

Ladies and Gentlemen,

I have great pleasure in welcoming you to this fifty-eighth Annual General Meeting of the Company.

The year 2009 began on a low key with the global economies seeing no sign of a recovery from the economic turbulence and chaos that sparked off in the last quarter of 2008. Uncertainty prevailed in India as well amidst wide spread skepticism and belief that the financial turmoil would have no major domestic impact. Markets continued to reel under severe pressures through the 1st and 2nd quarter of 2009 only to see a respite that set in during the 3rd quarter of the year.

I am pleased to inform you that your Company was quick enough to adapt to the vagaries of the economic downturn and initiate appropriate measures that were not too defensive in those testing times. With these measures, the Company was able to secure its financial stability and look forward to a bright future more stronger and resilient. While we see the economic recovery taking shape, we must not at the same time completely believe that the crisis has finally been put behind us.

Like in the previous year, the Management of your Company decided not to produce a video film this year as well in order to save costs. However, our officers have arranged a display of our products in the foyer in line with our Annual Report's cover story topic 'Energy efficiency initiatives at Bosch' and they will be delighted to give you additional details on these products, offerings and initiatives.

Indian Economic Situation

As I mentioned earlier, the Indian economy was not spared from the impact of the global recession and this did have an effect on the vibrant growth story of India atleast in the short tem. Backed by strong and effective stimulus packages offered by the Government and coupled with sound banking and fiscal policies, the resurgence in the economy was seen in the 3rd quarter of 2009. Industrial activity gained momentum in all core sectors and recorded positive growth in the 4th quarter of 2009.

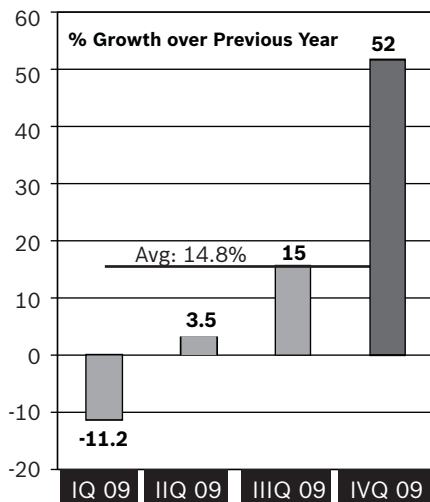
However, there was a flip side to such growth and this manifested itself in an unwelcome increase in inflation and spiraling prices of essential commodities. In order to curb the rising inflation due to higher liquidity, the Government has resorted to a partial withdrawal of the stimulus package during the course of the current financial year.

Under the severe impact of the global crisis, the Indian economy registered a growth of 6.7% in 2008-09 after having registered growth rates of over 9% for three successive years. For the fiscal year 2009-10, the economy has achieved a growth rate of 7.4%

Indian automotive market scenario

Ladies and Gentlemen, against the backdrop of the global crisis, the Indian auto industry has fared considerably better. Only India and China among the world's larger markets and car producing economies can look back upon the year 2009 as a year of growth. I now give you the Indian

Automotive Market performance in the year 2009 through this slide.



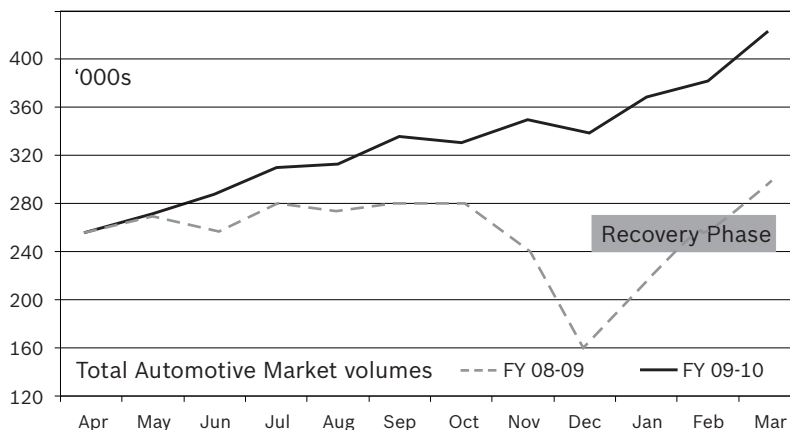
Segments	2009	
	Volumes (in '000s)	+/- % PY
HCV	196	(20)
LCV	270	13
Cars + UVs	2,162	18
Tractors	397	10
3 Wheelers	558	12
Total	3,583	13

Source:SIAM

The Indian automotive market was quick to recover lost ground largely backed by the stimulus package announced by the Government. The passenger car and Light Commercial Vehicle segments were the first to respond and stabilize by beginning of the 2nd quarter of 2009. However, the Medium and Heavy Commercial Vehicle segments took quite a long to see a recovery which was delayed until September 2009. Overall, the year closed with an 18% growth in the PC segment and a very disappointing 20% decline in the Medium and Heavy Commercial Vehicle segment. The Indian auto industry is likely to see a growth of 14-16 percent of sales in 2010.

As we can see in the next slide, market recovery began from 2nd Quarter with 2009-10 ending at an overall positive growth of 28% against the -3% on 2008-09.

Market Trends FY 2009 - 2010



Government stimulus by way of excise duty reductions (12% to 8% for small cars), Sixth Pay commission for Government employees, Cash Reserve Ratio (CRR) reduction from 9% to 5% leading to reduced interest rates & easy availability of finance, increase in Minimum Support Price for farmers, retail sector growth, scrappage incentive scheme in Europe helped car exports in addition to new model launches – all these factors helped to bring about positive sentiments in the market & resultant growth across segments.

Performance of the Company in 2009

Ladies and Gentlemen, I now present the performance of the Company in 2009. The effect of the economic recovery can be seen in the quarter-wise sales performance. The Company which de-grew 4.1% in the first 3 quarters witnessed an accelerated growth of nearly 38.1% in the 4th quarter. The Company posted net sales of Rs.47,498 million in 2009, registering a growth of 4.6% over 2008. Our non-automotive business

grew at a much faster pace at 8.1% than our automotive business, the growth of which was lower at 4.2%.

Looking at sector wise growth, in the automotive technology sector, our Diesel System business de-grew by 2.7% owing to a steep decline in demand in the Medium and Heavy Commercial Vehicle segment and significant decline in export business. The Starter and Generator business registered a decline of 10.9% over 2008 owing to a steep decline in sales witnessed in the first half of 2009. The Gasoline business grew by 121%, albeit on a lower base of 2008.

The Automotive Aftermarket business significantly improved its performance registering an impressive growth of 17.3% clocking a double digit growth for the fourth consecutive year despite fall in export business.

In the Industrial Technology sector, the Company's Packaging Technology business went hand in hand with the changing market scenario and grew by 15.9%. The division has successfully launched two new machine models in 2009 in the packaging machines and confectionary business units, respectively.

In the consumer goods and building technology sector, our Power Tools division grew by 19.3% despite construction business was adversely affected by the economic downturn. During the year 2009, the division launched Bosch Lithium Ion powered cordless tools with a range including drivers, impact drivers and impact wrenches. However, our Security Systems business de-grew by 17.4%. The decline was

predominantly due to postponement of many infrastructure and corporate projects.

On the Company's profitability, the Profit Before Tax was lower at Rs.7,934 million accounting for 16.7% of net sales, compared to Rs.8,566 Mio., at 18.9% in 2008. The Profit After Tax stood at Rs.5,906 million, which is 12.4% of net sales compared to 14% for the previous year. The reduction in profit is mainly due to sharp decline witnessed in the first quarter of 2009 and drop in the sales of Medium and Heavy Commercial Vehicle segment as low as 60% over the same quarter in the previous year.

The capital investment in the year 2009 was lower at Rs.1,446 mio as against Rs.4,336 mio in 2008. Bangalore accounted for 73% of the total investments, Nashik plant 16%, Naganathapura Plant 5% and Jaipur Plant 6%.

Dividend

Ladies and Gentlemen, now I come to the dividend proposal for the year 2009. The Board of Directors have recommended a dividend of Rs.30 per share of Rs.10/- each for the year 2009. Despite the pressure on growth and profitability of the Company's business, the Board of Directors have increased the dividend by Rs.5 per share as compared to last year's dividend of Rs.25 per share.

The dividend is exempt from tax in the hands of the Shareholders. However, the Company is required to pay dividend distribution tax at 16.61 percent on the final dividend.

Performance up to March 2010

The buoyancy in the automotive market followed by a smart economic recovery, for the first quarter ended March 2010, the Company achieved total sales of Rs.15,687 Mio. as compared to Rs.9,737 Mio. for the same period last year - a positive growth of 61.1%. The exports for the first three months of 2010 were better at Rs.1,632 Mio. as against Rs.1,374 Mio. for the same period last year.

Consequently, Profit Before Tax was at 18.6% to Rs.2,919 Mio. an improvement of 313% over the same period in the previous year. Profit After Tax also showed a positive impact at 12.9% to Rs.2,026 Mio. as compared to 5.1% in the previous year's quarter.

Challenges and Opportunities before the Company

You may recall what I had mentioned to you last year on the challenges that we must face due to the economic crisis and that these challenges should be rather seen as opportunities. The world over believed that those who will be able to sustain and emerge from the crisis would be stronger than ever before. I am sure that your Company has cautiously moved along and continued to invest in people and technology to sustain the competitive advantage in the long run.

The India growth story is very much alive with enhanced will and commitment towards development and progress in all fields be it urban infrastructure or rural upliftment. We must continue to leverage on this growth story and offer value to our customers with our wide range of products.

I would also wish to emphasize on the importance of innovation and the need to focus and nurture innovative spirit even more within your Company. History shows that the companies that continue to invest in their innovative capabilities during tougher economic times are those that fare best when growth returns. Your Company did exactly this and as a result came out with an exiting product for meeting BS III emission norms on Medium and Heavy Commercial Vehicles. Yes, it is the A4000 in-line diesel fuel injection pump that was put into production at your Company's Bangalore Plant. It is a first of its kind in the world where BS III norms on such application have been achieved with in-line pumps.

While on the other side we leverage on the rapid development and opportunities that lay ahead of us, we must understand that the global significance of protecting the environment and conserving resources continue to rise. This is a part of our long term strategy and I am proud to say that your Company is committed to improving the quality of life through its products, services and initiatives taken at the Company's manufacturing Plants towards achieving energy efficiency. Our products, services and manufacturing processes have been designed keeping the future in mind and truly aligned with the commitment of a sustainable environment which was laid by our founder Robert Bosch. In order to highlight the importance of this topic, we have chosen the theme of this year's cover story in the annual report to be on 'Energy Efficiency'.

Buyback of Shares

The buy-back of shares of the Company which commenced on 15th December 2008 was closed on 24th October 2009. The Company bought

back 652,560 shares from the open market for a total consideration of Rs.2,003 Mio. Consequently, the paid up capital of the Company stand reduced by 2% from Rs.321 Mio. to Rs.314 Mio. upon extinguishment of the said shares that were bought back.

Business development and Outlook of Robert Bosch Group for 2009 and outlook for 2010

The year 2009 was a very difficult year for Bosch due to the global economic crisis which had a serious impact on the business developments of the Bosch Group. The automotive technology and industrial technology business sectors were especially hard hit. However, the consumer goods and building technology business sector was not as badly affected by the global recession.

Sales for the year as a whole came to 38.2 billion euros, down 15% on the previous year and as a result recorded a considerable loss. Pre-tax result was negative at 1.2 billion euros for 2009 as against a positive result of 942 million euros in the previous year. I wish to keep you informed that the business from Asia and especially the dynamic economic activity that developed in China and India from middle of 2009 was a major stabilizing factor for the Bosch Group. In its endeavor to maintain leadership position and gear up for the future, Bosch continued to invest in technology and as a result the research and development expenditure in automotive technology totalled some 2.9 billion euros. Overall annual research and development expenditure was maintained at a high level of around 3.6 billion euros.

In large parts, Bosch was able to use measures like reduced working

hours to compensate the reduction in demand instead of permanently laying off associates. At times up to 100,000 associates around the world are affected by such measures, roughly 65,000 of them in Germany. In 2009, the number of Bosch associates fell by around 11,000 personnel i.e., 4% reduction to 271,000 associates. Bosch associates made an important contribution to the Groups crisis management. This strong loyalty to the Company was also evident in the last associate survey conducted by Bosch wherein 80% of the respondents said that they were 'proud to work for the Bosch'.

Among the business sectors, the Automotive Technology business sector saw sales falling by 18% to 21.7 billion euros. After adjusting for currency effects, sales were down by 19%.

The Industrial Technology business sector was severely affected by the fall in demand. The sales dropped by 24% to around 5.1 billion euros or 25% after adjusting for currency effects.

Sales of the Consumer Goods and Building Technology business sector stood at 11.3 billion euros, 5 percent below the previous year of 1.4% to 11.9 billion euros. After adjusting for currency effects, this was 3% below 2008 level.

The year 2010 has started off well for the Bosch Group with a favorable economic sentiment especially from the major Asian emerging economies. Although there are signs of improvement in Europe, North America and Japan, I believe there is still a long way to go before the pre-crisis levels are regained. Sales of the Bosch Group increased considerably in the first few months of this year and for the year as a whole it is expected that there is a

good chance of making up for more than half of last year's decline in sales and recording a positive result again.

Bosch India Foundation

The Bosch India Foundation in its effort to serve the underprivileged sections of the society embarked several projects during the year 2009. Some of them are basic computer skills, plumbing, sericulture, orthopedic club foot and cleft & palate surgery. The programs were conducted with active participation of our Bosch associates and about 600 underprivileged youths benefitted from the program.

Appreciation

To conclude, I express our sincere thanks to the Government of India and the State Governments of Karnataka, Maharashtra, Rajasthan and Goa for their continued support.

My thanks are also due to our customers, suppliers, bankers, financial institutions, and all our shareholders especially our promoter Company - Robert Bosch GmbH.

My special thanks and appreciation go to the employees of the Company at all levels for their hard work, dedication and continued commitment.

Thank you for your kind attention.

Bangalore

3rd June 2010

Albert Hieronimus

Chairman

Note: This does not purport to be a record of the proceedings of the Annual General Meeting.

