,291,319	3,013,863
Profit available for Appropriation		11,880,369	8,920,331
APPROPRIATIONS			
Capital Redemption Reserve		-	6,260
Capital Reserve		623	35,372
Proposed Dividend		1,255,956	941,967
Tax on Proposed Dividend		208,599	160,087
Reversal of Proposed Dividend (including tax thereon)		(3,638)	(14,674)
General Reserve		3,750,000	4,500,000
Profit carried forward		6,668,829	3,291,319
		11,880,369	8,920,331
Details of R & D Expenses/ (Income)	18		
Notes on Accounts	19		
Earnings per share - Basic and Diluted (in Rs.)		274	187
of face value of Rs.10 each [Refer Note 6 of Schedule 19]			

The schedules referred to above form an integral part of the Profit and Loss Account
This is the Profit and Loss Account referred to in our Report of even date

For Price Waterhouse & Co.
Firm Registration Number: 007567S
Chartered Accountants

Radhakrishnan B
Partner
Membership Number: F25516

For and on behalf of the Board

Dr. A. Hieronimus V.K. Viswanathan
B. Steinruecke Dr. Manfred Duernholz
Prasad Chandran

Place : Bangalore
Date : February 28, 2011

A. Vijay Shankar
Company Secretary

Directors

Cash Flow Statement

for the year ended December 31, 2010

[Rs. in Thousands (TINR)]

	2010	2009
A Cash flow from operating activities		
Profit before tax	12,027,912	7,934,154
Adjustments for :		
Depreciation	2,539,651	3,036,330
Unrealised Exchange difference	3,987	(15,927)
(Profit) / Loss on sale of fixed assets	(6,815)	(7,958)
(Profit) / Loss on sale / redemption of investments	-	(925,538)
Premium paid on investments amortised	10,097	2,026
Buyback Expenses	-	31,626
Profit on sale of business	(623)	(35,372)
Dividend income	(403,653)	(180,141)
Interest income	(1,183,618)	(1,317,379)
Interest expense	39,339	11,869
Operating profit before working capital changes	13,026,277	8,533,690
Adjusted for :		
(Increase) / decrease in inventories	(2,581,011)	(36,346)
(Increase) / decrease in sundry debtors	(1,376,380)	1,128,893
(Increase) / decrease in loans and advances	(1,388,325)	563,555
Increase / (decrease) in current liabilities and provisions	5,205,260	1,364,801
Cash generated from operations	12,885,821	11,554,593
Direct taxes paid (net of refunds)	(4,026,727)	(2,578,954)
Net cash from operating activities	8,859,094	8,975,639
B Cash flow from investing activities		
Additions to fixed assets	(3,021,270)	(1,446,178)
Sale of fixed assets	15,712	41,183
Considerations received from sale of business	623	69,638
Purchase of investments	(12,477,680)	(13,833,250)
Sale of investments	10,944,114	9,400,438
Inter corporate deposit repayment received	5,438,800	1,940,000
Inter corporate deposit given	(6,218,800)	(3,290,000)
Inter corporate loans (given) / repayment received	(830,000)	(300,000)
Dividend received	30,212	25,614
Interest received	1,054,453	1,070,937
Net cash from / (used in) investing activities	(5,063,836)	(6,321,618)
C Cash flow from financing activities		
Payment of Buyback Consideration	-	(1,921,364)
Payment of Buyback Expenses	-	(31,626)
Proceeds/ (Repayment) from borrowings (Net)	(79,245)	199,463
Dividends paid	(941,967)	(788,080)
Tax on Dividend Distribution	(156,449)	(133,934)
Interest paid	(36,433)	(7,656)
Net cash from / (used in) financing activities	(1,214,094)	(2,683,197)
Net cash flows during the year (A+B+C)	2,581,164	(29,176)
Unrealised exchange gain/(loss) on cash and cash equivalents	(190)	(1,248)
Cash and cash equivalents (Opening balance as per schedule 9)	10,677,700	10,708,124
Cash and cash equivalents (Closing balance as per schedule 9)	13,258,674	10,677,700

- Notes : 1. Above Cash Flow Statement has been prepared under indirect method in accordance with the Accounting Standard 3 as notified under section 211(3C) of the Companies Act, 1956.
2. Conversion of Investments in mutual funds from one plan to another and dividend reinvested have not been considered above as there was no actual cash inflow /outflow.
3. Closing balance of cash and cash equivalents includes restricted cash in the form of unclaimed dividend of TINR 9,781 (2009: TINR 7,801).
4. Previous year's figures have been regrouped/recast, wherever necessary, to conform to current year's classifications.

This is the Cash Flow Statement referred to in our Report of even date

For Price Waterhouse & Co.
Firm Registration Number: 007567S
Chartered Accountants

Radhakrishnan B
Partner
Membership Number: F25516

For and on behalf of the Board

Dr. A. Hieronimus V.K. Viswanathan
B. Steinruecke Dr. Manfred Duernholz
Prasad Chandran

Place : Bangalore
Date : February 28, 2011

A. Vijay Shankar
Company Secretary

Directors

Schedules to Balance Sheet

SCHEDULE 1: SHARE CAPITAL

[Rs. in Thousands (TINR)]

	2010	2009
<i>Authorised</i>		
38,051,460 (2009 : 38,051,460) Equity shares of Rs. 10 each	380,515	380,515
<i>Issued, Subscribed and fully Paid up</i>		
38,051,460 (2009 : 38,051,460) Equity shares of Rs. 10 each	380,515	380,515
Less: Equity Shares bought back [Refer Note No. 3 and 5 below]	66,526	66,526
<i>Net Issued, Subscribed and fully Paid up</i>	313,989	313,989
31,398,900 (2009: 31,398,900) Equity shares of Rs. 10 each		

Notes:

- 22,349,420 (2009 : 22,349,420) Equity shares are held by Robert Bosch GmbH, (Federal Republic of Germany), the holding company.
- 3,469,558 (2009 : 3,469,558) Equity shares of Rs.100 each were allotted as bonus shares by capitalisation of reserves and 48,000 (2009 : 48,000) Equity shares of Rs.100 each were allotted pursuant to a contract for consideration other than cash.
- 600,000 (2009 : 600,000) Equity shares of Rs.100 each were bought back in the years 2000, 2001 and 2002 under Section 77A of the Companies Act, 1956 and Securities Exchange Board of India (Buy Back of Securities) Regulations, 1998.
- The Company's Equity shares of Rs. 100 each were sub-divided into Equity shares of Rs. 10 each with effect from July 16, 2004.
- 652,560 (2009 : 652,560) Equity shares of Rs.10 each were bought back in the year 2008 and 2009 under Section 77A of the Companies Act, 1956 and Securities Exchange Board of India (Buy Back of Securities) Regulations, 1998.

SCHEDULE 2: RESERVES AND SURPLUS

[Rs. in Thousands (TINR)]

	2010	2009
Capital Reserve (Refer Note No.1)		
Opening Balance	41,992	6,620
Addition	623	35,372
Closing Balance	42,615	41,992
Share Premium	8,069	8,069
Capital Redemption Reserve		
Opening Balance	66,526	60,266
Addition (Refer Note No. 2)	-	6,260
Closing Balance	66,526	66,526
General Reserve		
Opening Balance	30,130,386	27,545,490
Addition	3,750,000	4,500,000
Deduction (Refer Note No. 3)	-	1,915,104
Closing Balance	33,880,386	30,130,386
Profit and Loss Account	6,668,829	3,291,319
	40,666,425	33,538,292

Notes:

- Capital Reserve comprises of:
 - Profit on sale of Business to Bosch Rexroth (India) Limited TINR 2,600 (2009 : TINR 2,600)
 - GTZ Aid received TINR 4,001 (2009 : TINR 4,001)
 - Profit on sale of Business to Bosch Chassis Systems India Ltd TINR 2,500 (2009 : TINR 2,500)
 - Profit on sale of Business to ED Electronic Devices Wholesale Trading Pvt Ltd TINR 29,577 (2009: TINR 28,954)
 - Profit on sale of Business to Bosch Electrical Drives India Pvt Ltd TINR 3,918 (2009: TINR 3,918)
 - Others TINR 19 (2009 :TINR 19)
- Addition to Capital Redemption Reserve represents amount transferred from Profit and Loss account pursuant to the provisions of Section 77AA of the Companies Act, 1956 in respect of the Equity shares bought back.
- Deduction from General Reserve represents premium paid on Equity shares bought back.

Schedules to Balance Sheet

SCHEDULE 3: SECURED LOANS

[Rs. in Thousands (TINR)]

	2010	2009
Cash credit from Banks (Secured by hypothecation of present and future stocks of raw materials, finished goods, work-in-progress and book debts)	30,435	284,130
	30,435	284,130

SCHEDULE 4: UNSECURED LOANS

[Rs. in Thousands (TINR)]

	2010	2009
Sales Tax Deferral Loan from Government of Maharashtra and Rajasthan [Amount repayable within one year : TINR 15,166 (2009 : TINR 8,983)]	2,733,454	2,559,004
	2,733,454	2,559,004

SCHEDULE 5: FIXED ASSETS

[Rs. in Thousands (TINR)]

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	2009	Additions	Deductions/ Adjustments	2010	2009	For the year	Deductions/ Adjustments	2010	2010	2009
Land - Freehold	66,710	-	-	66,710	-	-	-	-	66,710	66,710
- Leasehold	89,117	84,415	-	173,532	12,098	901	-	12,999	160,533	77,019
Buildings (Refer Note No. 1)	2,306,126	37,549	1,666	2,342,009	1,300,109	97,568	1,204	1,396,473	945,536	1,006,017
Buildings - R & D*	93,833	17,407	-	111,240	93,833	17,407	-	111,240	-	-
Plant and Machinery	23,520,418	1,001,076	71,090	24,450,404	19,787,312	1,815,882	63,313	21,539,881	2,910,523	3,733,106
Plant and Machinery - R & D*	1,121,812	466,244	58	1,587,998	1,121,812	466,244	58	1,587,998	-	-
Furniture and Equipment	1,131,029	82,992	151,156	1,062,865	952,952	81,364	152,286	882,030	180,835	178,077
Furniture and Equipment - R & D*	79,387	2,853	389	81,851	79,387	2,853	389	81,851	-	-
Motor Vehicles	292,259	75,913	25,343	342,829	220,525	50,112	23,555	247,082	95,747	71,734
Motor Vehicles - R & D*	11,201	7,320	-	18,521	11,201	7,320	-	18,521	-	-
	28,711,892	1,775,769	249,702	30,237,959	23,579,229	2,539,651	240,805	25,878,075	4,359,884	5,132,663
Previous year	27,285,611	2,120,605	694,324	28,711,892	21,199,423	3,036,330	656,524	23,579,229	2,242,165	996,664
Capital work-in-progress (Refer Note No. 2)									2,242,165	996,664
									6,602,049	6,129,327

Notes:

- Buildings include TINR 1 (2009: TINR 1) being the value of shares in co-operative housing societies.
- Includes capital advances TINR 271,183 (2009: TINR 215,221) and machinery in transit TINR 205,665 (2009: TINR 150,390)

* Relating to DSIR approved R & D facilities, considered eligible for certain Income Tax benefit.

Schedules to Balance Sheet

SCHEDULE 6: INVESTMENTS

[Rs. in Thousands (TINR)]

Investments at Cost (Long term, unquoted, unless otherwise stated)	Number	Particulars	2010	2009
A INVESTMENTS IN SUBSIDIARY COMPANY: SHARES				
MICO Trading Private Ltd.	100,000	(2009 : 10,000) Equity Shares of Rs.10/- each fully paid (90,000 shares purchased during the year)	1,000	100
TOTAL - A			1,000	100
B TRADE INVESTMENTS: SHARES				
MHB Filter India Private Ltd.	17,500,000	(2009: 16,075,000) Equity Shares of Rs.10/- each fully paid (1,425,000 shares purchased during the year)	175,000	160,750
TOTAL - B			175,000	160,750
C NON-TRADE INVESTMENTS: SHARES, DEBENTURES AND BONDS				
ICICI Bank Ltd.	437,110	(2009 : 437,110) Equity Shares of Rs.10/- each fully paid (Quoted)	16,487	16,487
Housing Development Finance Corporation Ltd.	3,404,800	Equity Shares of Rs.2/- each fully paid (2009 : 680,960 Equity Shares of Rs. 10/- each fully paid) (Quoted)	13,619	13,619
HDFC Bank Ltd.	37,700	(2009 : 37,700) Equity Shares of Rs.10/- each fully paid (Quoted)	364	364
Rural Electrification Corporation Ltd.	-	(2009: 70) 8.25% Tax Free Unsecured Bonds of Rs.1,000,000/- each (Quoted) (70 Bonds matured during the year)	-	70,272
	-	(2009: 500) 5.25% Capital Gains Unsecured Redeemable Bonds of Rs.10,000/- each (500 bonds matured during the year)	-	5,000
	1,000	(2009 : 500) 6.25% Capital Gains Unsecured Redeemable Bonds of Rs.10,000/- each (500 bonds purchased during the year)	10,000	5,000
India Infrastructure Finance Corporation Limited	38,000	(2009 : 12,500) 6.85% Tax Free Bonds of Rs.100,000/- each (Quoted) (25,500 bonds purchased during the year)	3,847,706	1,250,000
Indian Railway Finance Corporation	1,500	(2009 : Nil) 6% Tax Free Bonds of Rs.100,000/- each (Quoted) (1,500 bonds purchased during the year)	150,000	-
TOTAL - C			4,038,176	1,360,742
D NON-TRADE INVESTMENTS: UNITS OF MUTUAL FUNDS				
Birla Mutual Fund	15,000,000	(2009: Nil) Units of Birla Fixed Term Plan - Series CF-367 days Growth Option of Rs.10/- each (15,000,000 units purchased during the year)	150,000	-
	15,000,000	(2009: Nil) Units of Birla Fixed Term Plan - Series CG - 367 days Growth Option of Rs.10/- each (15,000,000 units purchased during the year)	150,000	-
DSP BlackRock Mutual Fund	-	(2009 : 253,636) DSP BlackRock Money Manager Fund - IP - Daily dividend Units of Rs.1,000/- each of Liquid fund (253,636 units sold during the year)	-	253,839

Schedules to Balance Sheet

SCHEDULE 6: INVESTMENTS (Contd.)

[Rs. in Thousands (TINR)]

Investments at Cost (Long term, unquoted, unless otherwise stated)	Number	Particulars	2010	2009
Deutsche Mutual Fund	-	(2009 : 257,159,024) DWS Ultra short term - Institutional Treasury advantage fund Units of Rs.10/- each of Liquid fund (257,159,024 units sold during the year)	-	2,576,193
	25,000,000	(2009 : Nil) Units of Deutsche Fixed Term Plan - Series 71 Growth Option of Rs.10/- each (25,000,000 units purchased during the year)	250,000	-
	15,000,000	(2009 : Nil) Units of Deutsche Fixed Term Plan - Series 72 Growth Option of Rs.10/- each (15,000,000 units purchased during the year)	150,000	-
	35,000,000	(2009 : Nil) Units of Deutsche Fixed Term Plan - Series 73 Growth Option of Rs.10/- each (35,000,000 units purchased during the year)	350,000	-
	10,000,000	(2009 : Nil) Units of Deutsche Fixed Term Plan - Series 75 Growth Option of Rs.10/- each (10,000,000 units purchased during the year)	100,000	-
	30,000,000	(2009 : Nil) Units of Deutsche Fixed Term Plan - Series 77 Growth Option of Rs.10/- each (30,000,000 units purchased during the year)	300,000	-
	23,219,095	(2009 : Nil) DWS Ultra Short Term - Institutional Treasury Advantage Fund - Growth Units of Rs.10/- each of Liquid Fund (23,219,095 units purchased during the year)	250,000	-
Franklin Templeton Mutual Fund	215,635,240	(2009 : 313,756,600) Templeton India Ultra short bond fund Super IP- Daily Dividend Units of Rs.10/- each of Liquid fund (14,248,291 units reinvested and 112,369,651 units sold during the year)	2,158,854	3,141,206
	262,141,598	(2009 : Nil) Units of Templeton India Income Opportunities Fixed Term Plan Fund Growth Plan of Rs.10/- each (262,141,598 units purchased during the year)	2,700,000	-
	21,220,970	(2009 : Nil) Templeton India Ultra short bond fund Super IP - Growth Units of Rs.10/- each of Liquid Fund (21,220,970 units purchased during the year)	250,000	-
Fidelity Mutual Fund	25,000,000	(2009 : Nil) Units of Fidelity Fixed Maturity Plan Series III- Plan F Rs.10/- each (25,000,000 units purchased during the year)	250,000	-
HDFC Mutual Fund	-	(2009 : 282,568,984) HDFC cash management - Treasury advantage WP(D) daily reinv Units of Rs.10/- each of Liquid fund (282,568,984 units sold during the year)	-	2,834,591
	25,000,000	(2009 : Nil) Units of HDFC Fixed Maturity Plan 13 M March 10 - Series XII Growth Option of Rs.10/- each (25,000,000 units purchased during the year)	250,000	-
	25,000,000	(2009 : Nil) Units of HDFC Fixed Maturity Plan 13 M March 10(2) - Series XII Growth Option of Rs.10/- each (25,000,000 units purchased during the year)	250,000	-
	37,500,000	(2009 : Nil) Units of HDFC Fixed Maturity Plan 370 D June 2010 (1) Series - XV Growth Option of Rs.10/- each (37,500,000 units purchased during the year)	375,000	-
	35,000,000	(2009 : Nil) Units of HDFC Fixed Maturity Plan 370 D August 2010 (1) SERIES - XV Growth Option of Rs.10/- each (35,000,000 units purchased during the year)	350,000	-
	12,452,990	(2009 : Nil) HDFC Cash Management - Treasury Advantage Plan - Growth Units of Rs.10/- each of Liquid Fund (12,452,990 units purchased during the year)	250,000	-

Schedules to Balance Sheet

SCHEDULE 6: INVESTMENTS (Contd.)

[Rs. in Thousands (TINR)]

Investments at Cost (Long term, unquoted, unless otherwise stated)	Number	Particulars	2010	2009
ICICI Prudential Mutual Fund	-	(2009 : 26,793,764) ICICI Flexible income plan premium Daily Dividend Reinvestment Units of Rs.100/- each of Liquid fund (26,793,764 units sold during the year)	-	2,833,039
	25,000,000	(2009 : Nil) Units of ICICI Prudential Fixed Maturity Plan Series 51- 14 Months Plan D Institutional - Growth Option of Rs.10/- each (25,000,000 units purchased during the year)	250,000	-
	30,000,000	(2009 : Nil) Units of ICICI Prudential Fixed Maturity Plan Series 51- 13 Months Plan C Institutional - Growth Option of Rs.10/- each (30,000,000 units purchased during the year)	300,000	-
	25,000,000	(2009 : Nil) Units of ICICI Prudential Fixed Maturity Plan Series 51- 1 Year Plan B - 371 Days Institutional - Growth Option of Rs.10/- each (25,000,000 units purchased during the year)	250,000	-
	52,463,276	(2009 : Nil) Units of ICICI Prudential Annual Interval Fixed Maturity Plan1 Institutional - Growth Option of Rs.10/- each (52,463,276 units purchased during the year)	525,000	-
	15,000,000	(2009 : Nil) Units of ICICI Fixed Maturity Plan Series 53 - 1 Year Plan A - Growth Option of Rs.10/- each (15,000,000 units purchased during the year)	150,000	-
	29,994,601	(2009 : Nil) Units of ICICI Annual Interval Fixed Maturity Plan - III - Institutional - Growth Option of Rs.10/- each (29,994,601 units purchased during the year)	300,000	-
	40,000,000	(2009 : Nil) Units of ICICI Prudential Fixed Maturity Plan - Series 53 - 1 Year Plan D of Rs.10/- each (40,000,000 units purchased during the year)	400,000	-
	1,467,910	(2009 : Nil) ICICI Flexible Income Plan Premium - Growth Units of Rs.100/- each of Liquid Fund (1,467,910 units purchased during the year)	250,000	-
IDFC Mutual Fund	-	(2009 : 76,026,099) IDFC Money manager Fund TP Super IP Plan C- Daily dividend Units of Rs.10/- each of Liquid fund (76,026,099 units sold during the year)	-	760,375
	35,000,000	(2009 :Nil) Units of IDFC Fixed Maturity Plan Yearly Series 33- Growth Rs.10/- each (35,000,000 units purchased during the year)	350,000	-
	10,000,000	(2009 :Nil) Units of IDFC Fixed Maturity Plan Yearly Series 34- Growth Rs.10/- each (10,000,000 units purchased during the year)	100,000	-
Tata Mutual Fund	45,000,000	(2009 :Nil) Units of Tata Fixed Horizon Fund - Fixed Maturity Plan - Series 27 - Scheme A - Growth - Plan of Rs.10/- each (45,000,000 units purchased during the year)	450,000	-
Unit Trust of India Mutual Fund	-	(2009 : 255,230) UTI Treasury Advantage fund - Institutional Plan Units of Rs.1,000/- each of Liquid fund (255,230 units sold during the year)	-	255,284
TOTAL - D			11,858,854	12,654,527
Total - (A+B+C+D)			16,073,030	14,176,119
Notes:				
1. Aggregate of quoted Investments Cost			4,028,176	1,350,742
Market Value			7,158,995	3,627,845
2. Aggregate of unquoted Investments Cost			12,044,854	12,825,377

Schedules to Balance Sheet

SCHEDULE 6: INVESTMENTS (Contd.)

3. Details of Investments purchased/ reinvested and sold during the year

(Quantities in Units)

Investments at Cost (Long term, unquoted, unless otherwise stated)	Particulars	Purchased/ Reinvested	Sold
Deutsche Mutual Fund	DWS Ultra Short Term - Institutional Treasury Advantage Fund units of Rs.10/- each of Liquid Fund	2,198,461	2,198,461
DSP BlackRock Mutual Fund	DSP BlackRock Money Manager Fund - IP - Daily dividend units of Rs.1,000/- each of Liquid Fund	2,723	2,723
Unit Trust of India Mutual Fund	UTI Treasury Advantage fund - Institutional Plan units of Rs.1,000/- each of Liquid Fund	3,413	3,413
IDFC Mutual Fund	IDFC Money manager Fund TP Super IP Plan C- Daily dividend units of Rs.10/- each of Liquid Fund	1,353,048	1,353,048
HDFC Mutual Fund	HDFC cash management - Treasury advantage WP(D) daily dividend units of Rs.10/- each of Liquid Fund	8,907,327	8,907,327
ICICI Prudential Mutual Fund	ICICI Flexible income plan premium Daily Dividend Reinvestment units of Rs.100/- each of Liquid Fund	943,337	943,337

Schedules to Balance Sheet

SCHEDULE 7: INVENTORIES

[Rs. in Thousands (TINR)]

	2010	2009
Raw materials and components	2,062,028	1,530,799
Work-in-progress	988,643	832,124
Finished goods	1,627,892	1,197,597
Trade goods	3,147,387	1,786,476
Stores and spares	115,289	67,310
Loose tools	151,573	97,495
	8,092,812	5,511,801

Inventory includes Goods in Transit TINR 1,790,664 (2009 : TINR 1,326,521)

SCHEDULE 8: SUNDRY DEBTORS

[Rs. in Thousands (TINR)]

	2010	2009
<i>Unsecured, considered good</i>		
Debts outstanding for a period exceeding six months	325,245	207,323
Other debts	6,884,414	5,625,956
	7,209,659	5,833,279
<i>Unsecured, considered doubtful</i>		
Debts outstanding for a period exceeding six months	290,652	278,870
Other debts	-	-
	290,652	278,870
	7,500,311	6,112,149
Less: Provision for doubtful debts	(290,652)	(278,870)
	7,209,659	5,833,279

SCHEDULE 9: CASH AND BANK BALANCES

[Rs. in Thousands (TINR)]

	2010	2009
Cash on hand [including Cheques on hand and remittance in transit TINR 280,270 (2009:TINR 269,247)]	281,113	270,212
Balances with Scheduled Banks		
In current accounts	97,780	114,487
In dividend accounts	9,781	7,801
In deposit accounts	12,870,000	10,285,200
	13,258,674	10,677,700

Schedules to Balance Sheet

SCHEDULE 10: OTHER CURRENT ASSETS

(Unsecured considered good, unless otherwise stated)

[Rs. in Thousands (TINR)]

	2010	2009
Interest accrued on Investments	242,068	80,491
Interest accrued on Deposits	347,146	379,558
	589,214	460,049

SCHEDULE 11: LOANS AND ADVANCES [Refer Note 10 of Schedule 19]

(Unsecured considered good, unless otherwise stated)

[Rs. in Thousands (TINR)]

	2010	2009
Advances recoverable in cash or in kind or for value to be received		
Secured	150,920	132,188
Unsecured*	2,217,436	1,071,211
*[Includes due from subsidiary, MICO Trading Private Ltd TINR 132 (2009: TINR 132)]	2,368,356	1,203,399
Inter corporate deposit	3,280,000	2,500,000
Other deposits	252,337	224,360
Inter corporate loan	1,630,000	800,000
Advance Tax including Fringe Benefit Tax (net of Provision TINR 10,712,105)	276,097	-
Balances with Customs, Port Trust and Excise Authorities etc.	563,716	368,325
	8,370,506	5,096,084

SCHEDULE 12: CURRENT LIABILITIES

[Rs. in Thousands (TINR)]

	2010	2009
Sundry creditors		
Dues of		
- Micro Enterprises and Small Enterprises [Refer Note 26 of Schedule 19]	72,192	51,967
- Others	9,858,937	6,099,231
	9,931,129	6,151,198
Advance from customers	381,515	350,298
Unclaimed dividend #	9,781	7,801
Other liabilities	3,048,093	2,036,027
	13,370,518	8,545,324

There is no amount due to be credited to Investor Education and Protection Fund.

SCHEDULE 13: PROVISIONS

[Rs. in Thousands (TINR)]

	2010	2009
Taxation including Fringe Benefit Tax (Net of Advance tax) (2009: TINR 9,464,087)	-	143,768
Proposed Final dividend (including dividend distribution tax)	1,464,555	1,102,054
Employee Benefits	1,703,771	1,357,084
Trade demand and Others	1,067,243	892,474
Warranty	1,027,554	1,162,240
	5,263,123	4,657,620

Schedules to Profit and Loss Account

SCHEDULE 14: INTEREST

[Rs. in Thousands (TINR)]

	2010	2009
Interest income :		
Non trade Investments (Gross) [Tax deducted at source Nil; (2009 : Nil)]	204,826	83,779
Banks and other accounts (Gross) [Tax deducted at source TINR 103,211 (2009:TINR 178,854)]	978,792	1,233,600
	1,183,618	1,317,379
Less : Interest expense :		
Banks and other accounts	39,339	11,869
	39,339	11,869
	1,144,279	1,305,510

SCHEDULE 15: OTHER INCOME

[Rs. in Thousands (TINR)]

	2010	2009
Sale of scrap	173,567	128,759
Dividend from non-trade investments		
- Current	230,793	-
- Long term	172,860	180,141
	403,653	180,141
Profit on sale/redemption of investments (Net)		
- Long term	-	923,512
	-	923,512
Rent	312,388	298,444
Custom duty rebate	89,234	95,170
Provisions/Liabilities no longer required written back	1,569,193	1,359,011
Miscellaneous income	242,547	319,895
Exchange Gain(Net)	95,121	82,151
Profit on sale of fixed assets (Net)	6,815	7,958
	2,892,518	3,395,041

SCHEDULE 16: MATERIALS CONSUMED

[Rs. in Thousands (TINR)]

	2010	2009
Raw materials and components		
Opening stock	1,530,799	1,773,300
Purchases	22,183,091	15,633,383
	23,713,890	17,406,683
Less : Closing stock	2,062,028	1,530,799
	21,651,862	15,875,884
Trade goods		
Opening stock	1,786,476	1,635,893
Purchases	16,280,016	9,964,172
	18,066,492	11,600,065
Less : Closing stock	3,147,387	1,786,476
	14,919,105	9,813,589
Change in work-in-progress and finished goods		
Opening stock		
Work-in-progress	832,124	939,580
Finished goods	1,197,597	907,366
	2,029,721	1,846,946
Closing stock		
Work-in-progress	988,643	832,124
Finished goods	1,627,892	1,197,597
	2,616,535	2,029,721
	(586,814)	(182,775)
	35,984,153	25,506,698

Schedules to Profit and Loss Account

SCHEDULE 17: OPERATING EXPENSES

[Rs. in Thousands (TINR)]

	2010	2009
Personnel costs		
Salaries, wages, bonus, separation costs etc.	6,312,895	5,149,381
Contributions to provident and other funds	678,753	481,845
Welfare	1,033,071	510,618
	8,024,719	6,141,844
Tools consumed	1,193,655	1,098,460
Stores consumed	637,543	515,752
Power	865,410	560,220
Repairs and maintenance		
Machinery	855,236	620,056
Buildings	509,737	506,987
Others	255,831	298,450
	1,620,804	1,425,493
Royalty and technical service fee	1,214,212	513,872
Rent	185,947	179,184
Rates, taxes and licences	232,053	238,246
Commission on sales	37,838	49,520
Insurance	44,640	38,275
Packing, freight and forwarding	1,356,926	1,005,278
Warranty and service expenses	824,615	846,890
Travelling and conveyance	649,802	495,113
Legal and other professional expenses	775,628	655,871
Advertisement and Sales Promotion expenses	996,588	750,854
Miscellaneous expenses	1,983,829	1,959,433
	20,644,209	16,474,305

SCHEDULE 18: R & D EXPENSES/(INCOME)*

[Rs. in Thousands (TINR)]

	2010	2009
R & D Expenses:		
Materials Consumed	17,568	15,011
Employee Cost	350,598	281,936
Other Expenses	277,905	175,616
	646,071	472,563
R & D Income:		
Income from services	(376,808)	(540,135)
Other Income	(75)	-
	(376,883)	(540,135)

* Relating to DSIR approved R & D facilities, considered eligible for certain Income Tax benefit.

Notes on accounts

SCHEDULE 19 : NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2010.

1. Significant accounting policies :

(a) Accounting basis and convention:

The financial statements are prepared under historical cost convention in accordance with Generally Accepted Accounting Principle in India and comply in all material respects with the applicable accounting standards notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

(b) Revenue Recognition:

Sale of goods is recognised on despatch of goods to customers and is recorded net of trade discounts, claims, etc., as considered appropriate. Interest on investments and deposits is recognised on a time proportion basis. Dividend income is accounted for when it is declared. Income from services is recognised on rendering of services based on agreements/arrangements with the concerned parties.

(c) Fixed assets:

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation.

(d) Investments:

Current Investments are stated at lower of cost and fair value. Long term Investments are stated at cost. A provision for diminution, if any, is made to recognise a decline, other than temporary, in the value of long term investments. Premium paid on acquisition of government bonds is amortised over the residual period of such bonds.

(e) Depreciation:

(i) Depreciation on fixed assets is provided using the written down value method based on the useful life as estimated by the management. The estimated useful life for various fixed assets is given below :

		Useful life (in years)
Buildings :		
Residential	:	59
Factory/Office	:	29
Plant and Machinery :		
General	:	6
Data Processing Equipment	:	3
Furniture and Equipment	:	8
Motor Vehicles	:	5

In respect of specific assets including second hand machinery which are estimated to have a lower residual life than envisaged above, depreciation has been provided based on the estimated lower residual life, where required.

(ii) In respect of assets which are not directly connected with the production activity such as Research and Development assets, pollution control and energy saving devices and low value assets not exceeding Rs. 15,000/- per unit, depreciation is provided at 100% in the quarter of addition.

(iii) Cost of application software is expensed off on purchase.

(iv) In respect of additions, depreciation is provided on pro-rata basis from the quarter of addition and in respect of disposals, the same is provided upto the quarter prior to disposal.

(v) The aggregate depreciation so provided in the accounts is not less than the depreciation which would have been provided had the rates specified in Schedule XIV of the Companies Act, 1956, been adopted.

(vi) Cost of leasehold land is amortized over the lease term.

Notes on accounts

(f) Inventories:

Inventories are valued at lower of cost and net realisable value. Cost is generally ascertained on weighted average basis. In case of work-in-progress and finished goods, appropriate overheads are included. Obsolete / slow moving inventories are adequately provided for. Excise duty on finished goods lying in factories and customs duty on raw materials in bonded warehouses are considered for valuation of inventories, as applicable. Purchased goods in transit are accounted at cost.

(g) Employee Benefits:

(i) Short term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the services are classified as short term employee benefits, which include benefits like salaries, wages, short term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

(ii) Post-employment benefits:

Contributions to defined contribution schemes such as Provident Fund, Superannuation Fund etc., are recognised as expenses in the period in which the employee renders the related service. In respect of certain employees, Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. In respect of contributions made to government administered Provident Fund, the Company has no further obligations beyond its monthly contributions. The Company also provides for post employment defined benefit in the form of gratuity. The cost of providing benefit is determined using the projected unit credit method, with actuarial valuation being carried out at each balance sheet date. Actuarial gains and losses in respect of the same are charged to the Profit and Loss Account.

(iii) Other Long Term Employee Benefits:

All employee benefits (other than post-employment benefits and termination benefits) which do not fall due wholly within twelve months after the end of the period in which the employees render the related service, mainly including long term compensated absences, service awards, death relief benefits are determined based on actuarial valuation carried out at each balance sheet date.

Estimated liability on account of long term benefits and defined benefit plans is discounted to the present value, using the yield on government bonds as the discounting rate, as on the date of the balance sheet.

Actuarial gains and losses in respect of the same are charged to the Profit and Loss Account.

(h) Foreign currency transactions:

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the transactions. At the year end, all the monetary assets and liabilities denominated in foreign currency are restated at the closing exchange rates. Exchange differences resulting from the settlement of such transactions and from the translation of such monetary assets and liabilities are recognised in the Profit and Loss Account.

In respect of transactions covered by forward exchange contracts, the difference between the forward rate and the exchange rate at the date of transaction is recognised as income or expense over the life of the contract.

(I) Leases:

Assets acquired under finance leases are capitalised at the lower of the fair value of the leased assets at the inception of the lease term and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability. Operating lease expense/income is recognised in the Profit and Loss Account on a straight line basis over the lease term.

(j) Income Tax :

(i) Current Taxation:

Provision is made for income tax annually based on the tax liability computed after considering tax allowances and exemptions.

Notes on accounts

(ii) Deferred Taxation:

Deferred income tax is provided, on all timing differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted as on the balance sheet date.

(k) Fringe Benefit Tax:

Fringe Benefit Tax is determined at applicable rates on expenses falling within the ambit of "Fringe Benefit" as defined under the Income Tax Act, 1961.

(l) Impairment of Assets:

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount an impairment loss is recognised in the Profit and Loss Account to the extent the carrying amount exceeds recoverable amount.

(m) Provisions:

Provisions are recognised when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

(n) Research and Development:

Capital expenditure on Research & Development is capitalized as fixed assets and depreciated in accordance with depreciation policy of the Company. Revenue expenditure incurred in research phase is expensed as incurred. Development expenditure is capitalized as an internally generated intangible asset only if it meets the recognition criteria under Accounting Standard 26 on Intangible Assets, which inter-alia includes demonstration of technical feasibility, generation of future economic benefits etc. Expenditure that cannot be distinguished between research phase and development phase is expensed as incurred.

2. Disclosure on Retirement Benefits as required in Accounting Standard (AS) 15 on "Employee Benefits" are given below:

(a) Post Retirement Benefit- Defined Contribution Plans

The Company has recognised an amount of TNR 400,363 (2009:TNR 316,669) as expense under the defined contribution plans in the Profit and Loss Account.

(b) Post Retirement Benefit- Defined Benefit Plans

The Company makes annual contributions to the Mico Employees' Gratuity Fund, a funded defined benefit plan for qualifying employees. The Scheme provides for lumpsum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs only upon completion of five years of service, except in case of death or permanent disability. The present value of the defined benefit obligation and the related current service cost are measured using the projected unit credit method with actuarial valuation being carried out at each balance sheet date.

[Rs. in Thousands (TNR)]

	2010	2009
(i) Reconciliation of Opening and Closing balances of the present value of the defined benefit obligation:		
Obligations at the beginning of the year	1,990,261	1,787,694
Service Cost	247,803	137,846
Interest Cost	156,893	134,098
Benefits Settled	(106,629)	(87,800)
Actuarial (gain)/loss	(191)	17,056
Past Service Cost	2,806	1,367
Obligations at the end of the year	2,290,943	1,990,261

Notes on accounts

	[Rs. in Thousands (TINR)]	
	2010	2009
(ii) Change in Plan Assets:		
Plan assets at fair value at the beginning of the year	1,825,054	1,671,163
Expected return on plan assets	150,264	129,611
Actuarial gain/(loss)	(21,343)	(4,420)
Asset distributed on settlements	-	-
Contributions	166,753	116,500
Benefit Settled	(106,629)	(87,800)
Plan assets at fair value at the end of the year	2,014,099	1,825,054
(iii) Reconciliation of present value of the obligation and the fair value of the plan assets:		
Present value of obligation at the end of the year	2,290,943	1,990,261
Fair value of plan asset at the end of the year	2,014,099	1,825,054
Amount recognised in the Balance Sheet	276,844	165,207
(iv) Expenses recognised in the Profit and Loss Account:		
Service Cost	247,803	137,846
Interest Cost	156,893	134,098
Expected return on plan assets	(150,264)	(129,611)
Actuarial (gain)/ loss	21,152	21,476
Past Service Cost	2,806	1,367
Net Cost	278,390	165,176
(v) Investment Details:		
	% Invested	% Invested
Government of India Securities	21.99	26.11
State Government Securities	29.78	23.26
Public Sector Securities	32.88	33.38
Private Sector Securities	0.62	1.15
Treasury Bills	0.71	0.39
Special Deposit Scheme	14.02	15.71
Total	100.00	100.00
(vi) Assumptions:		
Discount factor (Note No.1)	8.1%	7.7%
Estimated Rate of return on plan assets (Note No.2)	8.1%	7.7%
Attrition rate	2%	2%
Rate of escalation in salary per annum (Note No.3)	9.3%	6.5%
Retirement Age	58 / 60	58 / 60

Notes on accounts

(vii) Contribution expected to be paid to the Mico Employees' Gratuity Fund within next year is TINR 199,113 (2009: TINR 165,207).

(viii) Net Asset/ (Liability) recognised in Balance Sheet (including experience adjustment impact):

	2010	2009	2008	2007
Present value of defined benefit obligation	2,290,943	1,990,261	1,787,694	1,622,800
Fair value of plan assets	2,014,099	1,825,054	1,671,163	1,611,100
Status [(Surplus)/ Deficit]	276,844	165,207	116,531	11,700
Experience adjustment of Plan Assets [Gain/ (Loss)]	(21,343)	(4,420)	26,300	5,400
Experience adjustment of Plan Obligation [(Gain)/ Loss]	(191)	17,056	51,676	(96,719)

(c) Long term compensated absences - Principal Actuarial Assumptions :

	2010	2009
Discount factor (Note 1)	8.1%	7.7%
Attrition rate	2%	2%
Rate of escalation in salary per annum (Note 3)	9.3%	6.5%
Retirement Age	58 / 60	58 / 60

Notes:

1. The discount rate is based on the prevailing market yield on Government Bonds as at the balance sheet date for the estimated term of obligations.
2. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.
3. The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Notes on accounts

3. Segment Information :

The Company's operations predominantly relate to manufacturing and trading of automotive products. The Company is also manufacturing industrial equipments and consumer goods which are non-automotive products. The risks and rewards associated with these two businesses are significantly different. Therefore, the primary segment consists of "Automotive Products" and "Others" which are essentially non-automotive products. Secondary segment information is organised in two geographical segments, namely "India" and "Outside India".

The Accounting principles and policies adopted in the preparation of the financial statements are also consistently applied to record revenue/expenditure and assets/liabilities in individual segments. These are as set out in the note on significant accounting policies. The inter-segment sales are recorded at cost.

a) Details of Primary Segment

[Rs. in Thousands (TINR)]

Business Segment	Automotive Products		Others		Eliminations		Consolidated Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Revenue								
External Sales	60,083,011	42,470,579	6,222,023	5,027,161	-	-	66,305,034	47,497,740
Inter-Segment Sales	-	-	341,645	155,661	(341,645)	(155,661)	-	-
Total Revenue	60,083,011	42,470,579	6,563,668	5,182,822	(341,645)	(155,661)	66,305,034	47,497,740
Result								
Segment Result	10,706,432	5,626,692	369,612	339,280	-	-	11,076,044	5,965,972
Unallocated Corporate income/(expenses) - Net							(192,411)	662,672
Operating Profit							10,883,633	6,628,644
Add: Interest Income							1,183,618	1,317,379
Less: Interest Expenses							39,339	11,869
Less: Income Taxes (Net)							3,438,862	2,027,686
Net Profit							8,589,050	5,906,468
Other Information								
Segment Assets	21,093,968	17,100,604	2,722,216	1,609,002	-	-	23,816,184	18,709,606
Unallocated Corporate Assets							38,561,760	31,188,753
Total Assets					-	-	62,377,944	49,898,359
Segment Liabilities	14,689,634	10,761,929	2,002,727	1,055,209	-	-	16,692,361	11,817,138
Unallocated Corporate Liabilities							4,705,169	4,228,940
Total Liabilities					-	-	21,397,530	16,046,078
Capital Expenditure	2,185,022	1,247,598	157,457	29,373				
Depreciation	2,397,021	2,878,116	36,405	32,754				
Non Cash Expenses other than Depreciation	-	-	-	-				

(b) Details of Secondary Segment

Revenue from geographical segment is based on location of its customers and total carrying amount of assets.
The total cost incurred during the period to acquire fixed assets is based on geographical locations of the assets.

[Rs. in Thousands (TINR)]

Geographical Segment	Sales		Carrying cost of assets		Capital expenditure	
	2010	2009	2010	2009	2010	2009
India	57,844,316	41,643,149	61,187,017	48,817,656	3,021,270	1,446,178
Outside India	8,460,718	5,854,591	1,190,927	1,080,703	-	-
Total	66,305,034	47,497,740	62,377,944	49,898,359	3,021,270	1,446,178

Notes on accounts

4. Related Party Transactions:

[Rs. in Thousands (TINR)]

Particulars	Holding Company		Fellow Subsidiary Companies		Total	
	2010	2009	2010	2009	2010	2009
Sales	4,576,499	2,895,545	3,207,212	2,403,946	7,783,711	5,299,491
Services rendered:						
- Rent Received	-	-	312,376	298,432	312,376	298,432
- Others (including reimbursements)	311,134	577,347	166,902	290,700	478,036	868,047
Purchases of :						
- Fixed Assets	274,946	192,253	81,509	74,651	356,455	266,904
- Goods	8,982,244	6,276,782	5,890,921	3,141,644	14,873,165	9,418,426
Dividend paid (Cash basis)	670,483	558,736	-	-	670,483	558,736
Services received:						
- Royalty and Technical Service fee	1,200,395	508,285	13,817	5,587	1,214,212	513,872
- Professional, consultancy and other charges	866,200	920,738	590,310	442,158	1,456,510	1,362,896
Interest Received	-	-	129,475	92,284	129,475	92,284
Sale of Business divisions	-	-	-	20,758	-	20,758
Sale of Investment	-	-	-	19,110	-	19,110
Loan given during the year	-	-	830,000	300,000	830,000	300,000
Inter Corporate Loan Receivable	-	-	1,630,000	800,000	1,630,000	800,000
Sundry Debtors	856,221	339,769	353,009	740,802	1,209,230	1,080,571
Sundry Creditors	2,642,150	2,067,816	1,620,886	997,517	4,263,036	3,065,333
Advance to suppliers	432,052	-	-	-	432,052	-

Holding Company : Robert Bosch GmbH, Germany**Other related parties where transactions have taken place during the year :****Fellow Subsidiary Companies:**

ADC Technologies International Pte. Ltd., Singapore
 ARESI S.p.A., Italy
 Beissbarth GmbH, Germany
 Bosch (China) Investment Ltd., China
 Bosch Automotive Diagnostics Equipment (Beijing) Ltd., China
 Bosch Automotive Diesel Systems Co. Ltd., China
 Bosch Automotive Electronics India Pvt. Ltd., India
 Bosch Automotive Products (Changsha) Co. Ltd., China
 Bosch Automotive Products (Suzhou) Co. Ltd., China
 Bosch Automotive Thailand Co. Ltd., Thailand
 Bosch Chassis Systems India Ltd., India
 Bosch Corporation, Japan
 Bosch Diesel, s r.o., Czech Republic
 Bosch Electrical Drives India Pvt. Ltd., India
 Bosch Engineering GmbH, Germany
 Bosch Management Support GmbH, Germany
 Bosch Packaging Services AG, Switzerland
 Bosch Packaging Technology (Hangzhou) Co. Ltd., China
 Bosch Packaging Technology (Singapore) Pte. Ltd., Singapore
 Bosch Packaging Technology B.V., Netherlands
 Bosch Packaging Technology Inc., United States
 Bosch Power Tools (China) Ltd., China
 Bosch Rexroth (Beijing) Hydraulic Co. Ltd., China
 Bosch Rexroth India Ltd., India
 Bosch Rexroth AG, Germany
 Bosch Rexroth Corporation, United States
 Bosch Rexroth Electric Drives and Controls GmbH, Germany
 Bosch Sanayi ve Ticaret A.S., Turkey
 Bosch Security Systems B.V., Netherlands

Precision Seals Mfg. Ltd., India
 Robert Bosch (Australia) Proprietary Limited, Australia
 Robert Bosch (France) S.A.S., France
 Robert Bosch (Malaysia) SDN. BHD., Malaysia
 Robert Bosch (Proprietary) Limited, South Africa
 Robert Bosch (South East Asia) Pte. Ltd., Singapore
 Robert Bosch AG, Austria
 Robert Bosch Argentina Industrial S.A., Argentina
 Robert Bosch Car Multimedia Holding GmbH, Germany
 Robert Bosch Company Limited, China
 Robert Bosch Elektronika Gyártó Kft., Hungary
 Robert Bosch Elektrowerkzeuge GmbH, Germany
 Robert Bosch Energy and Body Systems Kft., Hungary
 Robert Bosch Engineering and Business Solutions Ltd., India
 Robert Bosch Espana Fabrica Madrid, S.A., Spain
 Robert Bosch Espana Fabrica Treto, S.A., Spain
 Robert Bosch Fahrzeugelektrik Eisenach GmbH, Germany
 Robert Bosch Fuel Systems LLC, United States
 Robert Bosch Inc., Philippines
 Robert Bosch Korea Diesel Ltd., South Korea
 Robert Bosch Korea Ltd., South Korea
 Robert Bosch LLC, United States
 Robert Bosch Limited, Great Britain
 Robert Bosch Limited, Thailand
 Robert Bosch Limitada, Brazil
 Robert Bosch Packaging Technology Inc., United States
 Robert Bosch Packaging Technology B.V., Netherlands
 Robert Bosch Power tools SDN BHD, Malaysia
 Robert Bosch Saratow AG., Russian Federation

Notes on accounts

Bosch Security Systems Inc., United States
 Bosch Security Systems Pty Ltd., Australia
 Bosch Sicherheitssysteme GmbH, Germany
 Bosch Solar Thin Film GmbH., Germany
 Bosch Techniques d'Emballage S.A.S., France
 Bosch Trading (Shanghai) Co. Ltd., China
 BSH Home Appliances FZE., UAE
 BT Magnet-Technologie GmbH, Germany
 Centro Studi Componenti Per Veicoli S.p.A., Italy
 ETAS Automotive India Private Ltd., India
 ETAS Entwicklungs- und Applik.elektronische Systeme GmbH, Germany
 MIVIN Engineering Technologies Private Limited, India
 Moehwald GmbH, Germany
 Nanjing Huade Spark Plug Co. Ltd., China
 Ohta Iron Works Co. Ltd., Japan
 OOO Bosch Rexroth, Russian Federation

Robert Bosch Sdn. Bhd., Malaysia
 Robert Bosch Sistemas de Frenos, S.A. de C.V., Mexico
 Robert Bosch Taiwan Co. Ltd., Taiwan
 Robert Bosch Tecnologia de Embalagem Ltda., Brazil
 Robert Bosch Tool Corporation., United States
 Robert Bosch Vietnam Co. Ltd., Vietnam
 Robert Bosch S. de R.L. de C.V., Mexico
 Robert Bosch spol. s r.o., Czech Republic
 Scintilla AG, Switzerland
 SICAM S.r.l., Italy
 Technologie Diesel e Sistemi Frenanti S.p.A., Italy
 Telex EVI Audio (Hong Kong) Co. Ltd., China
 United Automotive Electronic Systems Co. Ltd., China
 VCS Video Communication Systems AG., Germany
 Weifu High Technology Co. Ltd., China

Note : The information disclosed is based on the names of the parties as identified by the management.

Subsidiary of the company: MICO Trading Private Limited. Transaction details below.
 Reimbursement of expenses - Nil (2009: TINR 3) ; Receivable - TINR 132 (2009: TINR 132)
 Investments in Equity shares - TINR 900 (2009: Nil)

Key Management Personnel: Mr. V.K. Viswanathan, Dr. Manfred Duernholz

	[Rs. in Thousands (TINR)]	
	2010	2009
Remuneration:		
Mr. V.K. Viswanathan	32,026	24,213
Dr. Manfred Duernholz	33,707	24,732
	<u>65,733</u>	<u>48,945</u>
Rent paid/ payable during the year:		
Mr. V.K. Viswanathan	363	363
Unpaid Bonus/ Commission as at year end	32,140	18,242
Loan and Advances transactions :		
Loan/Advances given during the year	-	-
Recovery during the year	480	1,619
Amount outstanding at the year end	3,742	4,222

Joint Venture : MHB Filter India Private Ltd., Transaction details below.

Sales - TINR 7,929 (2009: TINR 11,009), Purchases - TINR 601,715 (2009 : TINR 331,868), Services Rendered - TINR 3,285 (2009 : TINR 3,100) Receivables - TINR 3,190 (2009: TINR 3,636), Payables - TINR 53,886 (2009 : TINR 32,731)

Investments in Equity shares - TINR 14,250 (2009: TINR 78,250)

Other entity under control of the Company: Bosch India Foundation, Transaction details below.

Donation: TINR 21,473 (2009: TINR 14,500), Amount payable: TINR 21,578 (2009: TINR 14,875)

Names of fellow subsidiaries having transaction value in excess of 10% in line transactions

Sales - Robert Bosch Korea Diesel Ltd, South Korea TINR 1,360,585

Rent received - Robert Bosch Engineering and Business Solutions Ltd., India TINR 265,702

- Bosch Automotive Electronics India Pvt Ltd, India TINR 46,674

Professional, consultancies and other charges - Robert Bosch Engineering and Business Solutions Ltd., India TINR 363,334

Interest received - Bosch Rexroth (India) Ltd, India TINR 117,072; MIVIN Engineering Technology Ltd., India TINR 12,403

Loan given - Bosch Rexroth India Ltd, India TINR 800,000

Notes on accounts

5. Information on leases as per Accounting Standard 19 on "Accounting for Leases":

(a) Finance Lease :

The company does not have any item covered under finance lease which needs disclosure as per Accounting Standard 19 - "Accounting for Leases".

(b) Operating Lease Expenses :

The Company has various operating leases for equipments, office facilities, guest houses and residential premises for employees that are renewable on a periodic basis. Rental expenses for operating leases recognised in the Profit and Loss Account for the year amounts to TINR 185,947 (2009 : TINR 179,184).

Disclosure in respect of Non-Cancellable Lease is as given below:

[Rs. in Thousands (TINR)]

Future minimum lease payments	2010	2009
- Not later than 1 year	16,178	12,326
- Later than 1 year and not later than 5 years	16,544	3,710
- Later than 5 years	-	-

(c) Operating Lease Income :

Rental income received during the year in respect of operating lease is TINR 312,388 (2009 : TINR 298,444).

Details of assets given on operating lease as of December 31, 2010 are as below:

[Rs. in Thousands (TINR)]

	Gross Block		Accumulated Depreciation		Written down value		Depreciation for the year	
	2010	2009	2010	2009	2010	2009	2010	2009
Buildings	706,827	706,827	395,968	361,428	310,859	345,399	34,540	38,398
Plant and Machinery	358,838	358,687	323,468	297,919	35,370	60,768	25,549	45,473
Furniture and Equipment	83,278	82,107	78,700	76,840	4,578	5,267	1,860	2,240
Total	1,148,943	1,147,621	798,136	736,187	350,807	411,434	61,949	86,111

6. Earnings Per Share :

[Rs. in Thousands (TINR)]

	2010	2009
Profit attributable to equity shareholders	8,589,050	5,906,468
Weighted average number of Equity Shares outstanding during the year	31,398,900	31,555,295
Nominal value of Equity Shares (Rs.)	10	10
Basic and Diluted Earnings per Share (Rs.)	274	187

7. Deferred tax asset (net) is in respect of :

[Rs. in Thousands (TINR)]

	2010	2009
(a) Difference between books and Income tax written down value of depreciable fixed asset.	1,597,086	1,494,799
(b) Expenses debited to the Profit and Loss Account in a year but allowable as deductible expenses for tax purposes in the subsequent years as reduced by the claims allowable in the current year in respect of such expenses on a payment basis.	584,914	519,201
	2,182,000	2,014,000

Notes on accounts

8. Details of Company's share in the joint venture Assets, Liabilities, Income and Expenses as required by Accounting Standard 27 "Financial Reporting of Interests in Joint Ventures" is indicated below:

Name of the Joint Venture : MHB Filter India Private Limited.
Country of Incorporation : India
Percentage of ownership interest : 25%

[Rs. in Thousands (TINR)]

	2010	2009
Assets		
Fixed Assets	74,145	46,573
Capital Work in Progress	1,039	19,038
Investments	8,186	30,634
Deferred Tax Assets	29,991	17,514
<u>Current Assets, Loans and Advances</u>		
Inventories	22,901	11,619
Sundry Debtors	14,311	11,759
Cash and Bank Balances	6,477	6,810
Loans and Advances	8,091	7,224
Interest Accrued on Investments	1	-
Liabilities		
<u>Current Liabilities and Provisions</u>		
Current Liabilities	39,589	22,739
Provisions	264	303
Income		
Sales	139,832	71,377
Other Income	4,359	7,584
Expenditure		
Materials Consumed	105,392	57,914
Operating Expenses	59,767	44,444
Depreciation	8,599	4,977
Other Matters		
Capital Commitment	5,107	15,040

9. Disclosures under Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets"

[Rs. in Thousands (TINR)]

Description	As at 31.12.2009	Additions during the year	Utilised/Reversed during the year	As at 31.12.2010
Trade Demand and Others (Note 1)	892,474 (506,439)	780,472 (587,805)	605,703 (201,770)	1,067,243 (892,474)
Warranty (Note 2)	1,162,240 (1,370,659)	824,615 (846,890)	959,301 (1,055,309)	1,027,554 (1,162,240)

Notes:

1. Nature of the provision has not been given on the grounds that it can be expected to prejudice the interests of the company. Due to the very nature of such costs, it is not possible to estimate the timing / uncertainties relating to their outflows.
2. Warranty estimates are established using historical information on the nature, frequency and average cost of warranty claims and also management estimates regarding possible future outflow on servicing the customers for any corrective action in respect of product failure which is generally expected to be settled within a period of 2 to 3 years.
3. Figures in bracket relate to previous year.

Notes on accounts

10. Disclosure under Clause 32 of Listing Agreement :
Loans and Advances (Schedule 11) includes :

[Rs. in Thousands (TINR)]

	Outstanding		Maximum amount outstanding	
	2010	2009	2010	2009
Inter Corporate Loan				
- Bosch Rexroth (India) Ltd.,	1,500,000	700,000	1,500,000	700,000
- MIVIN Engg. Technologies Private Ltd.,	130,000	100,000	130,000	100,000
Non/Low interest bearing loans to employees/directors	594,901	291,694	594,901	362,190

[Rs. in Thousands (TINR)]

		2010	2009
11.	Contingent liabilities :		
	(a) Claims against the Company not acknowledged as debts:		
	(i) Excise / Customs	Net of tax Gross	235 352
	(ii) Trade Demands	Net of tax Gross	155,603 233,000
	(b) Guarantees given by Banks on behalf of the Company		256,380
	(c) Bills Discounted not matured		845,620
	(d) Certain industrial disputes are pending before various judicial authorities - amounts not ascertainable.		200,486
12.	Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	1,115,504	1,033,309
13.	Advances include dues from directors and an officer of the Company	5,232	4,272
	Maximum amount due from directors and an officer of the Company at any time during the year	6,471	6,465

Notes on accounts

		[Rs. in Thousands (TINR)]	
		2010	2009
14.	(a) Managerial remuneration :		
	(i) Remuneration to wholetime directors :		
	Salary	27,640	25,169
	Bonus/Commission	32,140	18,242
	Contribution to provident and other funds *	3,925	3,121
	Other perquisites	2,028	2,413
		65,733	48,945
	(ii) Directors' sitting fee	180	170
	(iii) Commission to non-wholetime directors	2,425	2,425
		68,338	51,540

* Provision for / contribution to group gratuity which is based on actuarial valuation on an overall company basis is excluded.

		[Rs. in Thousands (TINR)]	
		2010	2009
(b)	Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956.		
	Profit before taxation	12,027,912	7,934,154
	Add : Managerial remuneration	68,338	51,540
	Depreciation charged in the accounts	2,539,651	3,036,330
	Net profit/ (loss) on fixed assets sold or discarded under Section 350	(33,511)	(49,558)
		14,602,390	10,972,466
	Less: Depreciation as per Section 350	2,058,788	2,475,845
	Profit on sale of fixed assets (Net)	6,815	7,958
	Profit/ (loss) on sale of investments (Net)	-	923,512
		2,065,603	3,407,315
	Net profit	12,536,787	7,565,151
	Bonus/ Commission to Wholetime directors	32,140	18,242
	Percentage of Net profit	0.26	0.24
	Commission to Non-wholetime directors	2,425	2,425
	Percentage of Net profit	0.02	0.03
	[Commission to Non-Wholetime directors restricted to 1% of Net profit or TINR 6,000 (2009 : TINR 4,000) whichever is lower]		

Notes on accounts

15. Miscellaneous expenses include :

[Rs. in Thousands (TINR)]

	2010	2009
(a) Remuneration to auditors :		
Audit fee	4,230	3,916
Taxation matters and Tax audit fees	1,372	1,252
Other services	1,620	1,661
Reimbursement of expenses	550	550
Note : Excludes Service tax.		
(b) Donations	22,316	18,667
(c) Bad debts written off	49,067	42,567
(d) Provision for doubtful debts	149,439	262,920
(e) Cash discount to customers	261,241	182,226

16. Particulars of Gross Sales :

[Rs. in Thousands (TINR)]

Products	Unit	2010		2009	
		Quantity	Value	Quantity	Value
Fuel Injection Equipment	Pcs.('000)	3,695	22,640,085	2,710	15,687,264
Injectors, Nozzles and Nozzle holders	Pcs.('000)	21,496	16,332,919	16,298	11,285,859
Auto Electricals	Pcs.('000)	1,451	3,492,008	1,361	2,885,829
Portable Electric Power tools	Pcs.('000)	561	2,275,051	450	1,811,043
Filter and Filter Inserts	Pcs.('000)	38,535	2,909,010	28,281	2,270,100
Spark Plugs	Pcs.('000)	26,032	847,583	20,585	656,331
Security Systems	Pcs.('000)	365	999,911	301	834,869
Lubricating oil	Kilo litres	12,917	1,123,929	10,518	938,933
Spares and Components :					
- Fuel Injection Equipment			14,879,086		9,971,569
- Portable Electric Power Tools			2,279,648		1,729,105
- Auto Electricals			1,432,485		847,109
Others			1,509,984		1,335,966
			70,721,699		50,253,977

Notes:

1. The quantitative information of sale of spares and components and others have not been given as these comprise of numerous items.
2. The above quantity is after adjusting for free issues etc.

Notes on accounts

17. Purchase of Trade goods :

[Rs. in Thousands (TINR)]

Products	Unit	2010		2009	
		Quantity	Value	Quantity	Value
Fuel Injection Equipment	Pcs ('000)	92	1,216,559	48	993,475
Portable Electric Power Tools	Pcs ('000)	214	1,540,638	158	941,113
Filter and Filter Inserts	Pcs ('000)	39,059	2,142,129	28,175	1,471,094
Security Systems	Pcs ('000)	380	874,398	305	521,868
Lubricating oil	Kilo litres	13,194	886,712	10,357	699,473
Spares and Components					
- Fuel Injection Equipment			6,956,862		3,435,183
- Portable Electric Power Tools			1,489,258		1,018,868
Others			940,044		658,163
Goods in transit (Net)			233,416		224,935
			16,280,016		9,964,172

Note:

1. The quantitative information of stock of spares and components and others have not been given as these comprise of numerous items.

18. Installed Capacity and Production :

Products	Unit	Installed Capacity		Production	
		2010	2009	2010	2009
Fuel Injection Equipment	Pcs. ('000)	4,290	3,480	3,651	2,709
Injectors, Nozzles and Nozzle Holders	Pcs. ('000)	21,780	20,340	21,452	16,427
Auto Electricals	Pcs. ('000)	3,187	2,533	1,489	1,399
Portable Electric Power Tools	Pcs. ('000)	593	424	362	288
Spark Plugs	Pcs. ('000)	27,300	23,100	25,879	20,068
Special Purpose Machines	Nos.	76	76	38*	58*
Packaging Machines	Nos.	143	134	143	126
Spares and Components	Pcs. ('000)	27,170	23,270	24,156	20,139

Notes:

1. Installed capacity is as certified by the management and relied upon by the auditors' as this is a technical matter.
 2. A part of installed capacity of spares and components is used as OE fitment in Fuel injection equipments.
- * Includes use for captive consumption.

Notes on accounts

19. Opening and Closing Stocks of Manufactured and Trade goods :

[Rs. in Thousands (TINR)]

Products	Unit	2010 Closing Stock		2009 Opening Stock	
		Quantity	Value	Quantity	Value
Fuel Injection Equipment	Pcs ('000)	115 (67)	603,150 (316,583)	67 (20)	316,583 (86,030)
Injectors, Nozzles and Nozzle holders	Pcs ('000)	858 (902)	331,088 (284,143)	902 (773)	284,143 (177,639)
Auto Electricals	Pcs ('000)	98 (60)	192,574 (97,061)	60 (22)	97,061 (29,460)
Portable Electric Power Tools	Pcs ('000)	110 (95)	321,699 (360,616)	95 (99)	360,616 (405,975)
Filter and Filter Inserts	Pcs ('000)	2,680 (2,156)	170,860 (108,561)	2,156 (2,262)	108,561 (113,408)
Spark Plugs	Pcs ('000)	1,023 (1,176)	27,262 (27,276)	1,176 (1,693)	27,276 (31,017)
Security Systems	Pcs ('000)	47 (32)	360,714 (31,671)	32 (26)	31,671 (36,848)
Lubricating oil	Kilo litres	1,572 (1,295)	108,820 (70,267)	1,295 (1,456)	70,267 (97,501)
Spares and Components - Fuel Injection Equipment			601,874 (461,438)		461,438 (471,341)
Others			776,563 (263,725)		263,725 (224,070)
Goods in transit			1,008,794 (775,121)		775,121 (648,551)
Excise Duty on above			271,881 (187,611)		187,611 (221,419)
			4,775,279 (2,984,073)		2,984,073 (2,543,259)

Notes:

1. The quantitative information of stock of spares and components and others have not been given as these comprise of numerous items.
2. Net of shortage/excess/adjustment etc.
3. Figures in brackets relate to the previous year.

Notes on accounts

20. Consumption of raw materials and components :

[Rs. in Thousands (TINR)]

	Unit	2010		2009	
		Quantity	Value	Quantity	Value
Components			19,754,059		13,980,277
Steel	Tonnes	1,821	129,068	1,691	97,366
Others			1,768,735		1,798,241
			21,651,862		15,875,884

Notes:

1. The quantitative information on consumption of components and others have not been given as these comprise of numerous items.
2. Net of shortage/excess/adjustment etc.

21. Value of imported and indigenous Raw Materials, Spares and Components consumed:

[Rs. in Thousands (TINR)]

	2010		2009	
	%	Value	%	Value
Imported (including customs duty)	42	9,570,785	47	8,053,973
Indigenous	58	13,017,020	53	9,113,748
	100	22,587,805	100	17,167,721

[Rs. in Thousands (TINR)]

		2010	2009
22.	C.I.F. Value of imports :		
	Raw materials	9,225,116	6,111,857
	Components, spare parts, etc.,	884,309	560,930
	Capital goods	905,925	630,282
	Trade goods	10,230,350	6,242,279
		21,245,700	13,545,348
		2010	2009
23.	Expenditure in foreign currencies :		
	Royalty and Technical service fee (net of tax)	1,092,791	462,484
	Professional fees, travelling, trainees' expenses, etc.	1,141,516	985,256
		2,234,307	1,447,740
		2010	2009
24.	Earnings in foreign exchange :		
	F.O.B. value of exports	8,460,718	5,854,591
	Others including professional fees etc.	388,630	732,326
		8,849,348	6,586,917

Notes on accounts

25. Remittances in foreign currency on account of dividends to non-resident shareholders :

[Rs. in Thousands (TINR)]

				2010	2009
No. of shareholders	No. of Shares	Face Value (Rs.)	Particulars		
1	22,349,420	10	Final 2008	-	558,736
	22,349,420	10	Final 2009	670,483	-
				670,483	558,736

26. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006.

[Rs. in Thousands (TINR)]

		2010	2009
(a)	The amount due and remaining unpaid as at the balance sheet date		
-	Principal	65,163	48,567
-	Interest thereon	7,029	3,400
(b)	The amount of Principal and Interest paid beyond due date during the year		
-	Principal	206,094	170,520
-	Interest thereon	-	-
(c)	Interest due on Principal amounts paid beyond the due date during the year but without interest	-	-
(d)	Interest accrued and remaining unpaid as at balance sheet date	3,629	2,123
(e)	Total interest due but not paid for the earlier years	3,400	1,277

Note: The above information has been furnished to the extent such parties have been identified by the Company.

27. Previous year's figures have been regrouped/recast, wherever necessary, to conform to current year's classifications.

Signature to Schedule 1 to 19

For Price Waterhouse & Co.
Firm Registration Number: 007567S
Chartered Accountants

Radhakrishnan B
Partner
Membership Number: F25516

Place : Bangalore
Date : February 28, 2011

A. Vijay Shankar
Company Secretary

For and on behalf of the Board

Dr. A. Hieronimus
B. Steinruecke
Prasad Chandran

V.K. Viswanathan
Dr. Manfred Duernholz

Directors

Balance Sheet Abstract

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER SCHEDULE VI, PART (IV) OF THE COMPANIES ACT, 1956

I. Registration Details

Registration No.
 Balance Sheet Date State Code
 Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue
 Rights Issue
 Bonus Issue
 Private Placement

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities
 Total Assets
Source of Funds
 Paid-up Capital
 Reserves & Surplus
 Secured Loans
 Unsecured Loans
Application of Funds
 Net Fixed Assets
 Investments
 Net Current Assets
 Misc. Expenditure
 Accumulated Losses
 Deferred Tax Asset

IV. Performance of Company (Amount in Rs. Thousands)

Turnover (including Interest and other income)
 Total Expenditure
 Profit before tax
 Profit before appropriation
 Earnings per Share in Rs.
 Dividend rate %

V. Generic Names of Principal Products / Services of Company (as per monetary terms)

Item Code No.
 (ITC Code)
 Product Description

 Item Code No.
 (ITC Code)
 Product Description
 Item Code No.
 (ITC Code)
 Product Description

For and on behalf of the Board

Dr. A. Hieronimus
 B. Steinruecke
 Prasad Chandran

V.K. Viswanathan
 Dr. Manfred Duernholz

Place : Bangalore
 Date : February 28, 2011

A. Vijay Shankar
 Company Secretary

Directors

Subsidiary Company

STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 212(1) AND (3) OF THE COMPANIES ACT, 1956.

MICO Trading Private Limited

[Rs. in Thousands (TINR)]

(a) Holding Company's interest:	
10,000 Equity shares of Rs. 10 each fully paid up (i.e., 100% of the paid up Equity Capital)	
(b) Net aggregate amount of the Subsidiary's profits/(losses) not dealt with in the Holding Company's accounts:	
(i) For the Subsidiary's financial year ended 31 st December 2010	(18)
(ii) For its previous financial years	(20)
(c) Net aggregate amount of the subsidiary's profits/(losses) dealt with in the Holding Company's accounts:	
(i) For the Subsidiary's financial year ended 31 st December 2010	Nil
(ii) For its previous financial years	Nil

For and on behalf of the Board

Dr. A. Hieronimus
B. Steinruecke
Prasad Chandran

V.K. Viswanathan
Dr. Manfred Duernholz

Directors

Place : Bangalore
Date : February 28, 2011

A. Vijay Shankar
Company Secretary

MICO Trading Private Limited**Directors**

V.K. Viswanathan
Manfred Duernholz

Auditors

Price Waterhouse & Co.

Bankers

Canara Bank

Registrar Office

Hosur Road
Adugodi, Bangalore - 560 030

Report of the Directors

The Directors present their EIGHTEENTH Annual Report together with the Audited Statements of Accounts for the year ended 31st December 2010.

The Company has not commenced business.

Directors

Pursuant to Article 92 of the Articles of Association of the Company Mr.V.K.Viswanathan retires by rotation at the Eighteenth Annual General Meeting. He is eligible for re-election.

Energy, Technology, Foreign Exchange etc.,

As the Company has not commenced operations, the Directors have nothing to report in respect of the above.

Auditors

M/s. Price Waterhouse & Co., Chartered Accountants, the retiring auditors are eligible for re-appointment.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of The Companies Act, 1956, we report that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- Accounting policies have been selected and applied consistently and the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- 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.
- The annual accounts have been prepared on a going concern basis.

Certificate of Compliance under section 383A of the Companies Act, 1956

A Secretarial Compliance Certificate issued by Mr. K.V. Venkata Rangan, the Company Secretary in Whole-time Practice, is annexed to this report.

For and on behalf of the Board of Directors

Bangalore
February 28, 2011

V.K. Viswanathan
Manfred Duernholz
Directors

Secretarial Compliance Certificate

[Under proviso to Sec.383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules 2001]

To
The Members of MICO Trading Pvt. Ltd.

I have examined the registers, records, books and papers of the Company as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st December, 2010. In my opinion and to the best of my information and based on my examinations as well as records made available and explanations furnished to me by the Company, its Officers and agents, I certify that in respect of the aforesaid financial year:

1. The paid-up capital of the Company is Rs.10,00,000 and thus, it has the required paid-up capital prescribed under the Act for private companies. Its maximum number of members during the financial year was three (3). There are no employee shareholders. The Company during the year under scrutiny i) has not invited public to subscribe for its shares and ii) has not invited or accepted any deposits from public or its members, directors or their relatives.
2. The Company has kept and maintained statutory registers with entries duly updated therein, as required under the provisions of

the Act and the Rules made thereunder.

3. The Company has duly filed requisite Forms, Returns and Documents with the Registrar of Companies and such other authorities, as may be applicable under the said Act within the time limits stipulated under the Act and the Rules made thereunder.
4. The Board of Directors duly met four times during the year, on 5th March, 2010, 4th June 2010, 2nd September 2010 and 6th December 2010. In respect of these meetings, proper notices were given and the proceedings were duly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members during the financial year.
6. The Annual General Meeting for the financial year ended 31st December 2009 was held on 5th March 2010 after giving requisite notice to members and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the financial year.
8. Being a Private Company, Section 295 of the Act relating to Loans to directors, etc., is not applicable.
9. There were no contracts requiring the sanction of the Board under Section 297 of the Act and as such, no entries were made in the register maintained under Section 301 of the Act.
10. None of the directors of the Company held any office or place of profit attracting the provisions of Section 314 of the Act.
11. The Company has not issued any duplicate share certificate/s during the financial year.
12. (i) The Company allotted 90,000 shares of face value Rs.10 each during the financial year i.e., on 6th December 2010, to its parent company Bosch Limited on a private placement basis. Return of allotment in Form 2 has been duly filed with the Registrar of Companies as required under the Act and the registers were made up to date.
(ii) There was no transfer of shares during the year.
13. The Company has not declared any dividend during the financial year.
14. The provisions of Section 217(2AA) of the Act relating to 'Directors' Responsibility Statement' have been complied with. A copy of the Compliance Certificate was attached to the Report of the Board of Directors for the financial year ended 31.12.10 as required under proviso to Section 383A of the Act. The Company has duly complied with the other requirements of Section 217 of the Act.
15. (a) The Board of Directors of the Company is duly constituted and there were no appointment of Directors during the financial year.
(b) The Company has no Managing Director. The Company being a private company, provision to Section 269 of The Act with regard to appointment of Managing Director or Whole-time Director is not applicable.
16. The Company has not appointed any sole selling agents attracting the provisions of Section 294 and 294A of the Act during the financial year.
17. The Company was not required to obtain any approvals under the various provisions of the Act from the Central Government, Company Law Board, Regional Director, Registrar and/or such other authorities during the financial year.
18. The Company has no Preference Shares/Debentures.
19. The Company has not bought back any shares during the financial year.
20. During the financial year, the Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act.
21. The Company has not made any borrowings during the financial year.
22. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
23. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
24. The Company has not altered any of the provisions of its Memorandum of Association during the financial year.
25. As per records made available and information given, there were no prosecution proceedings initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, nor were any prosecution proceedings pending against the Company for offences under the Act.

Bangalore
28.02.2011

(K.V. Venkata Rangan)
Practicing Company Secretary
FCS:934; CP: 404

Auditors' Report

To The Members of MICO Trading Private Limited

1. We have audited the attached Balance Sheet of MICO Trading Private Limited (the "Company") as at December 31, 2010, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on December 31, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at December 31, 2010;
 - (ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Price Waterhouse & Co.
Firm Registration Number: 007567S
Chartered Accountants
Radhakrishnan B
Partner
Membership Number: F25516

Place : Bangalore
Date : February 28, 2011

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 3 of the Auditors' Report of even date to the members of MICO Trading Private Limited on the financial statements for the year ended December 31, 2010.

1. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act, accordingly sub clauses (b), (c) and (d) of clause (iii) of Paragraph 4 of the Order are not applicable.
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act, accordingly sub

clauses (f) and (g) of clause (iii) of Paragraph 4 of the Order are not applicable.

2. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.
3. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
4. As the Company is not listed on any stock exchange or the paid-up capital and reserves as at the commencement of the financial year did not exceed Rupees Fifty Lakhs or the average annual turnover for a period of three consecutive financial years immediately preceding the financial year did not exceed Rupees Five Crores, clause (vii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable for the year.
5. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
6. As at the balance sheet date the accumulated losses of the Company do not exceed fifty percent of its net-worth. The Company incurred cash losses during the year and also in the immediately preceding financial year.
7. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
8. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
9. The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
10. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
11. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
12. The Company has not obtained any term loans.
13. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
14. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
15. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.
16. The other clauses, (I), (ii), (iv), (viii), (xix) and (xx) of paragraph 4 of the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, are not applicable in the case of the Company for the year, since in our opinion there is no matter which arises to be reported in the aforesaid Order.

For Price Waterhouse & Co.
Firm Registration Number: 007567S
Chartered Accountants
Radhakrishnan B
Partner
Membership Number: F25516

Place : Bangalore
Date : February 28, 2011

Balance Sheet as at December 31, 2010

[Rs. in Thousands (TINR)]

	Schedule	2010	2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	1,000	100
Total		1,000	100
APPLICATION OF FUNDS			
Current Assets, Loans and Advances			
Cash and Bank Balances	2	1,017	144
Loans and Advances	3	12	3
		1,029	147
Less: Current Liabilities and Provisions			
Current Liabilities	4	145	145
		145	145
Net Current Assets		884	2
Profit and Loss Account		116	98
Total		1,000	100
Notes on Accounts	5		

The schedules referred to above and the notes thereon form an integral part of the Balance Sheet
This is the Balance Sheet referred to in our report of even date

For Price Waterhouse & Co.
Firm Registration Number: 007567S
Chartered Accountants

Radhakrishnan B
Partner
Membership Number: F25516

For and on behalf of the Board

V.K.Viswanathan
Dr. Manfred Duernholz
Directors

Place : Bangalore
Date : February 28, 2011

Profit & Loss Account for the year ended December 31, 2010

[Rs. in Thousands (TINR)]

	Schedule	2010	2009
INCOME			
Interest Income		9	9
[Tax deducted at source : Rs. Nil (2009 : Rs. Nil)]			
EXPENDITURE			
Professional Fees	27	25	
Miscellaneous Expenses	-	4	
		27	29
PROFIT/ (LOSS) BEFORE TAXATION		(18)	(20)
Provision for Taxation			
- Current		-	-
- Deferred		-	-
PROFIT/ (LOSS) AFTER TAXATION		(18)	(20)
Balance brought forward		(98)	(78)
Balance carried forward to Balance Sheet		(116)	(98)
Basic/Diluted Earnings per share (Rs.)			
Face value Rs.10 each (Refer Note 5 of Schedule 5)		(1.1)	(2.0)
Notes on Accounts	5		

The schedules referred to above and notes thereon form an integral part of the Profit and Loss Account
This is the Profit and Loss Account referred to in our report of even date

For Price Waterhouse & Co.
Firm Registration Number: 007567S
Chartered Accountants

Radhakrishnan B
Partner
Membership Number: F25516

For and on behalf of the Board

V.K.Viswanathan
Dr. Manfred Duernholz
Directors

Place : Bangalore
Date : February 28, 2011

Cash flow Statement for the year ended December 31, 2010

[Rs. in Thousands (TINR)]

	2010	2009
A. Cash flow from operating activities		
Profit/(loss) before tax	(18)	(20)
Adjustments for :		
Interest Received	(9)	(9)
Operating profit before working capital changes	(27)	(29)
Adjusted for		
Increase / (decrease) in current liabilities	-	2
Cash generated from operations	(27)	(27)
Direct Taxes (paid)/refund received	(2)	-
Net cash from operating activities	(29)	(27)
B. Cash flow from investing activities		
Interest received	2	9
Net cash from/ (used in) investing activities	2	9
C. Cash flow from financing activities		
Equity capital raised during the year	900	-
Net cash from/ (used in) financing activities	900	-
Net cash flows during the year (A+B+C)	873	(18)
Cash and Cash equivalents (Opening balance)	144	162
Cash and Cash equivalents (Closing balance)	1,017	144

Note : Above Cash Flow Statement has been prepared under indirect method in accordance with the Accounting Standard 3 as notified under section 211(3C) of the Companies Act, 1956.

This is the Cash Flow Statement referred to in our report of even date

For Price Waterhouse & Co.
Firm Registration Number: 007567S
Chartered Accountants

Radhakrishnan B
Partner
Membership Number: F25516

Place : Bangalore
Date : February 28, 2011

For and on behalf of the Board

V.K.Viswanathan
Dr. Manfred Duernholz
Directors

Schedules to Balance Sheet

SCHEDULE 1: SHARE CAPITAL

[Rs. in Thousands (TINR)]

	2010	2009
<i>Authorised</i>		
100,000 (2009 : 100,000) Equity shares of Rs. 10 each	1,000	1,000
<i>Issued, Subscribed and fully Paid up</i>		
100,000 (2009 : 10,000) Equity shares of Rs. 10 each	1,000	100
Note : The above shares are held by Bosch Ltd., the holding company	1,000	100

SCHEDULE 2: CASH AND BANK BALANCES

[Rs. in Thousands (TINR)]

	2010	2009
Cash on hand	-	-
Balances with Scheduled Banks		
- In current account	18	45
- In deposit accounts	999	99
	1,017	144

SCHEDULE 3: LOANS AND ADVANCES

[Rs. in Thousands (TINR)]

	2010	2009
<i>(Unsecured and considered good)</i>		
Advances recoverable in cash or in kind or for value to be received	9	1
Advance Tax	3	2
	12	3

SCHEDULE 4: CURRENT LIABILITIES

[Rs. in Thousands (TINR)]

	2010	2009
Sundry Creditors		
Dues to Micro Enterprises and Small Enterprises (Refer Note 9 of Schedule 5)	-	-
Dues of Others	145	145
	145	145

SCHEDULE 5: NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2010

1. Significant Accounting Policies:

(a) The financial statements are prepared under historical cost convention in accordance with Generally Accepted Accounting Principle in India and comply in all material respects with the applicable accounting standards notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

(b) Interest on bank deposits is recognised on a time proportion basis.

(c) Taxes On Income

Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognised and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

[Rs. in Thousands (TINR)]

	2010	2009
2. Contingent Liabilities	-	-
3. Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	-	-
4. Remuneration to auditors: (excluding service tax)		
Audit Fees	12	12
Taxation matters	12	12
5. Earnings per Share		
Net Profit/(Loss) after taxation	(18)	(20)
Weighted Average number of Equity Shares of Rs.10 each	16,164	10,000
Basic and Diluted Earnings Per Share (Rs.)	(1.1)	(2.0)

6. The company has a net Deferred Tax Asset for the current year ending December 31, 2010 which however has not been recognised as it is unlikely to generate taxable income in the near future.

7. Segmental Reporting :

The Company has not commenced business. Segment information for reportable segments as envisaged under AS 17 on segment reporting as notified under section 211 (3C) of the Companies Act, 1956, have not been disclosed as there has been no operations during the year.

8. Related Party Disclosure :

Holding Company: Bosch Limited

Transactions during the year :

Reimbursement of expenses - Nil (2009 : TINR 3)

Amount payable : TINR 132 (2009 : TINR 132)

9. The Company does not have any transactions or dues in relation to any supplier registered under Micro, Small and Medium Enterprises Development Act, 2006.

10. Previous year's figures have been regrouped/recast, wherever necessary, to conform to current year's classifications.

Signatures to Schedules 1 to 5.

For Price Waterhouse & Co.
Firm Registration Number: 007567S
Chartered Accountants
Radhakrishnan B
Partner
Membership Number: F25516

Place : Bangalore
Date : February 28, 2011

For and on behalf of the Board

V.K.Viswanathan
Dr. Manfred Duernholz
Directors

Balance Sheet Abstract

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER SCHEDULE VI, PART (IV) OF THE COMPANIES ACT, 1956

I. Registration Details

Registration No.

Balance Sheet Date State Code
Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue

Right Issue

Bonus Issue

Private Placement

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

Total Assets

Source of Funds

Paid-up Capital

Reserve & Surplus

Secured Loans

Unsecured Loans

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Misc. Expenditure

Accumulated Losses

IV. Performance of Company (Amount in Rs. Thousands)

Turnover (including other income)

Total Expenditure

Profit before tax

Profit before appropriation

Earnings per Share in Rs.

Dividend rate %

V. Generic Names of Principal Products / Services of Company (as per monetary terms)

- NOT APPLICABLE -

For and on behalf of the Board

Place : Bangalore
Date : February 28, 2011

V.K.Viswanathan
Dr. Manfred Duernholz
Directors

Shareholder Information

Board Meetings

Board Meetings are usually held in March, June, September and December. Particulars of Board Meetings held in 2010 are given below.

Friday, March 05
Thursday, June 03
Thursday, September 02
Friday, December 03

Annual General Meeting (AGM)

The Annual General Meeting of the Company is usually held in June each year. Particulars of the AGM held during the last three years are given below.

2008 - 10.30 a.m. Thursday, June 05; Taj Residency, Bangalore
2009 - 10.30 a.m. Thursday, May 28; Taj Residency, Bangalore
2010 - 10.30 a.m. Thursday, June 03; Taj Residency, Bangalore

Particulars of Special Resolutions passed in the last three AGMs are given below.

05.06.08 - Nil.
28.05.09 - Nil.
03.06.10:- Payment of commission to Non-Whole time Directors @ 1% per annum of the net profits of the Company computed in the manner laid down in Sections 198, 349 and 350 of the Companies Act, 1956, for each of the 5 financial years of the Company commencing from 01.01.2010.

During the last financial year, no resolution was passed through postal ballot in accordance with section 192A of the Companies Act, 1956.

Financial Year

The financial year of the Company is from January to December. The financial results for the quarter / half-year / year are published as under.

Quarter/half-year/year	In the month of
quarter ending 31 st March	April/May
quarter/half-year ending 30 th June	July/August
quarter ending 30 th September	October/Nov
Year ending 31 st December	February/March

Book Closure

The Register of Members and Share Transfer books are usually closed in May each year for about 13 days for ascertaining the names of the shareholders entitled to receive dividend.

Dematerialization of Shares

71.18 % of the paid-up capital is held by Robert Bosch GmbH. Of the balance 28.82% held by public, shares representing 27.74% of the paid-up capital have been dematerialized.

The Company entered into agreement with the following Depositories whereby the equity shares of the Company were admitted as 'eligible security' in the depository system:

1. National Securities Depository Limited (NSDL): January 05, 1999.
2. Central Depository Services (India) Limited (CDS): August 04, 2000.

Members still holding share certificates in physical form are requested to dematerialize their shares by approaching any of the Depository Participants registered with the Securities and Exchange Board of India (SEBI). From June 26, 2000 the shares of the Company are mandated by SEBI for trading in dematerialized form.

Listing of Shares

The Company's equity shares are listed at the following stock exchanges in order to impart liquidity and convenience for trading:

Name and address of the Stock Exchange	Stock Code
Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 023	500530
National Stock Exchange of India Limited, Exchange Plaza, 5 th Floor, Bandra - Kurla Complex, Bandra, Mumbai 400 051	BOSCHLTD

The International Securities Identification Number (ISIN) for the Company's Shares in dematerialized form is INE 323 A01026.

Listing fee for the year 2010-2011 has been paid to these exchanges.

From 30th November 2007, the National Stock Exchange of India Limited (NSE) included equity shares of the Company in the Futures and Options (F&O) segment.

Custodial Fee

Pursuant to the Securities and Exchange Board of India (SEBI) Circular No.MRD/DoP/SE/DEP/CIR-4/2005 dated 28th January, 2005, Issuer Companies

are required to pay custodial fees to the depositories with effect from 1st April, 2005. Accordingly, the Company has paid the annual custodial fee for the year 2010-11 to NSDL and CDS on the basis of the number of beneficial accounts maintained by them as on 31st March 2010.

Procedure for claiming unpaid dividend

In terms of Section 205A(5) of The Companies Act, 1956, monies transferred to the Unpaid Dividend Account of the Company, which remain unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund established by the Central Government.

Brief particulars of dividend amount remaining unpaid are given below:

Year to which the dividend pertains	Declared at the AGM/ (Board) Meeting held on	Date of transfer to Unpaid Dividend Account	Balance in the Unpaid Dividend Account (31.12.2010) (Rupees)	Due date for transfer to the Fund*
2003	16.06.04	17.07.04	411,255	17.07.11
2004	15.06.05	18.07.05	726,960	17.07.12
2005	01.06.06	05.07.06	881,604	04.07.13
2006 (I)	(12.03.07)	11.04.07	862,692	11.04.14
2006 (F)	07.06.07	11.07.07	304,516	10.07.14
2007	05.06.08	10.07.08	1,896,375	10.07.15
2008	28.05.09	02.07.09	1,979,950	01.07.16
2009	03.06.10	08.07.10	2,717,850	07.07.17

* [as per sub-section 5 of Section 205A of The Companies Act, 1956, as amended by the Companies (Amendment) Act, 1999]

Members can claim the unpaid dividend from the Company before transfer to the Investor Education and Protection Fund. It may be noted that after the unpaid dividend is transferred to the said Fund, the same cannot be claimed.

Bank particulars for Dividend Warrants

With a view to preventing fraudulent encashment of dividend warrants, members holding shares in physical form are advised to furnish to the Company particulars of their bank account with a request to incorporate the same in the dividend warrant.

Electronic Clearing Service

The Company makes payment of dividend through Electronic Clearing Service (ECS) to Members at Ahmedabad, Bangalore, Chennai, Delhi, Hyderabad, Jaipur, Kolkata, Kanpur, Mumbai, Nagpur, Pune, Bhubaneswar, Chandigarh, Guwahati, Patna, Baroda, Indore, Panaji, Surat, Coimbatore, Madurai, Lucknow and Trivandrum. Under this system of payment of dividend, the shareholders get the credit of dividend

directly in their designated bank account. This ensures direct and immediate credit with no chance of loss of warrant in transit or its fraudulent encashment. However, the Company may pay the dividend by issue of warrants. Members holding Shares in physical form who wish to avail of the ECS facility, are requested to give the ECS mandate in the prescribed form. The form can be obtained from the Company's website www.boschindia.com under the section 'Bosch Ltd. - Shareholder Information'.

Payment of Dividend

Dividend warrants are posted to Members at their registered address usually within two days of the declaration of dividend at the Annual General Meeting.

Dividend warrants in respect of shares held in electronic/dematerialized form are posted to the beneficial owners to their address as per the information furnished by NSDL and CDS as on the record date. Warrants for high value amounts are sent through Registered Post.

Particulars of dividend declared in the previous years are given below:

Year	Dividend per share (Rs.)	Year	Dividend per share (Rs.)
1992	16.00	2002	3.00 (interim)
1993	18.00	2002	40.00 (final)
1994	20.00	2003	65.00
1995	22.00	2004	10.00
1996	24.00	2005	12.00
1997	26.00	2006	12.00 (interim)
1998	22.00	2006	4.00 (final)
1999	26.00	2007	25.00
2000	31.00	2008	25.00
2001	31.00	2009	30.00

(Note: upto 2003: on shares of face value Rs.100; from 2004: on shares of face value Rs.10)

Shares held in physical/dematerialised form

M/s. Integrated Enterprises (India) limited, No. 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore - 560 003, is the Company's Registrar and Transfer Agent (R&T) both in respect of shares held in physical form and dematerialized form.

Inquiries may be addressed either to the Registrar and Transfer Agent or to the Secretarial Department of the Company.

Requirement of PAN for certain transactions

The Securities and Exchange Board of India (SEBI) vide circular ref. no. MRD / DoP/ Cir-05/2009 dated May 20, 2009, clarified that for securities market transactions and off-market / private transactions

involving transfer of shares in physical form of listed companies, it is mandatory for the transferee(s) to furnish copy of PAN card to the Company / RTAs for registration of such transfer of shares.

Further, SEBI vide circular ref.no.MRD/ DoP/ SE/ RTA/ Cir-03/ 2010 dated January 07, 2010, clarified that for deletion of name of the deceased shareholder(s), transmission of shares to the legal heir(s) and for transposition of shares, it shall be mandatory to furnish a copy of PAN card to the Company/RTAs.

Nomination

Pursuant to the provisions of Section 109A of The Companies Act, 1956, members may file Nomination in respect of their shareholdings. Members holding shares in physical form willing to avail this facility may submit to the Company the prescribed Form 2B (in duplicate), if not already filed. Form 2B can be downloaded from the Company's website www.boschindia.com under the section 'Bosch Ltd. - Shareholder Information'.

Members holding shares in electronic form are requested to give the nomination to their respective Depository Participants directly.

Rights of members

The following are some of the important rights of the members:

1. Receive notices of General Meetings, Annual Report, Balance sheet, Profit and Loss Account and Auditors Report.
2. Attend and vote at the General Meetings and appoint proxy in their stead.
3. Demand for a poll along with other members who collectively hold not less than 1/10th of the voting power or who collectively hold 5000 shares (i.e., shares on which aggregate sum of not less than Rs.50,000 has been paid up).
4. Request an Extraordinary General Meeting along with other members who collectively hold not less than 1/10th of the total paid up capital of the Company.
5. Receive dividends and other corporate benefits like rights, bonus shares etc. when declared/announced.
6. Transfer the shares.
7. Receive the share certificates upon transfer within one month from the date of

lodgement.

8. Inspect minutes book of General Meetings.
9. Inspect various registers such as Register of Members, Register of Directors, Register of Directors' Shareholding etc.
10. Nominate a person to whom his/her shares shall vest in the event of death.
11. Appoint or remove director(s) and auditor.
12. Seek relief in case of oppression and mismanagement.

Audited Annual Financial Results

The Statement of Audited Financial Results and the Statement of Segment wise Revenue, Results and Capital Employed for the year ended 31st December, 2010 prepared pursuant to Clause 41 of the Listing Agreements entered into with the Stock Exchanges are available in the Company's web site www.boschindia.com. The statement was approved by the Board of Directors at their Meeting held on 28.02.2011.

Shareholding Pattern (as on 31.01.2011)

Category	No. of Members	No. of Shares held	% to the Capital
Robert Bosch GmbH	1	2,23,49,420	71.18
Public Financial Institutions	10	33,99,271	10.83
Foreign Institutional Investors	62	15,67,110	4.99
Mutual Funds	55	11,19,045	3.56
Nationalized Banks	10	9,176	0.03
Bodies Corporate	716	5,49,030	1.75
Foreign Nationals/ NRIs/OCBs	462	85,034	0.27
Public	21,240	23,20,814	7.39
Total	22,556	3,13,98,900	100.00

Distribution of Shareholding (as on 31.01.2011)

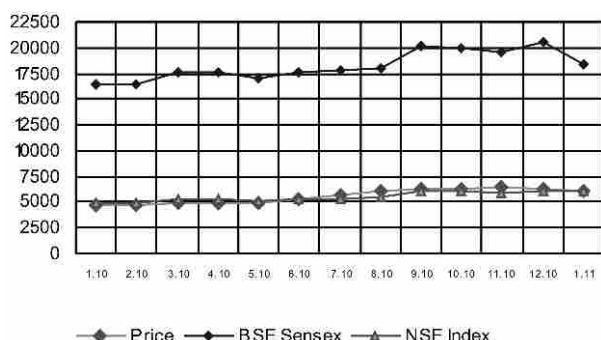
No. of Shares held	Members		Shares	
	No.	%	No.	%
1-500	21,671	96.07	10,85,883	3.45
501-1000	430	1.91	3,06,315	0.98
1001-2000	236	1.05	3,24,222	1.03
2001-3000	65	0.29	1,58,635	0.51
3001-4000	27	0.12	93,101	0.30
4001-5000	20	0.09	92,188	0.29
5001-10000	34	0.15	2,40,900	0.77
>10000	73	0.32	2,90,97,656	92.67
Total	22,556	100.00	3,13,98,900	100.00

Price and Volume of Shares Traded

Month/ Year	Bombay Stock Exchange Ltd.			National Stock Exchange of India Ltd.		
	High Rs.	Low Rs.	Volume Nos.	High Rs.	Low Rs.	Volume Nos.
Feb 2010	4973	4550	33,449	4890	4575	33,135
Mar 2010	4960	4604	67,844	4960	4604	191,122
Apr 2010	5140	4765	146,847	5141	4655	171,730
May 2010	5115	4700	50,428	5120	4700	58,165
Jun 2010	5785	4880	112,903	5785	4880	227,758
Jul 2010	5914	4950	61,891	5915	5360	249,115
Aug 2010	6150	5625	183,978	6400	5620	292,832
Sep 2010	6500	5961	71,386	6508	5945	472,549
Oct 2010	6355	5701	65,737	6335	6020	109,764
Nov 2010	6620	6100	51,860	6666	5776	148,025
Dec 2010	6518	6017	21,558	6513	6020	104,663
Jan 2011	6775	5910	24,584	6775	5931	84,128

(Source: BSE, NSE)

Share Price and Index



Shareholders holding more than 1% of the share capital of the Company (as on 31.01.2011)

Sl. No.	Name of the Shareholder	No. of shares held	% to paid-up capital
1.	Robert Bosch GmbH	22,349,420	71.18
2.	General Insurance Corpn. of India	1,016,359	3.24
3.	The New India Assurance Co. Ltd.	970,770	3.09
4.	Aberdeen Asset Managers Ltd.	965,000	3.07
5.	United India Insurance Co. Ltd.	439,627	1.40
6.	Life Insurance Corporation of India	398,997	1.27
7.	National Insurance Co. Ltd.	353,408	1.13

Website

The Company's website www.boschindia.com contains comprehensive information about the Company, Products, Services and Solutions, Press Releases and Shareholder Information. The 'Shareholder Information' section serves to inform the Shareholders by providing key information like Board of Directors and the Committees of the Board, Financial Results, Shareholding Pattern, Distribution of Shareholding, Dividend etc.

Registrar and Transfer Agent

(For shares held in physical & dematerialised form)

Integrated Enterprises (India) Limited
No. 30, Ramana Residency
4th Cross, Sampige Road
Malleswaram
Bangalore 560 003

Tel: (080) 23460815 to 818;
Fax: (080) 23460819

Investor Service Centre

Secretarial Department (BCS)
Bosch Limited
Hosur Road, Aduvodi
Bangalore – 560 030

Tel: (080) 2299 2393 (Extn. 2314);
Fax: (080) 2299 2181

Monday to Friday:
9.00 a.m. to 12.00 noon except holidays.

Designated e-mail ID for redressal of investor complaints

investor@in.bosch.com

Compliance Officer

Mr. A. Vijay Shankar, Company Secretary

Inquiries, if any, may be addressed to the Compliance Officer.

National Network

Manufacturing Facilities

Factories

Bangalore

Post Box No. 3000
Hosur Road, Adugodi
Bangalore - 560 030
Phone: (080) 2299 2393
Fax: (080) 2227 2728

Naganathapura

Post Box No. 6887
Electronic City P.O.
Bangalore - 560 100
Phone: (080) 2852 1221
Fax: (080) 2852 1239

Nashik

Post Box No. 64
75, MIDC Estate
Satpur, Trimbak Road
Nashik - 422 007
Phone: (0253) 235 0342 - 45
Fax: (0253) 235 3143

Jaipur

SP-663
RIICO Industrial Area
Sitapura
Jaipur - 302 022
Phone: (0141) 277 1700
Fax: (0141) 277 1787

Verna (Goa)

Packaging Technology Division
N4, Phase IV,
Verna Industrial Estate
Verna, Salcate, Goa - 403 722
Phone: (0832) 6692 018
Fax: (0832) 6692 028

Sales Offices

Ahmedabad

31/32, JMC House, Level 3
Opp. to Parimal Garden
Ellis Bridge
Ahmedabad - 380 006

Bangalore

21/1, Mission Road
Bangalore - 560 027

Chandigarh, Mohali & Panchkula

SCO 301
Sector - 09
Panchkula - 134 109

Chennai

'Blossom Centre'
New No: 30 (Old No: 27)
North Boag Road
T. Nagar
Chennai - 600 017

Delhi & Gaziabad

'Rishyamook'
85-A, Panchkuian Road
New Delhi - 110 001

Ernakulam

MCM Building,
IN. SY. No. 145/12A, 38/232
N.H. By-Pass Road
Padivattom
Ernakulam
Cochin - 682 024

Guwahati

3rd Floor
Mayur Garden Building
Opp. Rajiv Bhavan
G S Road
Guwahati - 781 005

Indore

2nd Floor, MAN House
15th PU-3, Scheme No. 54
AB Road
Indore - 452 008

Jaipur

T 304
Sangam Towers
Church Road
Off MI Road
Jaipur - 302 001

Kolkata

P.B. No. 9044
91-A, Park Street
Kolkata - 700 019

Lucknow

2nd Floor, Madan Plaza
14, Station Road
Lucknow - 226 001

Mumbai

79, Dr. Annie Besant Road
Worli
Mumbai - 400 018

Patna

Plot No. 21/A-2,
Opp. UNICEF Office
Pataliputra Colony
Patna - 800 013

Jharkhand

Bhagirathi Complex
Opp. Adivasi Hospital
Karam Toli Road
Ranchi - 834 008

Raipur

2nd Floor
Pithalia Complex
Opp. Telephone Exchange
Near Fafadih Chowk
Raipur - 492 001

Secunderabad

'Sweksha', Plot No. 117
Srinagar Colony
Trimulgherry
Secunderabad - 500 015

Bhubaneswar

Plot No. 146
Sector - A, Zone - B
Mancheswar Industrial Estate
Bhubaneswar - 751 017

Bosch Limited

Regd. Office: Hosur Road, Adugodi, Bangalore - 560 030.

ATTENDANCE SLIP*(to be surrendered at the time of entry)***59th ANNUAL GENERAL MEETING**Date: 01st June 2011. Time: 10.30 a.m. Place: Trinity Hall, 'Vivanta' By Taj, 41/3, Mahatma Gandhi Road, Bangalore - 560 001.

* Signature of the members present:

* Signature of the proxy present:

Folio/Client ID No:

Name of the member:

Address:

- Note: 1. Only members or their proxies will be allowed to attend the meeting.
2. Bodies Corporate, whether a company or not, who are members, may attend through their authorised representatives appointed under Section 187 of the Companies Act, 1956. A copy of authorisation should be deposited with the Company.
3. Please bring with you copy of AGM Notice to the meeting hall together with this Attendance Slip duly filled in.
4. In case of shares held in demat/electronic form, the signature of the Beneficial Owner is liable for verification with the record furnished to the Company by NSDL/CDS. Beneficial Owners are advised to bring relevant identity card issued by the Depository Participant.

* Strike off whichever is not applicable.

Bosch Limited

Regd. Office: Hosur Road, Adugodi, Bangalore - 560 030.

PROXY

I/We.....

of

being a member/members of Bosch Limited, hereby appoint

.....ofor failing

him/her.....of.....

as my/our proxy to vote for me/us on my/our behalf at the 59th Annual General Meeting of the Company to be held on Wednesday, 01st June 2011 at Trinity Hall, 'Vivanta' By Taj, 41/3, Mahatma Gandhi Road, Bangalore - 560 001, at 10.30 a.m. and at any adjournment thereof.

Signed thisday of.....2011

Affix
Re. 1
Revenue
Stamp

- Note: 1. The Proxy and Power of Attorney (if any) under which it is signed or a notarised copy of that power must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.
2. In the case of joint shareholders, all must sign the proxy form.

Regd. Office:

Bosch Limited

P.B. No. 3000, Hosur Road

Adugodi, Bangalore - 560 030

Ph: (080) 2299 2393

www.boschindia.com

2Q Reproductions

