

TIMKEN

SEVENTEENTH

ANNUAL

REPORT

2003

TIMKEN INDIA LIMITED

TIMKEN INDIA LIMITED

BOARD OF DIRECTORS

(As on January 30, 2004)

MR G W ROBINSON	- Chairman
MR S K SINHA	- Dy. Managing Director
MR J T ELSASSER	
MR S A SCHERFF	
MR V K DASARI	
MR M J HILL	
MR N MAHANTY	
MR J S PATHAK	- Alternate to Mr S A Scherff
MR P S DASGUPTA	- Alternate to Mr J T Elsasser

COMMITTEES OF THE BOARD

(As on January 30, 2004)

AUDIT COMMITTEE

MR V K DASARI	- Chairman
MR N MAHANTY	
MR J S PATHAK	

INVESTORS' RELATION & GRIEVANCE COMMITTEE

MR N MAHANTY	- Chairman
MR S K SINHA	
MR J S PATHAK	

REMUNERATION COMMITTEE

MR N MAHANTY	- Chairman
MR P S DASGUPTA	
MR J S PATHAK	

MANAGEMENT TEAM

MR S K SINHA	- Dy. Managing Director
MR A K SINHA	- Director (HR & A)
MR K STHANPATI	- Director (Technology & Supply Chain Management)
MR A K DAS	- Director (Manufacturing)
MR J P SINHA	- Director (Sales & Marketing)
MR S HAZRA	- Finance Controller & Company Secretary

Auditors

Messrs S R Batliboi & Co.
Chartered Accountants
22, Camac Street
Block - C, 3rd Floor,
Kolkata - 700 016.

Registered Office

Bara, P. O. Agrico
Jamshedpur - 831 009
Ph. No. (0657) 2210 293
Fax No. (0657) 2210 117

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Members are requested to please note that with effect from January 1, 2003, Ami Computers (I) Limited has been appointed as the Registrars & Share Transfer Agents of the Company. Any query relating to your shareholding may also be forwarded to: Ami Computers (I) Limited, 60A & 60B, Chowringhee Road, Kolkata - 700 020.

As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to bring their copies to the meeting.

TIMKEN INDIA LIMITED

NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of Timken India Limited will be held at Shavak Nanavati Technical Institute, N-Road, Bistupur, Jamshedpur - 831 001 on Saturday, April 24, 2004 at 12.00 Noon to transact the following business:

1. To receive and adopt the Profit and Loss Account for the year ended December 31, 2003 and the Balance Sheet as on that date and the reports of the Directors and the Auditors.
2. To declare dividend on 9% Cumulative Redeemable Preference Shares.
3. To appoint a Director in place of Mr. Jon T. Elsasser who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

5. Appointment of Mr. Vinod Kumar Dasari as a Director of the Company

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

"RESOLVED THAT Mr. Vinod Kumar Dasari, in whose respect a notice has been received from a member under the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company."

6. Appointment of Mr. Niroop Mahanty as a Director of the Company

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

"RESOLVED THAT Mr. Niroop Mahanty, in whose respect notice has been received from a member under the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company."

7. Remuneration payable to Dy. Managing Director

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

"RESOLVED THAT pursuant to Section 309, 310 and other applicable provisions if any of the Companies Act, 1956 ('the Act') and subject to such other approvals as may be necessary, the Company hereby accords its approval to the modification of the terms relating to remuneration payable to Mr. Shyamal Kumar Sinha as the Dy. Managing Director of the Company with effect from April 1, 2003 as per details contained in the abstract of terms and Memorandum of Interest dated August 11, 2003 circulated to all the members of the Company pursuant to Section 302 of the Act and also such further modification with effect from April 1, 2004 as per details given in the Explanatory Statement pursuant to Section 173 (2) and forming an integral part of this Notice."

NOTES :

1. A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote in his stead and the Proxy need not be a Member. Proxies, in order to be effective, must reach the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business under items no. 5 to 7 is annexed hereto. Relevant details relating to reappointment/appointment of Directors pursuant to Clause 49 to the Listing Agreement are also annexed.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from April 8, 2004 to April 24, 2004, both days inclusive.

By Order of the Board

Registered Office :
Bara, P.O. Agrico
Jamshedpur - 831 009
January 30, 2004

Soumitra Hazra
Finance Controller
& Company Secretary

ANNEXURE TO THE NOTICE – EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**Item No. 5**

Mr. Vinod Kumar Dasari, Director of the Company, was appointed by the Board of Directors of the Company ('the Board') in the casual vacancy created by the resignation of Mr. R L Leibensperger on January 17, 2001. As per the provisions of the Companies Act, 1956 Mr. Dasari holds office upto the forthcoming Annual General Meeting when Mr. Leibensperger would have retired by rotation in the normal course.

The Company has received a notice from a member under the provisions of Section 257 of the Companies Act, 1956 proposing Mr. Dasari as a candidate for the office of Director.

The proposal for the appointment of Mr. Dasari as Director on the Board, is therefore, placed before the members for approval as set out under item no. 5 of the accompanying Notice. The Board recommends the Resolution set out under item no. 5 for approval of members.

Memorandum of Interest

Except Mr. Vinod Kumar Dasari, no other Director is concerned or interested in the resolution.

Item No. 6

Mr. Niroop Mahanty, Director of the Company, was appointed by the Board of Directors of the Company ('the Board') as an Additional Director in July 2003. As per the provisions of the Companies Act, 1956 Mr. Mahanty holds office as an Additional Director upto the forthcoming Annual General Meeting.

The Company has received a notice from a member under the provisions of Section 257 of the Companies Act, 1956 proposing Mr. Mahanty as a candidate for the office of Director.

The proposal for the appointment of Mr. Mahanty as Director on the Board, is therefore, placed before the members for approval as set out under item no. 6 of the accompanying Notice. The Board recommends the Resolution set out under item no. 6 for approval of members.

Memorandum of Interest

Except Mr. Niroop Mahanty, no other Director is concerned or interested in the resolution.

Item No. 7

Members may please recall that Mr. Shyamal Kumar Sinha ('Mr. Sinha') was appointed as the Dy. Managing Director of the Company with effect from the close of business on June 8, 2001 as per terms and conditions set out in the draft of an Agreement placed before the Annual General Meeting held on July 20, 2001 which were subsequently modified vide Resolution passed at the Annual General Meeting held on April 30, 2003. It may be noted that the Board of Directors, subject to the requisite approval of the Members of the Company and such other approvals as may be necessary, had approved modification of the terms relating to remuneration payable to Mr. Sinha as the Dy. Managing Director of the Company as per following details :-

a) With effect from April 1, 2003

As per the Abstract of Terms and Memorandum of Interest dated August 11, 2003 circulated to all the Members of the Company pursuant to the provisions of Section 302 of the Companies Act, 1956 and as appearing below:-

"1) Under the category 'Perquisites' the following new para (xi) was added:

'xi) Interest subsidy for any House Building Loan – as per Rules of the Company.'

2) The amount of "Salary including other allowances" was increased from Rs.65,000/- per month to Rs. 75,700/- per month with effect from April 1, 2003.

All the other terms and conditions governing his appointment as the Dy. Managing Director of the Company to remain unchanged."

b) With effect from April 1, 2004

The amount of "Salary including other allowances" to be increased from Rs. 75,700/- per month to Rs. 90,700/- per month with effect from April 1, 2004.

All the other terms and conditions governing his appointment as the Dy. Managing Director of the Company to remain unchanged."

The Board of Directors recommends the proposed resolution set out under item no. 7 of the Notice for approval of the Members.

Memorandum of Interest

No Director of the Company except Mr. Sinha is concerned or interested in the said resolution.

This may be treated as an abstract of the terms and memorandum of interest and also as an abstract of the Agreement between the Company and Mr. Sinha pursuant to Section 302 of the Companies Act, 1956.

Registered Office :
Bara, P.O. Agrico
Jamshedpur – 831 009
January 30, 2004

By Order of the Board

Soumitra Hazra
Finance Controller
& Company Secretary

DETAILS OF DIRECTORS SEEKING REAPPOINTMENT / APPOINTMENT AT THE FORTHCOMING SEVENTEENTH ANNUAL GENERAL MEETING			
Name of Director	Mr. Jon T. Elsasser	Mr. Vinod Kumar Dasari	Mr. Niroop Mahanty
Date of Birth	August 14, 1952	April 28, 1966	January 12, 1950
Date of Appointment	September 6, 1995	January 17, 2001	July 23, 2003
Expertise in specific functional areas	<ul style="list-style-type: none"> ● General Management ● Strategy 	<ul style="list-style-type: none"> ● Manufacturing ● General Management 	<ul style="list-style-type: none"> ● Human Resources ● General Management
Qualifications	<ul style="list-style-type: none"> ● BA – Economics – College of William & Mary ● MBA – Harvard University 	<ul style="list-style-type: none"> ● Bachelor of Science in Engineering Science, University of Louisville – Louisville, Kentucky ● Master of Management in Manufacturing, Northwestern University – Evanston, Illinois 	<ul style="list-style-type: none"> ● BA (Hons) – St. Stephens College, Delhi University ● MBA – University of Colorado, USA
List of public companies in which outside Directorship held as on December 31, 2003	<ul style="list-style-type: none"> ● Timken Polska Sp.Zo.o ● Timken Romania S.A. 	<ul style="list-style-type: none"> ● Nelson Engine Systems India Limited ● Cummins Auto Services Limited ● Cummins India Limited ● Cummins Diesel Sales & Services (I) Ltd. ● Tata Holset Ltd. 	<ul style="list-style-type: none"> ● Steel City Press Limited ● Kalinga Aquatics Limited
Chairman / Member of the Committees of the Board of the Companies on which he is a Director as on December 31, 2003	N.A.	<ul style="list-style-type: none"> ● Timken India Limited – Chairman – Audit Committee 	<ul style="list-style-type: none"> ● Timken India Limited – Chairman – Remuneration Committee ● Timken India Limited – Chairman – Investors Relation & Grievance Committee ● Timken India Limited – Member – Audit Committee

CHAIRMAN'S STATEMENT

Dear Shareholders,

I am very pleased to announce that the performance improvement shown in 2002 has been further extended into 2003.

During 2003, India's economy grew stronger than forecast and in particular, the second half of the calendar year was characterized by high activity levels in the manufacturing sector.

Our internal efforts to improve efficiency and grow sales therefore have met a favorable external environment and resulted in:

- Over all Sales – up 19%
- Domestic Sales – up 9%
- Exports Sales – up 43%
- PBT – up 106%

In addition, we have achieved significant reductions in Inventory levels and Accounts Receivables which, combined with the improved profits, have generated a strong positive cash flow.

This has enabled us to repay the 26,00,000 Preference Shares, which had been issued in 1995 to overcome a period of particular financial difficulty. This action reduces TIL's Capital base from Rs. 89 crores to Rs. 63 crores. This will enhance earnings per share going forward.

I would like to congratulate the management team and all the Timken India associates for this significant improvement.

Let me now give a brief outlook on the coming year:

For 2004, we see a continued strong domestic market combined with further increased possibilities of exports into the international markets served by The Timken Company.

Nevertheless, there are significant challenges to be overcome:

- In 2003, despite a 17% increased output of the plant, we have not been able to reduce manufacturing costs. The positive impact of reduced fixed costs was negatively impacted by significant increases in raw material and labour costs. In 2004, we forecast further significant increase of raw material costs adding further pressure on our profit margin.
- Despite a strong domestic market in 2003, we have only grown sales by 9%. This was the result of a sales policy, which gave priority to profitability over that of sales growth.
- The plant has now reached a level of output, which cannot be increased without further investments. Also a part of the machinery originally installed in 1989 has reached the end of its useful life and needs to be replaced. We will have to make important investments in 2004 and beyond.

Having seen the strong performance improvement of Timken India Limited over the last 2 years, I have good faith in our dedicated team to continue that trend in 2004.

Thank you,

Yours sincerely,

GWRobinson
Gordon William Robinson
 Chairman

Jamshedpur
 January 31, 2004

TIMKEN INDIA LIMITED

DIRECTORS' REPORT**TO THE MEMBERS**

The Directors have pleasure in presenting the Seventeenth Annual Report on the business and operations of the Company together with the Financial Results for the year ended December 31, 2003.

FINANCIAL RESULTS

	Year ended December 31, 2003 (Rs/Lakhs)	Nine-months ended December 31, 2002 (Rs/Lakhs)
a) Gross Profit	4307.72	2706.68
b) Less: Depreciation	904.68	666.40
c) Earnings before Interest & Tax (EBIT)	3403.04	2040.28
d) Less: Interest (Net)	94.76	114.35
e) Profit before Tax (PBT)	3308.28	1925.93
f) Less: Taxes	994.59	683.40
g) Profit after Tax (PAT)	2313.69	1242.53
h) Add: Profit / (Loss) brought forward from previous year	1677.03	844.34
i) Add: Transfer from Investment Allowance Reserve	—	0.46
j) Profit available for appropriation	3990.72	2087.33
k) Less: Interim/Proposed Dividend on Preference Shares	315.10	410.30
l) Less: Transfer to Capital Redemption Reserve	2600.00	—
m) Balance carried forward	1075.62	1677.03

During the period under review, net sales (excluding other income) have grown from Rs. 150 Crores in nine-months ended December 31, 2002 to Rs. 217 Crores in 2003, i.e. an annualized increase of around 16% mainly due to increased sales in domestic OE segment and export market.

During 2003, exports through the Timken network worldwide registered an increase of 43% over 2002.

Profit before tax has also increased by 106% compared to last year on an annualized basis. Increase in sales volume, improved efficiency and reduced operating and administrative costs can be attributed to overall improvement of profitability.

Production during the period under review has increased by around 17% over last year without any major investments. This has been made possible by better capacity utilization of Plant through high performance drives in the organization.

Such positive financial position has enabled the Company to prepay its liability towards 26,00,000 9% Cumulative Redeemable Preference Shares of Rs. 100/- each aggregating to Rs. 26 Crores on December 29, 2003 as per terms of the issue of these Preference Shares.

A sum of Rs. 26 Crores has accordingly been appropriated to Capital Redemption Reserve.

DIVIDEND

The Company has paid an interim dividend on these Preference Shares for the period January 1, 2003 to December 29, 2003 @ Rs. 9/- per share amounting to Rs. 2.33 Crores at the time of prepayment of these Shares. Such payment of interim dividend is to be considered as Final Dividend on these Shares.

In view of meager surplus left after prepayment of Preference Capital and payment of interim dividend as aforesaid, the directors do not recommend payment of dividend on Equity Shares for 2003.

FINANCE

No fresh long-term loan was arranged during the year under review. The existing long-term borrowings have been repaid during the year. Efficient management of inventory and receivables have resulted in generation of adequate cash, helping the Company to restrict borrowing at a low level during the last quarter of 2003. This has enabled the Company to reduce interest charges by about 27%.

DIRECTORS

Dr. T Mukherjee who acted as a Director of the Company since 1993 has resigned as a Director of the Company with effect from May 2, 2003. The Board wishes to place on record its deep appreciation for the valuable contribution made by Dr. Mukherjee during his tenure as a Director of the Company and also as a member of the various Committees of the Board.

Mr. Niroop Mahanty, Vice President -- HRM, The Tata Iron & Steel Co. Ltd, has been appointed by the Board as an Additional Director of the Company with effect from July 23, 2003. In terms of the relevant provisions of the Companies Act, 1956 ('the Act'), Mr. Mahanty holds office upto the date of the forthcoming Annual General Meeting. The Company has received a notice from a member in terms of Section 257 of the Act signifying his intention to propose the name of Mr. Mahanty for appointment as a Director of the Company at the next Annual General Meeting. This has been included in the Notice convening the next Annual General Meeting.

In terms of relevant provisions of the Act, Mr. Vinod Kumar Dasari who was appointed as a Director of the Company in the casual vacancy caused by the resignation of Mr. R L Leibensperger shall hold office upto the forthcoming Annual General Meeting at which Mr. Leibensperger would have retired by rotation in the normal course. The Company is in receipt of a Notice from a member of the Company in terms of Section 257 of the Act signifying his intention to propose the name of Mr. Dasari for appointment as a Director of the Company at the next Annual General Meeting. This has been included in the Notice convening the next Annual General Meeting.

Mr. Jon T. Elsasser, Director retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for reappointment.

AUDITORS

Messrs. S R Batliboi and Co., Chartered Accountants, Auditors of the Company retire at the conclusion of the Seventeenth Annual General Meeting and offer themselves for reappointment. They have furnished to the Company a Certificate, regarding their eligibility for reappointment.

Pursuant to the directions received from the Central Government, Mr. Prakash Kumar Varma has been reappointed as the Cost Auditor to audit the Cost Accounts of the Company for the year ended December 31, 2003.

CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreements with the Stock Exchanges, Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of corporate governance are made a part of the Annual Report.

INDUSTRIAL RELATIONS

The performance of the Company during the year ended December 31, 2003 could be made possible only with the positive response from all the Associates. The Directors express their appreciation for the very good co-operation received from all sections of the Associates of the Company.

SOCIAL RESPONSIBILITY

The Company has been actively participating in the promotion of social welfare activities of the community in the industrial town of Jamshedpur.

STOCK EXCHANGE REQUIREMENTS

The Equity Shares of the Company are listed on Mumbai, Calcutta and Magadh Stock Exchanges. The listing fees for the year 2003-2004 have been paid to the Stock Exchanges.

PARTICULARS OF EMPLOYEES

No employee of the Company was in receipt of remuneration in 2003 which is in excess of the limits referred to in Section 217(2A) of the Companies Act, 1956, and the Rules framed thereunder.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

All the new machineries installed during the year are energy efficient. Significant cost saving on cutting fluids has also been achieved by machine modifications and use of longer lasting coolant. Regarding

absorption of foreign technology, the process is ongoing in the areas of machining, heat treatment and finishing. The Company has now achieved full indigenisation of all components for Standard Bearings and substantial indigenisation for AP Bearings. It is the intention of the Company to proceed with the process of indigenisation further.

Other details are given in the Annexure, which also forms part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provision of Section 217(2AA) of the Companies Act, 1956, the Directors give hereunder the Directors' Responsibility Statement relating to the Accounts of the Company:

- (1) The applicable Accounting Standards have been followed, in the preparation of the accompanying Accounts;
- (2) The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that 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 year ended December 31, 2003 and of the profit of the Company for the said period;
- (3) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (4) The Directors have prepared the accompanying Accounts on a going concern basis.

For and on behalf of the Board of Directors

Jamshedpur
January 30, 2004

Gordon William Robinson
Chairman

TIMKEN INDIA LIMITED

ANNEXURE TO THE DIRECTORS' REPORT—INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS RULES), 1988 AND FORMING PART OF DIRECTORS' REPORT

A. CONSERVATION OF ENERGY

- | | | |
|--|---|---|
| <ul style="list-style-type: none"> (a) Energy conservation measures taken (b) Additional Investments / proposal, if any (c) Impact of the measures at (a) and (b) above (d) Total energy consumption and energy consumption per unit of production | } | <p>New equipments / machines added during the year are energy efficient like earlier installations (Also please see Directors' Report)</p> <p>As per details given below under Form A</p> |
|--|---|---|

B. TECHNOLOGY ABSORPTION

- (e) As per details given below under Form B.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- | | | |
|---|---|--|
| <ul style="list-style-type: none"> (f) Activities relating to exports, initiatives taken to increase exports; development of new export markets for products and services; and export plans (g) Total foreign exchange used and earned (Rs./Lacs) | } | <p>During the period under review, exports mainly to US registered an increase of 43% compared to 2002. Some of the Part Numbers hitherto manufactured at other Timken locations worldwide have now moved to Company's Plant in Jamshedpur. For 2004, no major change is being envisaged at present.</p> |
|---|---|--|

	2003	Nine-months period ended December 31, 2002
i) Foreign Exchange Earnings	9328.85	3658.52
ii) Foreign Exchange Outgo	4466.91	2525.13

FORM A**Form for Disclosure of Particulars with respect to Conservation of Energy****A. Power and fuel consumption**

1. Electricity

	2003	Nine-months period ended December 31, 2002
(a) Purchased Units (KWH)	1,86,07,390	1,36,69,637
Total amount (Rs.)	7,49,68,421	5,67,28,743
Rate Per Unit (Rs.) (all inclusive)	4.03	4.15

(b) Own generation

- | | | |
|--|---|---|
| <ul style="list-style-type: none"> (i) Through diesel generator <ul style="list-style-type: none"> Unit Unit per ltr. of diesel oil Cost / unit (ii) Through steam turbine / generator <ul style="list-style-type: none"> Units Units per ltr. of fuel oil/gas Cost / unit | } | <p>Not used for operations. Only for emergency lighting and water requirements</p> <p>There is no Steam Turbine / Generator</p> |
|--|---|---|

2. Coal (specify quality and where used)
- Quantity (tonnes)
- Total Cost
- Average rate

— Not Used

3. Furnace Oil	—	Not Used
Quantity (k.ltrs.)		
Total amount		
Average rate		
4. Other/internal generation (please give details)	—	Not Used
Quantity		
Total Cost		
Rate / Unit		

B. Consumption per unit of production

	Standards (if any)	2003	Nine-months period ended December 31, 2002
Products (with details) unit			
Standard Bearings	Not set (Standard varies with product mix)		
Electricity		4.30	4.70
Furnace oil		Not Used	Not Used
Coal (specify quality)		Not Used	Not Used
Others (specify)		Nil	Nil

FORM B**Form for disclosure of particulars with respect to absorption****TECHNOLOGY ABSORPTION****(A) Research and Development (R&D)**

1. Specific areas in which R&D carried out by the Company
2. Benefits derived as a result of the above R&D
3. Future plan of action
4. Expenditure on R&D:
 - a. Capital
 - b. Recurring
 - c. Total
 - d. Total R&D expenditure as a percentage of total turnover

The benefits of Research facilities available with The Timken Company are extended to Timken India Limited on a continuing basis.

(B) Technology absorption, adaptation and innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.
2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:
 - a) Technology imported
 - b) Year of import
 - c) Has technology been fully absorbed?
 - d) If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of actions

Under the Collaboration Agreement, technology update is released from The Timken Company which is transferred to the shop floor instructions. Any improvement in the technology/process is part of this continuous update and this is being regularly monitored by The Timken Company personnel.

Manufacture of Tapered Roller Bearings
1991-92 onwards.

It is being gradually absorbed.

Ongoing in the areas of Machining, heat treatment and finishing. To make further improvements in the manufacturing process, product quality and production output.

For and on behalf of the Board of Directors

Jamshedpur
January 30, 2004

Gordon William Robinson
Chairman