

June 1, 2006

## **Rollout of the first High Pressure Common Rail Pump in India**

Dr. Albert Hieronimus

Managing Director, Motor Industries Company Limited,

at the press conference in Bangalore on June 1, 2006

Dear ladies and gentlemen,

It is my pleasure to welcome you again today for this press conference on the occasion of the roll out of the first locally manufactured common rail pump at our Bangalore plant. It is also very heartening to see that we have a mix of both Indian and German press representatives with us here today.

“Clean, Safe & Economical” are the guiding philosophies behind Bosch technology worldwide and I am sure that all of you, especially the Indian journalists, will appreciate that these are also of utmost relevance for the Indian market. With the ever increasing vehicle population and consequent higher pollution levels in cities, concern for the environment is gaining importance in India .This is evident from the fact that the vehicular emission norms in India are fast catching up with those in the developed markets. Keeping this in mind, Bosch has been introducing products in India which will enable the industry to meet these stringent emission norms.

As Dr. Bohr mentioned earlier, the common rail diesel injection system is one of the most successful diesel injection technologies worldwide. Not only has this technology enabled adherence to the most stringent emission norms , it has also ensured that diesel engines are no longer perceived to be noisy, smelly and non-sporty. The common rail technology will be one of the key factors which will aid the growing popularity of diesel engines in the Indian car market. This is evident from the very good market acceptance in recent times of Common Rail powered diesel engines like in the Hyundai Accent & the Mahindra Scorpio. Interested followers of the Indian car market would have also noticed that almost every OEM in India has announced plans for launching diesel variants with Common Rail technology.

It is in this context that the investment of Rs. 550 crores by Bosch in India for Common Rail technology becomes even more significant. We are happy to inform you that the first phase of investment for Common rail technology has been completed with the start of production of common rail injector components at our Nashik plant and setting up of the common rail pump manufacturing facility in Bangalore. Currently our Nashik plant is used 100% only for export commitments but by the end of 2007 we will start manufacture of complete Common Rail Injectors for the local market.

This investment will go a long way in making the Common Rail Technology easily available & more affordable for the Indian customer. We are investing not only in setting up manufacturing facilities, but also product development, application and testing competencies. With these local competencies we will be able to have shorter development times and also able to adapt the products to the local requirements more effectively. The best example for this is the Mahindra Scorpio CRDe, which in spite of being the first locally applied common rail powered vehicle, was launched within one year.

Today marks a special milestone for Bosch in India with the roll out of the first locally manufactured Common Rail pump here in Bangalore today. Dr. Bohr will be formally handing over the first pumps to our customers today evening. This line will have a capacity of 1000 Common rail pumps per day and will presently cater to the Indian market requirements. This facility is rated to be among the best production lines in the Bosch world and has been built on the principles of Bosch Production Systems which aims at making the production process lean, highly productive, flexible and eliminates waste.

Alongwith processes that are of global standards, we have also used the latest building techniques to ensure that the interiors of the plant match up to the requirements of temperature and cleanliness required in the production of the high precision components which go into the production of the high pressure developing common rail pump. To give you an analogy, the Common rail pump assembly line has been designed to have S9 level of cleanliness standard (300,000 particles per cubic meter), which in a common man's language means the same cleanliness as you would find inside an Intensive Care Unit (ICU) of a hospital!!! I am sure you will appreciate this later today during your visit to the manufacturing facility.

Mico is a very important part of the International Production Network of Bosch and our facilities are used not only to cater to the local requirements but also for requirements across the world. For example: As I mentioned earlier in Nashik we have setup an export oriented unit for export of common rail injector components. This facility has started exports of common rail injector components from January this year to Bosch Korea for their customers.

Bosch believes that one of our biggest assets that we have in India is the quality and capability of our manpower and this will play a major role in ensuring that “Bosch in India” remains competitive in the long run. Consequently our investments have not been limited to machines and infrastructure but also in training and development of the capabilities of our engineers and the employees on the shop floor.

I will conclude by saying that Bosch is committed to the Indian market and with our investments and inherent strengths we will retain the leadership position that we have achieved in the Indian market.

I thank you once again for having accepted our invitation to be here with us on this special occasion.