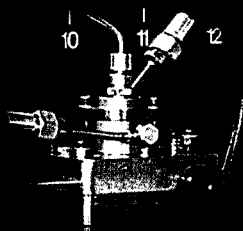


Annual Report 2002



Report  Junction.com



Cover page:

MICO achieved yet another milestone in April 2002 by producing the 25 millionth Single Cylinder Pump at the Bangalore plant. Since 1991 MICO is the global R&D center of competence for these pumps for Bosch. These pumps find application in commercial automotive engines, agricultural and farm equipment, industrial engines and generators, marine engines and railways.

MOTOR INDUSTRIES COMPANY LIMITED

Registered Office : Hosur Road, Adugodi, Bangalore - 560 030

NOTICE TO MEMBERS

NOTICE is hereby given that the FIFTY FIRST Annual General Meeting of the Company will be held at 10.30 a.m. on Thursday, the 8th May 2003 at The Grand Ball, The Leela Palace, 23, Airport Road, Bangalore - 560 008, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st December 2002 and Profit & Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To declare a dividend.
3. To elect Directors in place of Mr. Y.H. Malegam, Dr. J.J. Irani and Dr. G. Krueger, who retire by rotation and are eligible for re-election.
4. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution:

“RESOLVED that the retiring Auditors, Messrs. S.R. Batliboi & Co., Chartered Accountants, being eligible for re-appointment be and are hereby appointed as Auditors of the Company for the financial year ending 31st December 2003, to hold office until the conclusion of the next Annual General Meeting on remuneration to be fixed by the Board of Directors.”

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution:

“RESOLVED that in partial modification of the resolutions passed at the Annual General Meetings held on 11.06.2002 in respect of Mr. A. Nobis and 15.06.2001 in respect of Mr. M. Lakshminarayan and Mr. V.K. Viswanathan and pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act, approval of the Company be and is hereby accorded to the revision in the salary range of Mr. Nobis, Mr. Lakshminarayan and Mr. Viswanathan to take effect from 01.01.2003, for the unexpired period of their respective term as under:

Mr. A. Nobis	From the present Rupee equivalent of Euro 12,500 to Euro 20,000 <u>p.m.</u> TO Rupee equivalent of Euro 180,000 to Euro 300,000 <u>p.a.</u> , increments being at the discretion of the Board.
Mr. M. Lakshminarayan	From the present Rs. 4,840,000 to Rs. 6,000,000 p.a. TO Rs. 5,000,000 to Rs. 8,000,000 p.a., increments being at the discretion of the Board.
Mr. V.K.Viswanathan	From the present Rs. 4,840,000 to Rs. 6,000,000 p.a. TO Rs. 5,000,000 to Rs. 8,000,000 p.a., increments being at the discretion of the Board.”

“RESOLVED FURTHER that save as aforesaid, all other terms and conditions of appointment of Mr. Nobis, Mr. Lakshminarayan and Mr. Viswanathan as approved by the shareholders at the Annual General Meetings held on 11.06.2002 and 15.06.2001 shall continue to remain in force and effect in accordance with the terms thereof.”

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as a special resolution:

“RESOLVED that pursuant to Section 163 of the Companies Act, 1956 (the Act), the Company hereby approves that the Register of Members, Index to the Register of Members, Register and Index of Debenture holders

and copies of Annual Returns prepared under Section 159 of the Act, together with copies of the certificates and documents required to be annexed thereto or any one or more of them be kept either at the Registered Office of the Company or at the office of Alpha Systems Private Limited, 30, Ramana Residency, Ground Floor, 4th Cross, Sampige Road, Malleswaram, Bangalore - 560 003 (Registrar and Transfer Agent), as may be decided by the Board of Directors from time to time."

"RESOLVED FURTHER that the aforesaid Registers, Index, Returns and copies of certificates and other documents shall, except when the Register of Members or Debenture holders is closed under the provisions of the Act, be open to inspection of any shareholder, debenture holder or any other person on payment of such fee, if any, as is permissible under the Act, on any working day (except Saturday) between 11 a.m. and 1 p.m. at the Registered Office of the Company or at the office of the Registrar and Transfer Agent, as the case may be."

7. To consider and, if thought fit, to pass, with or without modification, the following resolution as a special resolution:

"RESOLVED that the Company do apply for voluntary delisting of the equity shares of the Company from The Bangalore Stock Exchange Ltd. subject to the equity shares of the Company remaining listed in a stock exchange having nationwide trading terminals i.e., The Stock Exchange, Mumbai or the National Stock Exchange of India Ltd. or any other stock exchange referred to in Regulation 5 of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, and further subject to other compliance, clearances as mandated under the said Guidelines."

By Order of the Board

Bangalore
20th February 2003

B.S.Iyer
Company Secretary

- NOTES :
- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
 - (b) Explanatory statement pursuant to Section 173 of the Companies Act, 1956, in respect of special business is annexed hereto.
 - (c) The Register of Members and the share transfer books of the Company will remain closed from 17.04.2003 to 30.04.2003, both days inclusive.
 - (d) The Company has admitted its Equity Shares in the Depository System of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDS) and has offered investors the facility to hold shares in electronic/demat form and to carry out scripless trading of these shares.
 - (e) The shares of the Company are mandated by the Securities and Exchange Board of India (SEBI) for trading in demat form by all investors.
 - (f) Dividend as recommended by the Directors for the year ended 31st December 2002, if declared, will be payable to those Members, whose names appear in the Register of Members, as at the close of business on 16.04.2003 and the dividend warrants will be posted to them on or after 09.05.2003.
 - (i) *In respect of shares held in electronic/demat form, beneficial owners are requested to notify any change in their address, bank account, mandate, etc. to their respective Depository Participant.*
 - (ii) *Members holding shares in physical form are requested to notify any change in their address, bank account, etc. to the Company or to the Registrar and Transfer Agent.*
 - (iii) *With a view to preventing fraudulent encashment of dividend warrants, Members holding shares in physical form are advised to furnish particulars of their bank account with a request to incorporate the same in the dividend warrant.*
 - (g) The identity/signature of the Members holding shares in electronic/demat form is liable for verification with specimen signatures as may be furnished by NSDL/CDS to the Company. Such Members are advised to bring the relevant identity card issued by the Depository Participant to the Annual General Meeting.

- (h) Based on the directives issued by SEBI requiring the Company to transfer on or before 31.03.2003 share registry work in respect of both physical and electronic/demat shares to a single point (i.e., either in-house by the Company or by a SEBI registered Registrar and Transfer Agent), the Company has appointed Alpha Systems Private Limited, 30, Ramana Residency, Ground Floor, 4th Cross, Sampige Road, Malleswaram, Bangalore - 560 003 as Registrar and Transfer Agent to also handle share registry work in respect of shares held in physical form. The said Agent is already handling registry work in respect of shares held in electronic/demat form.
- (i) Pursuant to sub-section (5) of Section 205A of the Companies Act, 1956, dividends for the financial year ended 31st December 1995 and thereafter, transferred to unpaid dividend account which remain unclaimed for a period of 7 years, will be transferred to the Investor Education and Protection Fund of the Central Government established under sub-section (1) of Section 205C of the Act. According to the provisions of the Act as amended, no claims shall lie against the said Fund or the Company for the amounts of dividend so transferred nor shall any payment be made in respect of such claims. Intimation in respect of unclaimed dividend has been mailed to the concerned Members.
- (j) Pursuant to Section 109A of the Companies Act, 1956, shareholders holding shares in electronic/demat form may file nomination in the prescribed Form 2B (in duplicate) with the respective Depository Participant and in respect of shares held in physical form, such nomination may be filed with the Company's Registrar and Transfer Agent.
- (k) Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
- (l) In respect of item 3 of the Notice relating to re-election of Directors, Members may refer to the particulars of the Director and of the companies/firms in which the Director holds office as Director/ Partner, as furnished in the Directors' Report.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 OF THE COMPANIES ACT, 1956

Item 5

The appointment and the remuneration payable to Mr. A. Nobis, Managing Director, was approved at the Annual General Meeting of the Company held on 11.06.2002. The appointment and the remuneration payable to Mr. M. Lakshminarayan, Joint Managing Director and Mr. V.K. Viswanathan, Joint Managing Director, were approved at the Annual General Meeting held on 15.06.2001. In partial modification of the resolutions passed at the Annual General Meetings of the Company held on 11.06.2002 and 15.06.2001, it is proposed to revise their range of salary as under:

Mr. A. Nobis	From the present Rupee equivalent of Euro 12,500 to Euro 20,000 <u>p.m.</u> TO Rupee equivalent of Euro 180,000 to Euro 300,000 <u>p.a.</u> , increments being at the discretion of the Board.
Mr. M. Lakshminarayan	From the present Rs. 4,840,000 to Rs. 6,000,000 p.a. TO Rs. 5,000,000 to Rs. 8,000,000 p.a., increments being at the discretion of the Board.
Mr. V.K. Viswanathan	From the present Rs. 4,840,000 to Rs. 6,000,000 p.a. TO Rs. 5,000,000 to Rs. 8,000,000 p.a., increments being at the discretion of the Board.

All other terms and conditions approved at the Annual General Meetings held on 11.06.2002 and 15.06.2001 remain unchanged.

Mr. Nobis, Mr. Lakshminarayan and Mr. Viswanathan may be deemed to be concerned or interested in the above, since it relates to the terms and conditions of their appointment.

This statement read along with the resolution may be deemed as an abstract of the variation of the terms of appointment required to be sent to the shareholders of the Company in terms of Section 302 of the Companies Act, 1956.

Item 6

In respect of shares held in electronic/demat form, the Company has appointed Alpha Systems Private Limited, 30, Ramana Residency, Ground Floor, 4th Cross, Sampige Road, Malleswaram, Bangalore - 560 003, as Registrar.

The Registrar and Transfer activity in respect of shares held in physical form is carried out in-house by the Secretarial Department of the Company. Accordingly the Register of Members is also maintained at the Registered Office of the Company.

The Company received intimation from The Stock Exchange, Mumbai and The Bangalore Stock Exchange Ltd. conveying the instructions of SEBI (vide Circular No. D&CC/FITTC/CIR-15/2002 dated 27.12.2002) that all work related to share registry of both physical and electronic shares should be maintained at a single point i.e., either in-house by the Company or by a SEBI registered Registrar and Transfer Agent. By Circular No. D&CC/FITTC/CIR-18/2003 dated 12.02.2003, SEBI granted extension of time upto 31.03.2003 to complete the process of transfer of records from the Company to the Registrar.

Accordingly, the Registrar and Transfer activity in respect of shares held in physical form will be transferred to Alpha Systems Private Limited, a Registrar and Transfer Agent registered with SEBI.

The resolution proposed at item 6 of the Notice is consequential in nature to afford the required flexibility to maintain the Registers, Returns and documents either at the Registered Office of the Company or at the office of the Registrar and Transfer Agent.

Item 7

The equity shares of the Company are listed in The Stock Exchange, Mumbai and in The Bangalore Stock Exchange Ltd. The shares of the Company are also permitted for trade by the National Stock Exchange of India Ltd. The Company has paid the listing fee to The Stock Exchange, Mumbai and The Bangalore Stock Exchange Ltd. for the year 2002-03.

The Company has made an application for listing of the equity shares in the National Stock Exchange of India Ltd.

Information in respect of the volume of shares traded in these exchanges is given below:

Year	Volume of shares traded			Year	Volume of shares traded		
	Stock Exchange, Mumbai (BSE)	National Stock Exchange (NSE)	Bangalore Stock Exchange (BgSE)		Stock Exchange, Mumbai (BSE)	National Stock Exchange (NSE)	Bangalore Stock Exchange (BgSE)
1999	144373	74000	3	Sept. 2002	851	954	-
2000	108184	66573	-	Oct. 2002	2029	718	-
2001	70956	201456	-	Nov. 2002	8705	8710	-
2002	55241	91347	-	Dec. 2002	7390	10984	-
				Jan. 2003	5430	6037	-
				Feb. 2003	2349	4975	-

(Source: BSE, NSE, BgSE)

Based on the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 (the Guidelines), it is open for the Company to voluntarily delist securities from The Bangalore Stock Exchange Ltd., if the securities continue to remain listed in a stock exchange having nation wide trading terminals.

There has been no trading of the Company's equity shares in The Bangalore Stock Exchange Ltd. from 2000 to date. As the Company's equity shares have been mandated by SEBI for compulsory trading in demat form by all investors and The Stock Exchange, Mumbai and the National Stock Exchange of India Ltd. have trading terminals in various cities affording to the investors access to trade and deal in the Company's equity shares across the country, it is proposed to delist the equity shares of the Company from The Bangalore Stock Exchange Ltd.

Robert Bosch GmbH, Germany, the promoters, hold 60.55% in the equity capital of the Company and the balance shares are held by the general public including Indian Public Financial Institutions. Pursuant to the delisting of the equity shares of the Company, there would be no change in the capital structure and shareholding pattern of the Company.

By Order of the Board

Bangalore
20th February 2003

B.S. Iyer
Company Secretary

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About MICO



MICO is a subsidiary of Robert Bosch GmbH, Germany. Founded in 1951, MICO pioneered the manufacture of automotive spark plugs and diesel fuel injection equipment in India. With access to the international technology of Bosch, conscious commitment to quality and around 10,000 employees, MICO is the largest manufacturer of diesel fuel injection equipment in the country and one of the world's largest. In addition, MICO manufactures industrial equipment, auto-electrical, gear pumps for tractor applications, electric power tools, packaging machines, security technologies and Blaupunkt car multimedia systems.

Partnering MICO in its quest for quality are its suppliers, including those in the small-scale sector. An all-India network of over 4,000 authorised representations ensures widespread availability of both products and after-sales services.

About Bosch



The name of Bosch is closely associated with the automotive industry. But Bosch is not just famous for auto technology products like gasoline, diesel and chassis systems and car electronics. Bosch also supplies many other products and services, including industrial technology, power tools, security solutions and household appliances. Bosch is active on every continent and has subsidiaries and associated companies in more than 50 countries. Bosch operates 227 manufacturing locations worldwide, of which 171 are located outside Germany in Europe, North and South America, Africa, Asia and Australia. The Bosch Group employs more than 225,000 people worldwide.

® Registered Trademark of Motor Industries Co. Ltd.

® Registered Trademark of Robert Bosch GmbH

Board of Directors, Committees, etc.



Directors

H. Zimmerer, *Chairman*
 Y.H. Malegam
 Dr. J.J. Irani
 F. Fehrenbach
 Dr. G. Krueger
 A. Nobis,
Managing Director
 M. Lakshminarayan,
Joint Managing Director
 V.K. Viswanathan,
Joint Managing Director

Company Secretary

B.S. Iyer

Auditors

S.R. Batliboi & 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)

Bangalore Stock Exchange Limited
 51, Stock Exchange Towers
 1st Cross, J.C. Road
 Bangalore-560 027

The Stock Exchange, Mumbai
 Phiroze Jeejeebhoy Towers
 Dalal Street
 Mumbai-400 001

Audit Committee

Y.H. Malegam, *Chairman*
 H. Zimmerer
 Dr. G. Krueger

Shareholders' / Investors' Grievance Committee

H. Zimmerer, *Chairman*
 Y.H. Malegam
 A. Nobis
 V.K. Viswanathan

Remuneration Committee

H. Zimmerer
 Dr. J.J. Irani
 Dr. G. Krueger

Investment Committee

Y.H. Malegam
 Dr. J.J. Irani
 A. Nobis
 V.K. Viswanathan

Property Committee

H. Zimmerer
 Y.H. Malegam
 A. Nobis
 M. Lakshminarayan

Share Transfer Committee

Y.H. Malegam
 Dr. J.J. Irani
 A. Nobis
 V.K. Viswanathan

Committee on Borrowings

Y.H. Malegam
 Dr. J.J. Irani
 A. Nobis
 V.K. Viswanathan

75 years of Bosch diesel injection

It's a jubilee time for diesel injection technology. 75 years ago, on 30th November 1927, world's first large-scale production of diesel injection pumps and injectors was begun by Bosch. Bosch was the first company to offer engine manufacturers an injection system, which allowed the economic production of diesel engines for trucks, buses and later even for automobiles.

The compression ignition engine has now been widely accepted for passenger vehicles. Nearly 40 per cent of all newly registered passenger cars in Western Europe are equipped with a diesel engine. One of the important milestones in this direction is the direct injection system for the first time, fitted to the Turbo-charged Direct Injection (TDI) engine of the Audi 100 in 1989, with an electronically controlled axial-piston pump by Bosch. This was followed at the end of the nineties by the high-pressure direct injection systems: in 1996 the radial-piston pump VP44, in 1997 the accumulator-fuel-injection Common Rail and in 1998 the Unit-Injector system (UIS).

At first, diesel technology could only be used for large, stationary or ship's engines produced in small numbers,

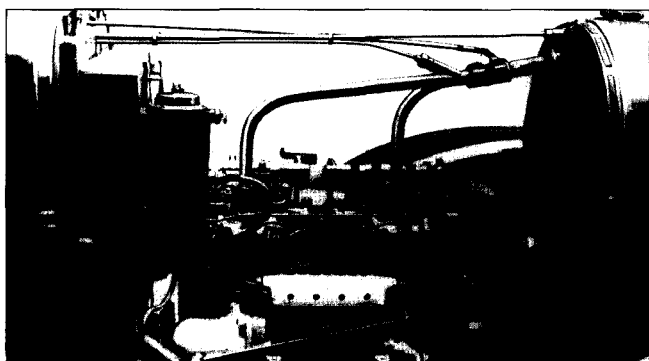
In 1927 Bosch delivered the very first diesel injection pumps which were used in trucks.



the fuel had to be squirted into the combustion chambers by means of a separate compressor, an expensive and inefficient system. It was not until the pre-chamber combustion process was invented in the early 1900s, that smaller diesel engines could be built and the potential of diesel technology could be utilized. In 1921, Bosch began experimenting with

diesel injection systems. By 1923 and 1924 Bosch was able to test prototype diesel injection pumps. In March 1927, clearance was given for the limited production of injection pumps to be made available for engine manufacturers to experiment with. The tests confirmed the viability of the pumps and paved way for Bosch to approve large-scale production on 30th November 1927.

Experimental diesel injection pump tried out in an automobile: Bosch was the first Company to offer vehicle manufacturers an injection system which made possible the economic production of diesel engines for use in vehicles. A 1927 automobile diesel engine with an experimental Bosch injection pump.



Bosch diesel injection in operation: MAN was the first vehicle manufacturer to use Bosch diesel pumps in 1927. In 1932 the Company produced what was then the most powerful diesel truck in the world - using Bosch diesel injection.

The first customer to use the new mass-produced injection pumps was the German company MAN, which fitted some of its trucks with the new system. After this, things really started to move: within a year, by October 1928, Bosch had sold its 1000th pump; in March 1934, the 100,000th pump left the production line. The launch of injection pumps for diesel-powered automobiles in 1936 was an important milestone in the diesel success story. Continuous development at Bosch had succeeded in producing injection pumps which were light and strong enough even for high-revving automobile engines.

Milestones of development

1921: First experiments with fuel injection using modified Bosch oil pumps

1922: Start of development of diesel injection equipment

1923: First prototypes of diesel injection pumps

1927: Clearance for the world's first large-scale production of injection pumps and injectors

1934: 100,000th diesel injection pump produced

1936: Launch of the world's first series-production of diesel injection equipment for passenger cars

1950: 1,000,000th diesel injection pump produced

1962: Launch of first distributor injection pump

1986: Launch of the world's first Electronic Diesel Control (EDC)

1989: Direct injection for passenger cars with the VP34 electronically-controlled distributor injection pump; first installed in Audi 100 TDI

1993: Start of volume production of the electronically-controlled in-line injection pump with control of injection timing and fuel quantity

1994: Start of production of the UIS Unit Injector System for commercial vehicles

1995: Start of volume production of the world's first Unit Pump System (UPS) for commercial vehicles

1996: Start of volume production of VP44 high-pressure distributor injection pump (radial piston distributor injection pump)

1997: Common Rail System (CRS) for automobiles launched - a world's first

1998: Delivery of first Unit Injector System (UIS) in the world for passenger cars

1999: Start of production of Common Rail System (CRS) for commercial vehicles

2001: Bosch produced over 5 million direct injection systems for diesel-powered passenger cars; in total, the company has produced more than 12 million high-pressure injection systems for automobiles