



Soumitra Hazra

Company Secretary & Chief - Compliance

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18 July, 2019

The Secretary National Stock Exchange of India Ltd. Exchange Plaza, Plot no. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. <u>Script Code: TIMKEN</u>	The Secretary BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. <u>Script Code: 522113</u>
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Dear Sirs,

Re. Annual Report 2018-19

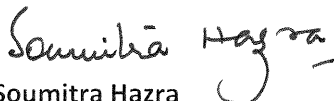
Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and relevant provisions of law, we attach herewith a copy of the Annual Report 2018-19 along with Notice convening 32nd Annual General Meeting.

We request you to kindly take this on record.

Thanking you,

Yours faithfully

For **TIMKEN INDIA LIMITED**



Soumitra Hazra
Company Secretary
& Chief- Compliance

Registered office:
Timken India Limited
39-42, Electronic City
Phase II, Hosur Road
Bangalore 560 100, Karnataka
India



TIMKEN INDIA LIMITED

32nd Annual Report | 2018-19



TIMKEN INDIA LIMITED

Regd. Office: 39-42, Electronic City, Phase II, Hosur Road, Bengaluru - 560 100

CIN: L29130KA1996PLC048230

Phone No. 080-41362000, Fax No. 080-41362010

Website: www.timken.com/en-in; Email Id: soumitra.hazra@timken.com

Notice

Notice is hereby given that the Thirty-second Annual General Meeting of Timken India Limited will be held at Tangerine Conference Hall, Lemon Tree Hotel, Plot No. 54B/55A, Hosur Main Road, Electronic City, Phase - I, Bengaluru - 560100 on Monday, 12 August, 2019 at 10.00 am to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements for the year ended/as on 31 March, 2019 and the reports of the Board of Directors and the Auditors.
2. To declare dividend on Equity Share Capital of the Company.
3. To appoint a Director in place of Mr. Avishrant Keshava (DIN: 07292484), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

4. Ratification of Remuneration payable to the Cost Auditors

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

“RESOLVED –

THAT pursuant to Section 148 of the Companies Act, 2013 and the Rules made thereunder (including any statutory modifications or amendments or re-enactments thereof), remuneration of Rs. 4,00,000/- (Rupees Four Lakhs only) plus applicable taxes and reimbursement of travel and other out-of-pocket expenses, as determined by the Board of Directors and payable to M/s. Shome & Banerjee (Firm Registration No. 000001) Cost Accountants for the Cost Audit / certification engagements for the financial year 2019-20, be and is hereby ratified and approved;

THAT pursuant to Section 148 of the Companies Act, 2013 and the Rules made thereunder (including any statutory modifications or amendments or re-enactments thereof), additional remuneration of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand Only) plus applicable taxes and reimbursement of travel and other out-of-pocket expenses, as determined by the Board of Directors due to increase in scope of audit for the financial year 2018-19 and payable to M/s. Shome & Banerjee (Firm Registration No. 000001) Cost Accountants for the Cost Audit for the financial year 2018-19, be and is hereby ratified and approved.”

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING PROXIES, IN ORDER TO BE EFFECTIVE, MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR COMMENCEMENT OF THE MEETING. A PERSON CAN ACT AS A PROXY ON BEHALF OF NOT EXCEEDING 50 (FIFTY) MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10 (TEN) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. MEMBER(S) HOLDING MORE THAN 10% OF THE TOTAL PAID- UP SHARE CAPITAL CAN APPOINT ONLY A SINGLE PERSON AS PROXY.**
2. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (the 'Act') in respect of item no. 4 is annexed hereto. Applicable details relating to Director pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Secretarial Standard -2 ('SS-2') are also annexed.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 6 August, 2019 to 12 August, 2019, both days inclusive.
4. The respective outstanding amounts in unpaid dividend accounts for dividends paid by the Company and erstwhile ABC Bearings Limited ('ABC'), since amalgamated with the Company, so far along with underlying shares, if any, will be transferred to the Investors Education and Protection Fund ('IEPF') maintained with Central Government after the end of seven years from the respective

prescribed dates. Accordingly, amount outstanding in unpaid dividend account in respect of financial year ended 31 March, 2012 (pertaining to dividend paid by ABC) will be transferred to IEPF in the month of August, 2019 along with underlying shares, if any. Please also note that :

- a. As per Section 124 of the Act and IEPF Rules as amended from time to time, all the shares in respect of which dividend has remained unpaid/unclaimed for 7 consecutive years or more are required to be transferred to IEPF Demat Account.
- b. The members are requested to en-cash their unpaid/unclaimed dividend at the earliest. The Company will take necessary steps to transfer the shares to IEPF as and when they are due for such transfer.
5. Those shareholders who have not encashed their dividend warrants in respect of dividend paid by Timken India Limited and erstwhile ABC may please contact the Company Secretary for issue of demand drafts in lieu of the warrants not encashed by them.
6. Dividend on equity shares, as recommended by the Board of Directors (Re. 1 per equity share of Rs. 10 each fully paid up), if declared at the 32nd Annual General Meeting ('AGM') of the Company, will be paid:
 - a. In respect of shares held in physical form to those shareholders whose names will appear on the Register of Members of the Company as at the close of business on 5 August, 2019.
 - b. In respect of shares held in the dematerialized form to those beneficial owners whose names will appear in the statement as may be furnished by the depositories for this purpose as at the close of business on 5 August, 2019.
7. Beneficial Owners of shares in demat form are advised to get the particulars of their bank accounts updated with the Depository Participants (DP).
8. Members may note that pursuant to Section 108 of the Act, read with the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of Listing Regulations, the Company is providing remote e-voting facility for voting on the resolutions proposed to be passed at the 32nd AGM.
9. This Notice contains a set of instructions for remote e-voting as per applicable provisions of law.
10. The members who have not registered their e-mail ID with Depository/Company/Registrars and Share Transfer Agent are being sent physical copy of (i) Annual Report 2018-19 by permitted mode and (ii) the Notice of AGM by Registered Post/Speed Post. Soft copies of the Annual Report and Notice of AGM are being sent by e-mail to those members who have registered their e-mail address with the Company/Depository Participant(s). Copies of Annual Report 2018-19 and Notice of AGM are also disclosed on the website of the Company at www.timken.com/en-in. Physical copy of the Notice of AGM and Annual Report will be provided on specific request made to the Company/Registrars and Share Transfer Agent - CB Management Service Private Limited.
11. To support the green initiative, the members who have not registered their e-mail address (to enable the Company to send various documents, including without limitation notices, annual report, etc., by electronic mail) are requested to register the same with the Company or Registrars and Share Transfer Agent - CB Management Service Private Limited.
12. Corporate members intending to depute their authorised representative to attend and vote at the meeting are requested to send certified true copy of the Board Resolution of the company authorizing their representative to attend and vote on their behalf at the meeting.
13. The documents as required under applicable provisions of law will be available for inspection at the Registered Office of the Company on any working day prior to the date of AGM between hours 10:00AM to 12:00Noon and shall also be available for inspection at the venue of AGM from 9.30 AM.

By Order of the Board

Place: Bengaluru
Date: 1 July, 2019

Sd/-
Soumitra Hazra
Company Secretary & Chief - Compliance

Annexure to the Notice – Explanatory Statement Pursuant to Section 102(1) of the Companies Act, 2013

Item No. 4

It may please be noted that M/s. Shome & Banerjee (Firm Registration No. 000001), Cost Accountants have been re-appointed by the Board of Directors to audit the cost records of the Company for the financial year 2019-20 at a remuneration of Rs. 4,00,000/- (Rupees Four Lakhs only) plus applicable taxes and other out-of-pocket expenses (as recommended by the Audit Committee of the Board). Pursuant to Section 148 of the Act and the Rules made thereunder, the said remuneration payable to the Cost Auditors requires ratification by the members.

It may please be recalled that pursuant to the Scheme of Amalgamation, ABC Bearings Limited ('ABC') amalgamated with the Company w.e.f. 30 August, 2018 with appointed date as 1 May, 2018. Therefore, in addition to Jamshedpur Plant, Cost Audit for Bharuch Plant is also required to be carried out for the period from 1 May, 2018 to 31 March, 2019. Due to the increase scope for Cost Audit for the financial year 2018-19, it was proposed to pay an additional remuneration of Rs. 1,50,000/- (Rupees One Lakhs Fifty Thousand) plus applicable taxes and other out-of-pocket expenses to M/s. Shome & Banerjee (Firm Registration No. 000001), Cost Accountants. The Board of Directors, based on the recommendation of the Audit Committee, approved the payment of said additional remuneration to M/s. Shome & Banerjee (Firm Registration No. 000001), Cost Accountants for the financial year 2018-19.

This item involving payment of remuneration to the Cost Auditors for the financial year 2019-20 and increase in remuneration for the financial year 2018-19 is therefore placed before the members for ratification. The Board recommends the resolution set out under item no. 4 for ratification by the members.

Memorandum of Interest

No Director, Key Managerial Personnel or their relatives are concerned or interested in the resolution.

By Order of the Board

Place: Bengaluru
Date: 1 July, 2019

Sd/-
Soumitra Hazra
Company Secretary & Chief - Compliance

INSTRUCTIONS

VOTING THROUGH ELECTRONIC MEANS

1. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time ('Rules') and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable provisions of law, the Company is pleased to provide to the members, a facility to exercise their right to vote on resolutions proposed to be considered at the 32nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the 32nd AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
2. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be eligible to exercise their right to vote at the meeting through ballot paper.
3. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
4. The remote e-voting facility will be available during the following period:

Commencement of e-voting	End of e-voting
9 August, 2019 from 9.00 A.M.	11 August, 2019 till 5.00 P.M.

During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 5 August, 2019 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

5. How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step I: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
- A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step II i.e. Cast your vote electronically.

- Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID. For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID. For example, if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company. For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

- Your password details are given below:
 - If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - How to retrieve your ‘initial password’?
 - If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.
- If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- Now, you will have to click on “Login” button.
- After you click on the “Login” button, Home page of e-Voting will open.

Step II: Cast your vote electronically on NSDL e-Voting system.

- After successful login at Step I, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.

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- c. Select "EVEN" of the Company for which you wish to cast your vote.
 - d. Now you are ready for e-Voting as the Voting page opens.
 - e. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
 - f. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - g. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 - h. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

6. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to sree@sreedharancs.com with a copy marked to evoting@nsdl.co.in.
7. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
8. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in
9. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
10. The voting rights of members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date of 5 August, 2019.
11. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. 5 August, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at toll free no.: 1800-222-990.
12. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the aforesaid cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper. A person who is not a member (not holding shares of the Company) as on the aforesaid cut-off date should treat this Notice for information purposes only.
13. Mr. V. Sreedharan (FCS 2347, CP No. 833), failing whom Mr. Pradeep B. Kulkarni (FCS 7260, CP No. 7835), failing whom Ms. Devika Sathyanarayana (ACS 16,617, CP No. 17,024) Partners of M/s. V. Sreedharan and Associates, Company Secretaries, have been appointed as Scrutinizer for conducting the e-voting process and voting at the meeting in a fair and transparent manner.
14. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing of the remote e-voting facility.
15. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
16. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.timken.com/en-in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges where the Company's shares are listed.

Details of Director in terms of Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings

Name of Director	Mr. Avishrant Keshava
Brief resume of the Director	Mr. Avishrant Keshava, Business Controller - India, CFO & Whole-time Director, has work experience of about 26 years including 19 years with the Company. He was named to this position in 2015. He has worked in various positions in Finance. Mr. Keshava started his career with Modi Cement in May 1993 and moved to Hyderabad in Pharma Industry. He joined the Company as Asst. Manager in August 2000 and moved up through the Organization to reach Plant Controller in 2009. He was promoted as Deputy Controller - Accounts and relocated to Bangalore in April, 2012 and later in 2014, he occupied the position of Controller of Accounts - India.
Date of Birth/Age	17 January, 1968 / 52 years
Date of first (as Director) appointment	30 September, 2015
Expertise in specific functional areas	● Financial, Accounting & General Management ● Leadership ● Board and Corporate Governance ● Mergers and Acquisitions ● Business Strategies and System
Qualifications	● Bachelor's Degree in Commerce ● Associate Member of The Institute of Chartered Accountants of India ● Associate Member of The Institute of Cost & Works Accountants of India
List of companies in which outside Directorship as on 31 March, 2019	Nil
Chairman / Member of the Committees of the Board of the Companies on which he is a Director as on 31 March, 2019	Timken India Limited : ● Member - Corporate Social Responsibility Committee ● Member - Risk Management Committee
Shareholding in the Company	2 Equity Shares
Relationship with other Directors/KMP	No relationship with other Directors/KMP
No of Board Meetings attended in 2018-19	4
Terms of Appointment	Liable to retire by rotation. Mr. Keshava was appointed as Whole-time Director at 29th Annual General Meeting of the Company held on 10 August, 2016 for the period of 5 years w.e.f. 30 September, 2015 as per terms approved thereat.
Remuneration paid in 2018-19 (Rs.)	Rs. 77,85,357
Terms & conditions of appointment including remuneration sought to be paid	He shall continue to be subject to terms & conditions as approved by the members of the Company at 29th Annual General Meeting held on 10 August, 2016.

TIMKEN INDIA LIMITED

Regd. Office: 39-42, Electronic City, Phase - II, Hosur Road, Bengaluru - 560 100

CIN: L29130KA1996PLC048230

Phone No. 080-41362000, Fax No. 080-41362010

Website: www.timken.com/en-in Email Id: soumitra.hazra@timken.com

ATTENDANCE SLIP

NameClient Id*

Folio No.DP Id*

No. of Shares held

*applicable for investors holding shares in electronic form.

I hereby record my presence at the Thirty-second Annual General Meeting of the Company at the Tangerine Conference Hall, Lemon Tree Hotel, Plot No. 54B/55A, Hosur Main Road, Electronic City, Phase - I, Bengaluru - 560100 on Monday, 12 August, 2019 at 10.00AM.

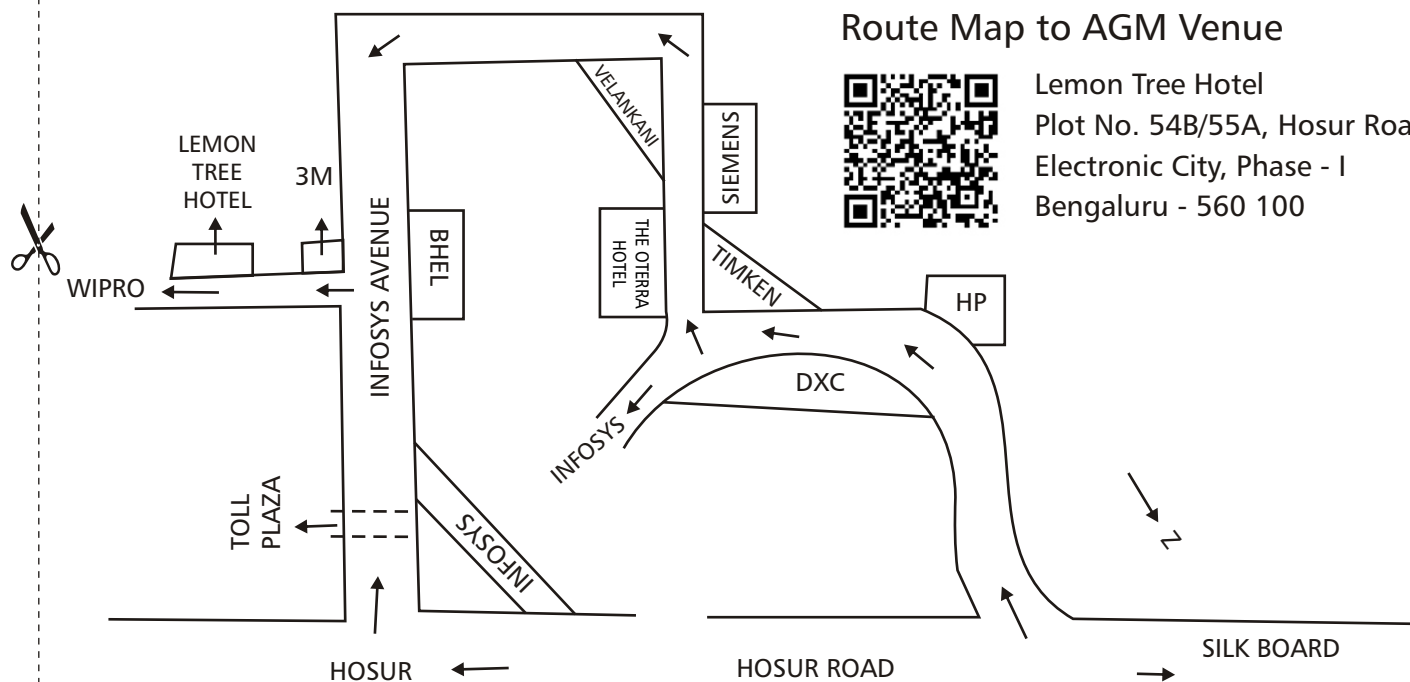
SIGNATURE OF THE MEMBER/PROXY

- Notes:
1. Member/proxy holders wishing to attend the meeting must bring the attendance Slip to the meeting and handover at the entrance duly signed.
 2. Members/proxy holders desiring to attend the meeting are requested to bring their copy of the Annual Report for reference at the Meeting.

Route Map to AGM Venue



Lemon Tree Hotel
Plot No. 54B/55A, Hosur Road
Electronic City, Phase - I
Bengaluru - 560 100



NOT TO SCALE

TIMKEN INDIA LIMITED

Form No. MGT-11

Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L29130KA1996PLC048230

Name of the company: TIMKEN INDIA LIMITED

Registered office: 39-42, Electronic City, Phase II, Hosur Road, Bengaluru - 560100

Name of the member (s):

Registered address:

E-mail Id: Folio No/ Client Id: DP ID:

I/We, being the member(s) of shares of the above named company, hereby appoint

1. Name: Address:
E-mail Id: Signature:....., or failing him
2. Name: Address:
E-mail Id: Signature:....., or failing him
3. Name: Address:
E-mail Id: Signature:....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company, to be held on Monday, 12 August, 2019 at 10.00 A.M. at the Tangerine Conference Hall, Lemon Tree Hotel, Plot no. 54B/55A, Hosur Main Road, Electronic City, Phase - I, Bengaluru - 560100 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution number	Resolution
Ordinary Business	
1	To receive, consider and adopt the Financial Statements for the year ended/as on 31 March, 2019 and the reports of the Board of Directors and the Auditors
2	To declare dividend on Equity Share Capital of the Company
3	To appoint a Director in place of Mr. Avishrant Keshava (DIN: 07292484), who retires by rotation and being eligible, offers himself for reappointment
Special Business	
4	Ratification of Remuneration payable to the Cost Auditors

Signed this day of 2019.

Signature of shareholder :

Signature of Proxy holder(s) :

Affix
Revenue
Stamp

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Thirty-second AGM.

TIMKEN INDIA LIMITED

Board of Directors

(As on 1 July, 2019)

Chairman & Managing Director	Mr. Sanjay Koul
Directors	Mr. P. S. Dasgupta
	Mrs. Rupa Mahanty
	Mr. Bushen Lal Raina
	Mr. Ajay K Das
	Mr. Avishrant Keshava

Registered Office

CIN: L29130KA1996PLC048230
 39-42, Electronic City,
 Phase II, Hosur Road,
 Bengaluru - 560 100
 Tel. No. 080 - 41362000
 Fax No. 080 - 41362010
 E-mail : soumitra.hazra@timken.com
 Website: www.timken.com/en-in

Committees of the Board

(As on 1 July, 2019)

Audit Committee

Chairman	Mr. P. S. Dasgupta
Members	Mr. Sanjay Koul
	Mrs. Rupa Mahanty
	Mr. Bushen Lal Raina

Stakeholders Relationship Committee

Chairperson	Mrs. Rupa Mahanty
Members	Mr. Sanjay Koul
	Mr. Ajay K Das

Nomination and Remuneration Committee

Chairperson	Mrs. Rupa Mahanty
Members	Mr. P. S. Dasgupta
	Mr. Bushen Lal Raina
	Mr. Ajay K Das

Corporate Social Responsibility Committee

Chairman	Mr. Sanjay Koul
Members	Mr. Bushen Lal Raina
	Mr. Avishrant Keshava

Risk Management Committee

Chairman	Mr. Sanjay Koul
Members	Mr. Avishrant Keshava
	Mr. S. Sivaramakrishnan

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Chairman's Statement

Dear Shareholders,

We are pleased to inform you that we have ended yet another successful year with satisfactory results. Our total income grew by appx. 32%, despite an increasingly challenging operating environment.

The year 2018-19 was a profound year with many achievements. With our acquisition of ABC Bearings, we made significant progress with a variety of new product lines. The acquisition helped us to expand our capacity, our customer base and our ability to increase participation in local and export markets.

It was also a proud moment for us when India's first engineless Train 18 was rolled out with Timken Bearings. Also known as Vande Bharat Express, the train is capable of running at a speed of up to 160kmph. Being part of this historic moment was a feather in our cap.

Our accomplishments would not be as meaningful if we did not achieve them responsibly. We continue to implement responsible business practices, in our operations, in our supply chain, and with our stakeholders. For example, 1.267MWp solar panels were installed at both our Rail facility and our general Plant in Jamshedpur, resulting in emission reductions of more than 400,000 kg of CO₂ and ~ INR 1.2 Million in power savings.

During the year, we also continued to prioritize social initiatives in energy, environment, hygiene; we also provided scholarship grants to needy children and supported many health-related initiatives.

In an environment where clients are challenged to grow their top line, our experienced engineers help to solve our customers' most difficult challenges, creating enduring value.

Moving forward, we will continue to invest in our capability building to secure long-term profitable growth. We will strive to focus on innovation not just for growth, but to drive efficiency. Last but not the least; we will consistently endeavor to create an environment for our people to continually develop new ways to meet the needs of our clients.

We remain confident in our strategic direction as well as in our people, products, partners and programs. I would like to thank my Timken colleagues for their efforts in fiscal year 2018-19 and our shareholders for their continued support.

Sincerely,

Sd/-

Sanjay Koul

Chairman & Managing Director
DIN: 05159352

Board's Report

To the Members,

The Board of Directors has pleasure in presenting the 32nd Annual Report of the Company for the year ended 31 March, 2019.

Financial Summary

(Rs./Million)

Particulars	Financial Year ended 31 March, 2019	Financial Year ended 31 March, 2018
Revenue from Operations	16,644	12,518
Add: Other Income	163	208
Total Income	16,807	12,726
Less: Total Expenditure	(14,569)	(11,329)
Profit before tax (PBT)	2,238	1,397
Less: Tax expenses	(752)	(477)
Net Profit after tax (PAT)	1,486	920
Add: Other Comprehensive Income	3	7
Total Comprehensive Income	1,489	927

It may please be recalled that the Board of Directors of the Company at its Meeting held on 4 July, 2017 and Shareholders and Creditors at their respective meetings held on 1 February, 2018, approved a Scheme of Amalgamation and Arrangement amongst ABC Bearings Limited ('ABC') and Timken India Limited and their respective shareholders and creditors. During the year, the said Scheme was approved by the respective Benches of the National Company Law Tribunal ('NCLT'), at Bengaluru and Mumbai and ABC amalgamated with Timken India Limited with effect from August 30, 2018 on going concern basis. In terms of the aforesaid approval, 1 May, 2018 was determined as the appointed date. The financials pertaining to erstwhile ABC's operation have been consolidated with that of the Company with effect from 1 May, 2018 for the purpose of preparing of the financial statements for the year ended/as on 31 March, 2019.

The said financial statements have been prepared in accordance with Indian Accounting Standards ("Ind-AS").

During the financial year under review, total Income grew by appx. 32%, primarily due to increase in domestic sales by 42% – increase in all front-end units – mobile, distribution and process and consolidation of sales of ABC with that of the Company. Export sales also increased by 12%. Increase in expenditure could be attributed to volume increase, expenses relating to merger and impact of inflation. PBT increased by 60% primarily because of volume/mix-variance. Tax expenses though increased in absolute terms, the effective rate of income tax has remained at 34.17% - same as previous year. There is no reportable exceptional item for the year 2018-19.

Finance

The Company continues to remain debt free and generated adequate cash flow to meet its working capital needs. Pending investment of surplus funds in growth opportunities, it was temporarily parked in debt based schemes offered by various mutual funds. Working capital was managed well. Value of inventory in absolute terms went up by 29% while the average number of inventory days registered a marginal increase from 87 days as on 31 March, 2018 to 95 days as on 31 March, 2019. Similarly, receivables at the year end also registered an increase compared to that of previous year. The average number of days outstanding for domestic receivables registered a marginal increase from 54 days as on 31 March, 2018 to 55 days as on 31 March, 2019 and that of export increased from 81 days as on 31 March, 2018 to 115 days as on 31 March, 2019.

The business of the Company has not undergone any change in the financial year under review.

Reserves

The Board of Directors of the Company has decided not to transfer any amount to reserves during the financial year under review.

Allotment of Shares pursuant to the Scheme of Amalgamation

During the year under review, pursuant to the Scheme of Amalgamation, the Company allotted 72,18,750 Equity Shares of Rs. 10 each on 3 September, 2018 to the Shareholders of ABC whose names appeared in the register of members as on the record date fixed for this purpose in the ratio of 5 Equity Shares of Rs. 10 each of Timken India Limited for 8 Equity Shares of Rs. 10 each held in ABC.

Post Balance Sheet event

Except, what has been stated in this report, there is no other reportable event comprising material changes and commitment between the date of the financial year end and the date of this report affecting the financial position of the Company.

Dividend

Your Directors are pleased to recommend a dividend of Re. 1 per equity share of Rs. 10/- each fully-paid (10%) for the year ended 31 March, 2019 out of the profits of the Company for the year 2018-19. The payment is subject to approval of shareholders at ensuing Annual General Meeting ('AGM') of the Company to be held on 12 August, 2019 and will be paid within time limit as prescribed in the applicable provisions of law.

Investor Education and Protection Fund

In terms of the relevant provisions of the Companies Act, 2013 (the 'Act'), the unclaimed amount pertaining to dividend paid by ABC for the financial year 2011-12 along with underlying shares wherever applicable would be due for transfer to Investor Education and Protection Fund ('IEPF') in the month of August, 2019.

During the year, the Company transferred unclaimed dividend amount of Rs. 2,08,77,720 pertaining to the Company and Rs. 7,86,180 pertaining to ABC to IEPF as per applicable Rules. During the year, the Company also transferred 6,65,339 equity shares pertaining to the Company and 9,426 equity shares of the Company pertaining to ABC of Rs. 10 each to IEPF.

Board Meetings

Four Board meetings were held during the financial year 2018-19. For details please refer Annexure - I.

In addition to the above, one meeting of the Independent Directors was also held on 7 February, 2019 without participation of Non-Independent Directors and Senior Managerial Personnel. This meeting was attended by all the Independent Directors of the Company.

Directors and Key Managerial Personnel

During the year under review, there was no change in the composition of the Board of Directors and Key Managerial Personnel. Pursuant to the approval accorded by the shareholders at 31st Annual General Meeting held on 10 August 2018, re-appointment of Mr. P S Dasgupta (DIN: 00012552), as an Independent Director for a further period of five years has become effective from 1 April, 2019.

Mr. Avishrant Keshava (DIN: 07292484), Director of the Company is liable to retire by rotation and being eligible offers himself for re-appointment at the 32nd Annual General Meeting.

Annual Declarations from Independent Directors

The Company has received necessary declarations from all Independent Directors of the Company under Section 149(7) of the Act, confirming that each of them has met with the criteria of independence laid down in Section 149(6) of the Act and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Audit Committee Meetings

Four Meetings of the Audit Committee were held during the financial year 2018-19. For details, please refer Annexure - I.

Recommendations of the Audit Committee to the Board of Directors

During the financial year 2018-19, the Board of Directors of the Company accepted all the recommendations put forward to it by the Audit Committee of the Board.

Vigil Mechanism

The Company has adopted a Whistle Blower Policy in terms of which the Directors and Associates of the Company have access to "The Timken Helpline", a toll free phone number that any Associate can call, if he has any concern or question, which he is not willing to discuss face to face with his Supervisor, Manager or a member of the Human Resource Team or Senior Management. This Helpline is available around the clock, every day. No call tracing or recording devices are ever used and if the Associate so wishes, he may remain completely anonymous. In terms of the said Policy, Associates of the Company have also got direct access to the Chairman of the Audit Committee to report matters of exceptional nature.

The Company follows the open-door policy and adequate safeguards have been provided against victimization of the reporting Directors/Associates.

The Whistle Blower Policy of the Company is disclosed on the Company's website - www.timken.com/en-in.

Nomination and Remuneration Committee

One Meeting of the Nomination and Remuneration Committee was held during the financial year 2018-19. For details, please refer Annexure - I.

Nomination and Remuneration Policy

Based on the recommendation of the Nomination and Remuneration Committee, the Board has laid down a policy for remuneration of directors, key managerial personnel and other employees and also the criteria for determining qualifications, positive attributes and independence of a director. For details please refer Annexure - II. The Nomination and Remuneration Policy of the Company is disclosed on the Company's website - www.timken.com/en-in

Other Committees

For details, please refer to Annexure - I.

Formal Annual Evaluation of the Board of Directors, its Committees and individual Directors

The Nomination and Remuneration Committee of the Board had recommended criteria for evaluation of performance of the Independent Directors, Board of Directors as a whole, various Committees of the Board and individual Directors which were approved and adopted by the Board of Directors of the Company.

Accordingly, the Board of Directors at its meeting held on 7 February, 2019 carried out performance evaluation of all Directors, Board of Directors as a whole and Committees thereof. The methodology of evaluation was discussed and each Director was requested to record his/her evaluation of the other Directors, Board as a whole and Committees thereof and submit the evaluation papers to the Company Secretary & Chief- Compliance for safe custody.

Ratio of Remuneration

Pursuant to Section 197(12) of the Act read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, applicable details are given in the attached statement marked as Annexure - III.

Information required under Section 197(12) of the Act read with Rules 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, is annexed to this report. However, the Report and the Accounts are being sent to all the shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such information may write to the Company Secretary at the Registered Office of the Company. The said information is also available for inspection at the Registered Office during working hours up to the date of the Annual General Meeting.

Risk Management Policy

In terms of relevant provisions of law, the Board of Directors of the Company has adopted a Risk Management Policy of the Company. The Policy has identified certain categories of risks that in the opinion of the Board, the Company may face in the areas such as strategic, operational, financial, market, compliance and information technology.

Descriptions for each of the risks identified in each of these areas in the Risk Matrix are documented and recorded in a structured format covering nature of risk, severity of risk, chance of occurrence of risk, chance of detection and control mechanism available.

Each aspect of severity, occurrence and detections are assigned with values on a scale of 1-5. These values are multiplied to determine the Risk Priority Number (RPN). The risks are thereafter prioritized based on the RPN, analyzed and strategy for mitigation developed accordingly.

After going through the above exercise, the Company's Risk Matrix has been finalized and was reviewed at the year-end by the India Leadership Team and Risk Management Committee members and reviewed at least once in a year by the Board of Directors of the Company. During the year under review, risk profile of the Company did not undergo any change.

Corporate Social Responsibility

During the year, the Company spent Rs 2,80,98,698/-on the Corporate Social Responsibility ('CSR') activities. CSR Policy (its implementation and development) and annual report on CSR activities is marked as Annexure - IV. For CSR Committee composition, please refer to Annexure - I.

Statutory Audit

M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Registration No. 117366W/W100018), have been appointed as the Statutory Auditors of the Company for a period of 5 years from conclusion of 30th Annual General Meeting ('AGM') till 35th AGM. In terms of the Companies (Amendment) Act, 2018, the earlier requirement of ratification of the appointment of statutory auditors is no longer required to be taken at subsequent four AGMs. Hence, this item has not been included in the Notice convening the 32nd AGM.

Secretarial Audit

M/s R Vijayakumar & Co., Practicing Company Secretary (FCS: 6418 & COP: 8667), Bangalore was appointed by the Board of Directors as the Secretarial Auditor to carry out Secretarial Audit for financial year 2018-19 in terms of Section 204 of the Act and M/s R Vijayakumar & Co., has since submitted the Secretarial Audit Report, a copy of which is annexed to this report marked as Annexure - V.

Cost Audit

In terms of Section 148 of the Act, the Company is required to maintain cost records and have audit of its records by Cost Accountants. The Company has maintained the cost records as required under Section 148 of the Act. The Cost Audit for 2018-19 is currently in progress and the Cost Auditors shall submit their report to the Company within 180 days from the closure of financial year 31 March, 2019 and the Company shall submit the said report to the Central Government within 30 days from the date of receipt from the Cost Auditors. The Cost Audit Report for the year 2017-18 was filed on 29 August, 2018 (within the stipulated due date).

During the year, ABC amalgamated with the Company w.e.f. 30 August, 2018 with appointed date as 1 May, 2018. ABC has a manufacturing plant at Bharuch, cost audit of which is required to be carried out for the financial year 2018-19. The Cost Auditors of the Company - M/s. Shome & Banerjee will carry out cost audit of the Bharuch plant for the period 01 May 2018 to 31 March, 2019 at an additional remuneration of Rs 1,50,000/-. Agenda item for ratification of additional remuneration payable to Cost Auditors has been included in the notice convening 32nd AGM.

Based on the recommendation of the Audit Committee, the Board of Directors has re-appointed M/s. Shome & Banerjee, Cost Accountants (F000001), Kolkata to audit the cost accounts for the financial year 2019-20 and pursuant to the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to them requires ratification by the shareholders. The proposal for ratification of remuneration payable to the Cost Auditors has been included in the Notice convening the ensuing AGM.

Qualifications in Audit Reports

The reports issued by the Statutory Auditors, the Secretarial Auditor and the Cost Auditors during the year do not contain any material qualification, reservation or adverse remark or disclaimer having adverse impact on the Company. During the year under review, there were no frauds reported by the Auditors to the Audit Committee or the Board under Section 143(12) of the Act.

Related Party Transactions

All transactions with related parties were entered in the ordinary course of business and were on arm's length basis. However, in terms of provisions of section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, a summary of material related party transactions in the ordinary course of business and on arm's length basis is given in Form AOC-2, attached to this Report marked as Annexure - VI. The Policy for material related party transaction can be seen at www.timken.com/en-in. In terms of applicable provisions of laws, details of related party transactions are given in financial statements.

Listing with Stock Exchanges

The Company confirms that it has paid the Annual Listing Fees for the financial year 2019-20 to National Stock Exchange of India Limited and BSE Limited where the Company's Shares are listed.

Annual Return

As required pursuant to Section 92(3) of the Act and the Companies (Management and Administration) Rules, 2014, an extract of annual return in Form No. MGT - 9 is attached as a part of this Report marked as Annexure - VII. Further, a copy of Annual Return filed during the year under review is placed on the Company's website: www.timken.com/en-in.

Other Reports/Annexures

Pursuant to Listing Regulations and other applicable laws, the following reports form part of this report:

1. Management Discussion and Analysis - marked Annexure - VIII
2. Corporate Governance Report and the Certificate by a Practicing Company Secretary regarding compliance of conditions of Corporate Governance - marked Annexure - IX
3. Declaration signed by CEO regarding Compliance with Code of Conduct - marked Annexure - X
4. Disclosure with respect to demat suspense/unclaimed account - Nil
5. Business Responsibility Report - marked Annexure - XI
6. Dividend Distribution Policy - marked Annexure - XII

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Sl. No	Particulars	Remarks	
(A)	Conservation of energy: 1. Steps taken / impact on conservation of energy 2. Steps taken by the company for utilizing alternate sources of energy including waste generated 3. Capital investment on energy conservation equipment	1. Jamshedpur Plant has taken many steps for energy conservation: i) Variable Frequency Drives (VFD) installed in all high-power consuming utility equipment. ii) Heat retardant paint applied to Furnaces in Heat treat to lower the skin temperature and thereby avoiding heat and energy losses. iii) LED lights installed for reduction in power consumption. iv) Motion sensors installed in Offices/ Toilets/Meeting rooms/stores to auto cut off power in case of no occupancy thereby adding to energy conservation. Bharuch Plant has installed relay outing of office areas to save energy by reducing AC load 2. Following steps were taken by Company in Jamshedpur to utilize alternate sources of energy: i) A bio gas plant for treating food waste of capacity 250 kg/day installed near Employee canteen having a potential of avoiding 8-9 LPG cylinders per month. ii) Solar panels installed in Rail, Roller and standard Bearing roofs with potential of 1.27 MWP 3. Rs. 94.54 Lakhs	
(B)	Technology absorption: 1. Efforts, in brief, made towards technology absorption. 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 3 years reckoned from the beginning of the financial year), following information may be furnished: a. Details of technology imported. b. Year of import. c. Whether the technology been fully absorbed d. If not fully absorbed, areas where absorption has not taken place, and the reasons therefore 4. Expenditure incurred on Research and Development	Under the Collaboration Agreement, technology update is released from The Timken Company which is transferred to the shop floor instructions at Jamshedpur. Any improvement in the technology / process is part of this continuous update and this is being regularly monitored by The Timken Company personnel. It has helped in development of Indian sources for products which has reduced cost and time. Further, Bharuch Plant has initiated a process to develop Timken® products in co-ordination with the Timken Company in addition to producing Timken VR branded products w.r.t. design as prescribed by The Timken Company. Manufacture of Bearings and its Component 1991-92 onwards. For ABC Bearings Division – the process has started in FY 2018-19 It is being gradually absorbed and is continuous process. Ongoing in the areas of machining, heat treatment and finishing to make further improvements in the manufacturing process, product quality and production output in Jamshedpur and Bharuch. The benefits of Research facilities available with The Timken Company are extended to the Company on a continuing basis	
(C)	Foreign exchange earnings and Outgo	2018-19 (Rs./million)	2017-18 (Rs./million)
(i)	Foreign Exchange Earnings	3,928	3,467
(ii)	Foreign Exchange Outgo	3,815	3,348

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or effectiveness was observed.

Directors' Responsibility Statement

In pursuance of Section 134 (5) of the Act, the Directors hereby confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the Directors had 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 financial year and of the profit and loss of the company for that period;

- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Financial Performance of any Subsidiary / Associate/ Joint Venture Company

The Company does not have any Subsidiary, Associate or Joint Venture Company.

Details relating to Deposits

The Company has not accepted Deposit as defined in the Act and Rules framed thereunder, during the financial year 2018-19.

Particulars of Loans, Guarantees or Investments

The Company has duly complied with the provision of Section 186 of the Act, with reference to current and non-current investments. The Company has not taken any secured/unsecured loan except bills discounted with banks. The Company has also not given any loans except to its employees as part of the conditions of the service. During the financial year 2018-19, the Company has not given any guarantee or extended any securities in connection with any loan.

Significant and/or material orders passed by the Regulators

No significant and/or material order was passed by any Regulator, any Court in India or any Tribunal, impacting the going concern status and the Company's operations in future.

Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set-up to redress complaints received regarding sexual harassment. The Company has not received any sexual harassment complaints during the year 2018-19.

Disclosure regarding shares issued by the Company

Sweat Equity Share	The Company has not issued any Sweat Equity Share and therefore the disclosure norms are not applicable to the Company.
Shares with differential Rights	The Company has not issued any Share with differential rights and therefore the disclosure norms are not applicable to the Company.
Shares under Employees Stock Option Scheme	The Company does not have any stock option scheme and therefore disclosure norms are not applicable to the Company.
Purchase by Company or giving of loans by it for purchase of its shares	The Company has not purchased or given any loan to purchase its Equity Share and therefore the disclosure norms are not applicable to the Company.
Buy Back of Shares	The Company has not bought back any Equity Share and therefore the disclosure norms are not applicable to the Company.

Disclosures on Secretarial Standards

During the year under review, the norms of the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India were complied.

Acknowledgment

The Directors acknowledge that the performance of the Company during the year 2018-19 could be made possible only with the collective contribution and excellent performance of the Associates both in terms of operational parameters and also at the market place. The Directors express their appreciation for the support received from the Associates of the Company, Shareholders, Vendors, Customers and other Stakeholders.

For and on behalf of the Board of Directors

Sd/-

Sanjay Koul

Chairman & Managing Director

DIN: 05159352

Place : Bengaluru

Date : 1 July, 2019

Annexure - I

Details of the Meetings of the Board of Directors and Committees thereof along with attendance thereat:**Board of Directors**

During the year ended 31 March, 2019, four Board Meetings were held on 21 May, 2018; 10 August, 2018; 5 November, 2018 and 7 February, 2019.

The Composition of Board along with attendance at the Board Meetings is as follows:

Name of Directors	Designation	Category	No of Meetings attended
Mr. Sanjay Koul (DIN: 05159352)	Chairman & Managing Director	Promoter Director Executive, Non-Independent	4
Mr. P S Dasgupta (DIN: 00012552)	Director	Non-Executive, Independent	4
Mrs. Rupa Mahanty (DIN: 06746148)	Director	Non-Executive, Independent	4
Mr. Bushen Lal Raina (DIN: 00182160)	Director	Non-Executive, Independent	4
Mr. Ajay K Das (DIN: 02697466)	Director	Promoter Director Non-Executive, Non- Independent	1
Mr. Avishrant Keshava (DIN: 07292484)	Business Controller - India CFO & Whole-time Director	Promoter Director Executive, Non-Independent	4

Audit Committee

During the year ended 31 March, 2019, four Audit Committee Meetings were held on 21 May, 2018; 10 August, 2018; 5 November, 2018 and 7 February, 2019.

The Composition of Audit Committee along with attendance at the Audit Committee Meetings is as follows:

Name of Directors	Designation	Category	No of Meetings attended
Mr. P S Dasgupta (DIN: 00012552)	Chairman	Non-Executive, Independent	4
Mr. Sanjay Koul (DIN: 05159352)	Member	Promoter Director Executive, Non-Independent	4
Mrs. Rupa Mahanty (DIN: 06746148)	Member	Non-Executive, Independent	4
Mr. Bushen Lal Raina (DIN: 00182160)	Member	Non-Executive, Independent	4

Nomination and Remuneration Committee

During the year ended 31 March, 2019, one Meeting of Nomination and Remuneration Committee was held on 7 February, 2019.

The Composition of Nomination and Remuneration Committee along with attendance at the meeting is as follows:

Name of Directors	Designation	Category	Attendance
Mrs. Rupa Mahanty (DIN: 06746148)	Chairperson	Non-Executive, Independent	P
Mr. P S Dasgupta (DIN: 00012552)	Member	Non-Executive, Independent	P
Mr. Bushen Lal Raina (DIN: 00182160)	Member	Non-Executive, Independent	P
Mr. Ajay K Das (DIN: 02697466)	Member	Promoter Director Non-Executive, Non- Independent	A

Stakeholders Relationship Committee

During the year ended 31 March, 2019, one Meeting of Stakeholders Relationship Committee was held on 7 February, 2019. Generally, approvals of the Committee are obtained through circular resolutions. Update on Investors Services is also communicated through circulation of reports at regular intervals.

The Composition of Stakeholders Relationship Committee along with attendance at the meeting is as follows:

Name of Directors	Designation	Category	Attendance
Mrs. Rupa Mahanty (DIN: 06746148)	Chairperson	Non-Executive, Independent	P
Mr. Sanjay Koul (DIN: 05159352)	Member	Promoter Director Executive, Non-Independent	P
Mr. Ajay K Das (DIN: 02697466)	Member	Promoter Director Non-Executive, Non- Independent	A

Corporate Social Responsibility Committee

During the year ended 31 March, 2019, approvals of the Committee were obtained through resolutions by way of circulation.

Composition - Mr. Sanjay Koul (Chairman), Mr. Bushen Lal Raina and Mr. Avishrant Keshava.

Integration Committee

During the year ended 31 March, 2019, a meeting of Integration Committee of the Board was held on 3 September, 2018, for allotment of 72,18,750 equity shares of Rs. 10 each pursuant to the Scheme of Amalgamation. The said meeting was attended by Mr. Sanjay Koul (Chairman) & Mr. Avishrant Keshava.

Composition - Mr. Sanjay Koul (Chairman), Mr. Ajay K Das and Mr. Avishrant Keshava.

Risk Management Committee

During the year ended 31 March, 2019, no meeting was required to be held. Approval of the Committee whenever required was obtained through electronic mails.

Composition - Mr. Sanjay Koul (Chairman), Mr. Avishrant Keshava and Mr. S Sivaramakrishnan.

For and on behalf of the Board of Directors

Place : Bengaluru
Date : 1 July, 2019

Sd/-
Sanjay Koul
Chairman & Managing Director
DIN: 05159352

TIMKEN INDIA LIMITED
(CIN: L29130KA1996PLC048230)
Nomination and Remuneration Policy

1. Objective

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable Rules thereto and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Key objectives of the Committee would be:

- To lay down the criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To recommend to the Board, remuneration payable to the Directors, Key Managerial Personnel and Senior Management, based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry.
- To provide to the Key Managerial Personnel and Senior Management, reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To carry out evaluation of every director's performance.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To devise a policy on Board diversity.

2. Definitions

- 2.1 **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2 **Board** means Board of Directors of the Company.
- 2.3 **Committee** means the Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- 2.4 **Directors** mean Directors of the Company.
- 2.5 **Independent Director** means a director referred to in Section 149 (6) of the Companies Act, 2013.
- 2.6 **Key Managerial Personnel** means:
- Chief Executive Officer or the Managing Director or the Manager;
 - Whole-time director;
 - Chief Financial Officer;
 - Company Secretary; and
 - Such other officer as may be prescribed.
- 2.7 **Senior Management** means as defined in the Act and/or SEBI LODR.

3. Roles of the Committee

The Committee shall:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal; and

- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Recommend to the Board all remuneration in whatever form payable to senior management.

Provided that the Committee shall set up a mechanism to carry out its functions and is further authorized to delegate any/ all of its powers to any of the Directors and/ or officers of the Company, as deemed necessary for proper and expeditious execution.

4. Policy for appointment of Director, KMP and Senior Management

Enhancing the competencies of the Board as well as retaining talented employees for the role of KMP/ senior management is the basis of the Committee to select a candidate for appointment to the Board. While recommending a candidate for appointment, the Committee shall consider the following aspects:

- The range of attributes of the candidate which includes, but is not limited to qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the position, being considered;
- The extent to which the candidate is likely to contribute to the overall effectiveness of the Board and the management, work constructively with the existing systems and enhance the efficiency of the Company;
- The skills and experience that the candidate brings to the role of Director/ KMP/ Senior Management and how he will enhance the skill sets and experience of the existing associates as a whole;
- The nature of existing position held by the candidate including directorships or other relationships and the impact they may have on the candidate's ability to exercise independent judgment;

Personal specifications:

- Degree holder in relevant disciplines;
- Experience of management in a diverse organization;
- Effective interpersonal and communication skills;
- Leadership skills;
- Commitment to high standards of ethics, personal integrity and probity;
- Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;
- Having continuous professional development to refresh knowledge and skills.

Appointment of Independent Directors is subject to compliance of provisions of Section 149 of the Companies Act, 2013, read with Schedule IV and Rules there under.

The Company shall not appoint or continue the employment of any person as Whole-time Director who is below the age of 21 or has attained the age of seventy years, as the case may be. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

Disqualifications for Appointment of Directors

A person shall not be eligible for appointment as Director of the Company, if he is disqualified under Section 164 of the Act.

Term/ Tenure

Managing Director/ Whole-time Director:

- The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment for another term of up to five consecutive years, on passing of a special resolution by the Company.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

- At the time of appointment of the Independent Director, it shall be ensured that the number of Boards in which he/ she serves as an Independent Director is restricted to seven listed companies. If a person is a Whole-time Director in any listed company, he/ she shall serve as an Independent Director in not more than 3 listed companies or such other limit as may be prescribed under the Act.

Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management on an annual basis.

Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, Rules and regulations.

Retirement

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Act and the prevailing policy of the Company.

Board Diversity

The Board of the Company may consciously be drawn in a manner that it comprises of individuals from diversified backgrounds, possessing different skills, resources and potentials.

5. Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

- The remuneration/ compensation/ commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/ compensation/ commission etc. shall be subject to the prior/ post approval of the shareholders of the Company and Central Government, wherever required.
- The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage/ slabs/ conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
- Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
- The Whole-time Director/ KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
- Minimum Remuneration:
If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.
- Provisions for excess remuneration:
If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he/ she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Remuneration to Non- Executive/ Independent Director:

- Remuneration/ Commission:
The remuneration/ commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

- Sitting Fees:

The Non- Executive/ Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

- Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

6. Membership of the Committee

- The Committee shall consist of a minimum 4 non-executive directors, majority of them being independent.
- Quorum for a meeting of the Committee shall be either two members or one third of the members of the Committee, whichever is greater, including at least one Independent Director.
- Membership of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless terminated by the Board of Directors.

7. Chairperson

- Chairperson of the Committee shall be an Independent Director.
- Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

8. Frequency of meetings

The meeting of the Committee shall be held at such regular intervals as may be required.

9. Committee members' interests

A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

10. Secretary

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

11. Voting

Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

In the case of equality of votes, the Chairman of the meeting will have a casting vote.

12. Minutes of Committee meeting

The proceedings of all meetings shall be stored as minutes and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

For and on behalf of the Board of Directors

Sd/-

Sanjay Koul

Chairman & Managing Director

DIN: 05159352

Place : Bengaluru

Date : 1 July, 2019

Ratio of Remuneration

Details as per Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Employee to CMD Ratio : 1:16.8 Employee to WTD Ratio : 1:5.1
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	8% - 9%
(iii) the percentage increase in the median remuneration of employees in the financial year;	9.6%
(iv) the number of permanent employees on the rolls of company;	1225 as on 31 st March 2019 (including Union & Salaried Operators)
(v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	9-9.7% There have been no exceptions made, all hikes were made as per Company's Remuneration Policy.
(vi) Affirmation that the remuneration is as per the remuneration policy of the company.	Yes.

For and on behalf of the Board of Directors

Sd/-

Sanjay Koul

Chairman & Managing Director

DIN: 05159352

Place : Bengaluru
Date : 1 July, 2019

CORPORATE SOCIAL RESPONSIBILITY-CSR

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.		Timken makes the world a better place through a combination of volunteer efforts, community leadership and financial support. Strengthening our communities is important not only to the communities where we operate, but also to the employees in those communities and to the ongoing success of the Company. The Company's CSR vision includes (i) Consult with local communities to identify needs (ii) Partnering with organizations of repute including NGOs, approved educational institutions and (iii) Continuously endeavor to find out ways to bring a stronger community. The Company wishes to focus the corporate resources on programs and agencies that (i) Promote lifelong learning through education; (ii) Work collaboratively to deliver health and human services; and (iii) Foster innovative ways to build a strong community. In terms of the CSR Policy of the Company, the following areas have been identified: ● Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare and sanitation and making available safe drinking water ● Promoting education including special education, employment enhancing vocational skills among children, women, elderly and the differently abled and livelihood enhancement project ● Contribution or funds provided to technology incubators located within academic institutions approved by the Government ● Contribution to Prime Minister's National Relief Fund ● Support for training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports ● Contribution to the Swachh Bharat Kosh set up by the Central Government for protection of sanitation ● Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including Contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga. CSR Policy of the Company is attached to this Annexure and can be seen at www.timken.com/en-in.				
2.	The Composition of the CSR Committee.		As on 31 March, 2019 : Mr. Sanjay Koul - Chairman Mr. Bushen Lal Raina - Member Mr. Avishrant Keshava - Member				
3	Average net profit of the company for last three financial years		Rs. 1,39,05,05,108				
4.	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)		Rs. 2,78,10,102				
5.	Details of CSR spent during the financial year:						
a.	Total amount to be spent for the financial year;		Rs. 2,78,10,102				
b.	Amount unspent, if any;		NIL				
c.	Manner in which the amount spent during the financial year is detailed below:		(Amount in Rs.)				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project or activity Identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs Subheads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1	Towards financial support for construction of new classrooms and renovation of existing infrastructures at Chhotanagpur Inter College	Education	Hensal, Jharkhand	92,60,102	23,00,000	1,07,00,000	Implementing Agency
2	Student scholarship scheme for higher education	Education	Pune, Aurangabad Nanded, Mumbai Raipur, Indore Rajkot , Vadodara Bharuch		69,60,102	69,60,102	Implementing Agency
3	Towards financial support to Indian Institute of Sport, professional training centre in Vijayanagar, Karnataka by subscribing to Bronze Partnership	Promoting Sports	Vijayanagar, Karnataka	25,00,000	25,00,000	75,00,000	Implementing Agency
4	Financial support for providing poor and needy people including the underprivileged tribe people of Bharuch and adjoining area with medical facilities	Preventive healthcare	Bharuch, Gujrat	1,55,00,000	1,55,00,000	1,55,00,000	Implementing Agency
5	Financial Support for installation of portable solar power devices to provide electricity to remote villages in Himachal Pradesh Region	Environmental sustainability	Himachal Pradesh	3,83,596	3,83,596	62,68,959	Implementing Agency
6	Administration expenses -conducting due diligence through Dun and Bradstreet	Administration expenses	—	4,55,000	4,55,000	—	NA
	TOTAL			2,80,98,698	2,80,98,698	4,69,29,061	

6.	In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.	Not Applicable
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of , CSR Policy is in compliance with CSR objectives and Policy of the Company	It is confirmed that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors

Sd/-

Sanjay Koul

Chairman & Managing Director

DIN: 05159352

Place : Bengaluru

Date : 1 July, 2019

Annexure - IV (Contd.)

CORPORATE SOCIAL RESPONSIBILITY POLICY OF TIMKEN INDIA LIMITED

1. CONTENTS

OVERVIEW
CSR FOCUS AREAS
IMPLEMENTATION OF CSR ACTIVITIES
GUIDELINES FOR CHOOSING A CSR PARTNER
CSR EXPENDITURE
CSR COMMITTEE
ROLE AND RESPONSIBILITIES OF THE CSR COMMITTEE
MONITORING MECHANISM
REPORTING
POLICY ON NON-DISCRIMINATION AND CONTROVERSIAL ORGANIZATIONS
SELF GOVERNANCE
POLICY REVIEW AND FUTURE AMENDMENT

2. OVERVIEW

As required under the provisions of the Companies Act, 2013 ("Act"), Timken India Limited ("Timken" or "Company") is pleased to announce its Corporate Social Responsibility ("CSR") Policy ("CSR Policy" or "Policy").

CSR Philosophy:

Timken makes the world a better place through a combination of volunteer efforts, community leadership and financial support. Strengthening our communities is important not only to the communities where we operate, but also to the employees in those communities and to the ongoing success of the company. We focus our corporate resources on programs and agencies that:

- Promote lifelong learning through education;
- Work collaboratively to deliver health and human services; and
- Foster innovative ways to build a strong community.

CSR vision:

- Consult with local communities to identify needs
- Partnering with organizations of repute including NGOs, approved educational institutions
- Continuously endeavour to find out ways to bring a stronger community

Commitment:

The Company believes in creating a necessary balance between better business, cleaner environment and better lives. The Board of directors ("Board") of the Company is fully committed to implement CSR activities in the right spirit of law to contribute towards positive societal impact.

3. CSR FOCUS AREAS

CSR activities to be undertaken by the Company under this Policy shall be as follows:

Sl. No	Objectives as specified under Sch. VII	Projects or programme undertaken or to be undertaken	Method of execution
1	Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare and sanitation and making available safe drinking water.	Support efforts to promote medical support to the society to eradicate life threatening diseases and improving availability of medical aid to critical patients including without limitation, Stem Cell research and related activity including registry initiatives of organizations of repute including NGOs, trusts	Evaluate projects run by voluntary organizations of repute around the places where company facilities are located and providing them with financial aid to further their causes
2	Promoting education including special education, employment enhancing vocational skills among children, women, elderly and the differently abled and livelihood enhancement project	Support efforts to promote education to benefit under privileged children and children requiring special need	Give financial support to schools run for the purpose around the places where company facilities are located
3	Contribution or funds provided to technology incubators located within academic institutions approved by the Government	Support scientific research to bring about technological advancement in India especially in manufacturing and IT	Give financial support to academic institutions approved by the Government based on projects taken up by them
4	Contribution to Prime Minister's National Relief Fund	—	—
5	Support for training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports	Support to promote sports in India	Promoting Sports/sports persons; supporting agencies promoting sports / sports persons
6	Contribution to the Swatch Bharat Kosh set up by the Central Government for protection of sanitation	—	—
7	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including Contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga	Cleaning of water bodies, promoting animal welfare, Maintain essential aquatic ecosystems, Reduce harmful land erosion caused by agricultural irrigation, Protect fresh drinking water resources	Give financial support to institutions engaged in cleaning of water bodies, promoting animal welfare, maintenance of essential aquatic ecosystems, prevent land erosion caused by agricultural irrigation, protecting fresh drinking water resources and contribution to Clean Ganga Fund

4. IMPLEMENTATION OF CSR ACTIVITIES

The Company may carry out the CSR activities in accordance with the terms of this Policy, either on its own, or through a registered trust or registered society or through a company registered under Section 8 of the Act, established by the Company or by an Associate Company¹ of the Company or by a third party.

If the Company chooses to carry out the CSR activities through a registered trust or registered society or a Section 8 Company incorporated under the Act, which is established by a third party ("**CSR Partner**"), guidelines mentioned hereunder are required to be followed in choosing such CSR Partner.

5. GUIDELINES FOR CHOOSING A CSR PARTNER

1. CSR Partner shall be either a registered trust or a registered society under the applicable laws or a company incorporated under Section 8 of the Act with an established track record of 3 years in undertaking activities in the focus areas in which the Company intends to carry out CSR activities.
2. The Company shall procure a detailed project report from the shortlisted CSR Partners regarding the course of action that they intend to undertake, if chosen to implement a particular CSR activity on behalf of the Company.

6. CSR EXPENDITURE

The Company shall utilise, every financial year, an amount not less than 2% of the average net profits of the company made during the three immediately preceding financial years, for CSR activities under this policy.

Net Profit shall be calculated in accordance with the provision of Section 198 of the Companies Act, 2013 and shall not include such sums as prescribed.

¹ 'Associate Company' in relation to the Company means a company in which the Company has significant influence. However, such other company is not a subsidiary company of the Company and includes a joint venture company. Significant influence means control of at least 20% of the total share capital or of business decisions under an agreement.

Salaries paid by the Company to regular CSR staff as well as to volunteers of the Company (in proportion to company's time/hours spent specifically on CSR) from the Bank account can be factored into CSR project cost as part of the CSR expenditure.

Any profit/ revenue/ surplus arising out of CSR activities/ projects/ programs shall not be a part of business profits of the Company.

7. CSR COMMITTEE

CSR Committee shall be constituted by the Board. The roles, responsibilities and functioning of the CSR Committee are as provided below:

Constitution: CSR Committee shall consist of three directors of the Company, of which one shall be an independent director, at any given point of time.

Quorum: Two members or 1/3rd of total strength, which ever is greater.

Meetings: The meetings of the CSR Committee shall be held as and when required. Meetings can be convened at such time, at such place and on such day, as the members of the CSR Committee may deem fit. The minutes recording the proceedings of the CSR Committee meetings shall be placed before the next Board meeting of the Company.

Notices: The Company Secretary of the Company shall act as the Secretary of the CSR Committee. The Company Secretary, at the behest of any one of the CSR Committee members, shall be authorised to issue notice to convene the meetings of the CSR Committee. Every notice convening the meeting of CSR Committee shall be accompanied by an agenda.

Experts: The CSR Committee may invite experts from various fields to attend its meetings from time to time.

Decisions: Matters transacted at the meetings of the CSR Committee or by way of resolutions by circulation shall be decided by majority vote of the CSR Committee members.

Matters to be transacted: CSR Committee may as appropriate discuss the following matters at its meetings:

- (i) Preparation of budget outlay for each of the CSR activities;
- (ii) Implementation schedule for each of the CSR activities;
- (iii) Allocation of responsibilities to carryout CSR activities;
- (iv) Report on the CSR activities carried out from the date of last meeting till date with supporting documents;
- (v) Discussion on the new proposals, if any;
- (vi) Road map for the CSR activities to be carried out for the next 6 months; and
- (vii) Any other matter as the CSR Committee may deem fit.

8. ROLE AND RESPONSIBILITIES OF THE CSR COMMITTEE

CSR Committee shall:

- (i) formulate and recommend the CSR Policy to the Board. Any amendments to be carried out to the CSR Policy shall be taken up by the Board only with the recommendation of the CSR Committee;
- (ii) recommend the amount of expenditure to be incurred by the Company in each financial year in relation to the CSR activities to the Board. Such expenditure shall be calculated in accordance with the provisions of the Act after consultation with the finance department of the Company;
- (iii) identify and recommend CSR activities to the Board which are covered under this Policy by providing a detailed project report. The project report shall elaborate on the sectors in which the CSR activities shall be carried out, need, statistics, modalities of execution of the CSR activities, budget outlay, implementation schedule, location where the CSR activities are proposed to be implemented and impact of such CSR activities on the target audience;
- (iv) allocate budget to each of the CSR activities and the CSR Partners;
- (v) undertake all necessary steps to implement the CSR activities in accordance with the implementation schedule;
- (vi) monitor the CSR activities in such manner as prescribed in this Policy;
- (vii) update the Board from time to time on the progress of the CSR activities along with a report on the amount allocated for such activity, amount utilised, amount unspent, if any, additional funds required, if any and expenditure incurred;
- (viii) produce an annual CSR Report containing details of expenditure along with a report on the amount allocated, amount utilised, amount unspent, if any, additional funds required, if any and expenditure incurred;
- (ix) ensure that the CSR activities do not benefit the Company or its employees and their families.

9. MONITORING MECHANISM

The CSR Committee shall monitor the CSR activities in the following manner:

- (i) Administration and execution:

CSR activity will be administered and execution would be monitored and guided by an internal team nominated by the Chairman and Managing Director.

Such internal team as nominated by the CSR Committee and approved by the Board (referred to as "Core CSR Group") is as under:

- | | |
|--------------------------|---------------------------|
| 1. Mr. Sanjay Koul | 4. Mr. Gouri Shankar Roy |
| 2. Mr. Avishrant Keshava | 5. Mr. Soumitra Hazra |
| 3. Mr. C Sakthivel | 6. Ms. Diksha Charan Naik |

The team will be responsible for monitoring the progress of the projects identified and brief CSR committee of the Board.

- (ii) The Core CSR Group shall procure from each of the CSR Partners, a monthly status report detailing the utilization of the funds, CSR activities carried out, reasons for deviation from the implementation schedule, if any, corrective measures taken in this regard, requirement of additional funds, if any, along with the reasons for such escalations.
- (iii) The CSR Committee shall provide its comments and submit such report to the Board within a reasonable time period.
- (iv) The CSR Committee shall procure pictures, videos and stories from the CSR Partners on the completed and ongoing CSR activities.

10. REPORTING

In the event Company fails to spend the amount earmarked for the CSR activities in a financial year, the CSR Committee shall submit a report in writing to the Board specifying the reasons for not spending the amount which in turn shall be reported by the Board in their report to the shareholders of the Company for that particular financial year.

The Board shall provide certain information in its report to its shareholders as well as on the website of the Company (if any). The format for the annual report on CSR activities to be included in the Board's report is attached herewith as Annexure 1.

11. POLICY ON NON-DISCRIMINATION AND CONTROVERSIAL ORGANIZATIONS

The Company seeks to support organizations that are in alignment with the core values of the Company. The Company is committed to equal opportunity and fair treatment, and will not support charitable organizations that discriminate on the basis of race, colour, religion, sex, age, national origin, citizenship status, disability, veteran status, or any other protected status. The Company defines discrimination in connection with its charitable giving program to include (but not necessarily be limited to) denial of services, employment, or volunteer opportunities to any class of individuals in a manner that negatively restricts opportunities available to that class of individuals.

In addition, to ensure that all recipient organizations are aligned with the Company's values, the Company shall not make charitable grants to any organization or program that in any way is controversial or, implicitly or explicitly, promotes, advocates, or instigates an ideology or environment that is divisive or not otherwise aligned with the Company's values.

As part of an ongoing effort to support only those organizations that fully align with the Company's values and policies, the Company reserves the right to evaluate the eligibility of a recipient organization at any time regardless of whether prior grants have been made. The Company, in its sole discretion, may suspend or terminate current or future grants to any organization that is not aligned with the Company's values and policies.

12. SELF GOVERNANCE

The Company, its Board, employees, officers, CSR Committee members, its invitees, shall not:

- i. directly or indirectly engage in lobbying of CSR activities;
- ii. accept any kind of favours and gifts, in any form, from any prospective or potential CSR Partners or beneficiaries as a result of consideration of the proposal to grant funds to such CSR Partners or beneficiaries under this Policy.

13. POLICY REVIEW AND FUTURE AMENDMENT

The CSR Committee may, as and when required, suggest changes to the CSR Policy and submit the same for the approval of the Board.

ANNEXURE - 1

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
2. The Composition of the CSR Committee.
3. Average net profit of the company for last three financial years
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)
5. Details of CSR spent during the financial year.
 - a. Total amount to be spent for the financial year;
 - b. Amount unspent, if any;
 - c. Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity Identified	Sector in which the Project is covered	Projects or programs (1) Local area of other (2) Specify the State and district where Projects or programs was undertaken	Amount outlay (budget) project or programs wise (Rs.)	Amount spent on the projects or Programs Subhead : (1) Direct expenditure on projects or programs. (2) Overheads: (Rs.)	Cumulative expenditure upto to the reporting Period (Rs.)	Amount spent Direct or through Implementing agency
	TOTAL						

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.
7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Form No. MR-3**Secretarial Audit Report**

For the Financial year ended 31 March, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members
Timken India Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Timken India Limited ("the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended 31 March 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31 March, 2019 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 and the rules made hereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - c) SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; and
 - d) SEBI (Listing Obligations and Disclosures Requirements), Regulations, 2015

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The major head/groups of Acts, Laws and Regulations as applicable to the Company are (i) Industrial Laws; (ii) Labour Laws; (iii) Environmental and prevention of pollution Laws; (iv) Tax Laws; (v) Economic and Commercial Laws; (vi) Legal Metrology Act, 2009 and (vii) Acts prescribed under Shops and Establishment Act of various local authorities.

I have also examined compliance with the applicable clauses of the following Secretarial Standards issued by the Institute of Company Secretaries of India:

- (i) Meetings of the Board of Directors (SS-1); and
- (ii) General Meetings (SS-2)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above. However there has been negligible delay in transferring unclaimed dividend / shares of ABC Bearings Limited (Transferor Company) to the Investor Education Protection Fund Account, in the course of merger process.

TIMKEN INDIA LIMITED

I further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. During the year under audit, no dissenting views were found in the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company has carried out the following specific event/ action that have major bearing on the Company's affairs in pursuance of the above referred laws.

1. Allotment of Shares: The Integration Committee of the Board of Directors at their meeting held on 03 Sep 2018 allotted 72,18,750 Equity Shares of the Company at Rs.10 each as fully paid as per share exchange ratio mentioned in the scheme of amalgamation and arrangements amongst ABC Bearings Limited (Transferor Company) and Timken India Limited (Transferee Company) and their respective Shareholders and Creditors.

Sd/-

R Vijaykumar & Co.,
R Vijaykumar

Practicing Company Secretary
FCS No. 6418; C P No.8667

Place : Bangalore
Date : 21 May, 2019

To
The Members
Timken India Limited

My Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively are the responsibilities of the management of the Company. My responsibility is to express an opinion on these secretarial records, systems, standards and procedures based on audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure the correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report 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.

Sd/-

R Vijaykumar & Co.,
R Vijaykumar

Practicing Company Secretary
FCS No. 6418; C P No.8667

Place : Bangalore
Date : 21 May, 2019

Annexure - VI

FORM NO. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)
Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis					
During the year ended 31 March, 2019, there were no contracts or arrangements or transactions entered into by the Company which were not on arm's length basis.					
2. Details of material contracts or arrangement or transactions at arm's length basis					
Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions - (Value in Rs./ Millions)	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Timken Singapore PTE Limited (Holding Company)	Sale of Goods - 88.00	Purchase and sale of goods on the basis of purchase orders raised by the buyer - ongoing in nature. Agency commission income - pursuant to a Representative Agreement - ongoing in nature. Expenses receivable and payable - pursuant to Service Agreement - ongoing in nature.	Based on Transfer Pricing guidelines/ market rates/ Reimbursement of actual expenses incurred	Appropriate approvals in terms of the management approval system have been taken in all the cases.	Advances paid have been adjusted against billing, wherever applicable.
	Agency Commission (Income) - 12.84				
	Purchase of Goods - 21.28				
	Expenses Receivable - 12.67				
Timken Engineering and Research-India Pvt Ltd (Fellow Subsidiary of the same holding Company)	Dividend Paid - 51.00				
	Expenses Receivable - 63.75				
	Expenses Payable - 104.72				
	Purchase of Goods - 402.04				
New Delhi Law Offices (Firm where a director is a Partner)	Sale of Goods - 158.17				
	Purchase of Goods - 83.90				
	Purchase of DEPB Licenses -				
	Expense Paid / Payable - 1.07				
Mr. Sanjay Koul	Short-term employment benefits - 34.60	Referrals/requests based on merit - as and when required. 5 Years from the date of appointment / as Director	As approved by the shareholders at the AGM		
	Post employment benefits - 0.74				
	Other long-term benefits - 0.59				
	Expenses paid - 0.07				
Mr. Avishrant Keshava	Short-term employment benefits - 7.52	5 Years from the date of appointment as Director	As approved by the shareholders at the AGM		
	Post employment benefits - 0.24				
	Other long-term benefits - 0.19				
	Expenses paid - 0.02				
Mr. PS Dasgupta	Sitting Fees paid - 0.45	Ongoing	As per the rules of the Company		
	Sitting fees paid - 0.49				
	Expenses reimbursed - 0.07				
	Sitting Fees paid - 0.45				
Mrs. Rupa Mahanty	Expenses reimbursed - 0.02				
	Sitting Fees paid - 4.84				
	Expenses reimbursed - 0.23				
	Short-term employment benefits - 0.18				
Mr. Soumitra Hazra	Post employment benefits -				
	Other long-term benefits -				

For and on behalf of the Board of Directors

Sd/-
Sanjay Koul
Chairman & Managing Director
DIN: 05159352

Place : Bengaluru
Date : 1 July, 2019

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31 March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L29130KA1996PLC048230
2.	Registration Date	15 June, 1987
3.	Name of the Company	Timken India Limited
4.	Category / Sub-Category of the Company	Company Limited by Share/Indian Non-Government Company
5.	Address of the Registered office and contact details	39-42, Electronic City, Phase II, Hosur Road, Bengaluru - 560 100 Tel. No. 080 - 41362000 Fax No. 080-41362010 e-mail: soumitra.hazra@timken.com Website: www.timken.com/en-in
6.	Whether listed company	Yes
7.	Name, Address and Contact details of Registrar and Share Transfer Agent, if any	C B Management Services Private Limited P-22, Bondel Road, Kolkata - 700 019 Tel. No. 033 - 40116700, 40116725, 40116729 Fax No. 033 - 4011 6739 E-mail: rta@cbmsl.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Bearings and Components & Accessories	2814	94.81

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sl. No	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Timken Singapore Pte. Ltd 51, Changi Business Park, Central 2, #08-06/07 The Signature Building Singapore - 486066	N.A.	Holding	67.80%	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)i) *Category-wise Share Holding:*

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
(a) Individual/HUF	0	0	0	0	0	0	0	0	0.00
(b) Central Govt	0	0	0	0	0	0	0	0	0.00
(c) State Govt (s)	0	0	0	0	0	0	0	0	0.00
(d) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
(e) Banks / FI	0	0	0	0	0	0	0	0	0.00
(f) Any Other	0	0	0	0	0	0	0	0	0.00
Sub-Total (A) (1)	0	0	0	0	0	0	0	0	0.00
(2) Foreign									
(a) NRIs - Individuals	0	0	0	0	0	0	0	0	0.00
(b) Other - Individuals	0	0	0	0	0	0	0	0	0.00
(c) Bodies Corp.	50,999,988	0	50,999,988	75.00	50,999,988	0	50,999,988	67.80	(7.20)
(d) Banks / FI	0	0	0	0	0	0	0	0	0.00
(e) Any Other	0	0	0	0	0	0	0	0	0.00
Sub-Total (A) (2)	50,999,988	0	50,999,988	75.00	50,999,988	0	50,999,988	67.80	(7.20)
Total Shareholding of Promoter = (A) (1) + (A) (2)	50,999,988	0	50,999,988	75.00	50,999,988	0	50,999,988	67.80	(7.20)
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	6358015	0	6358015	9.35	5556724	3227	5559951	7.39	(-)1.96
(b) Banks/FI	15358	260	15618	0.02	20800	1975	22775	0.03	(+)0.01
(c) Central Govt	0	0	0	0	0	0	0	0	0.00
(d) State Govt (s)	0	0	0	0	0	0	0	0	0.00
(e) Venture Capital funds	0	0	0	0	0	0	0	0	0.00
(f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
(g) Foreign Institutional Investors (FII)	3256	0	3256	0.00	3902	0	3902	0.01	(+)0.01
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
(i) Others (Specify)									
a) Foreign Portfolio Investors	1550547	0	1550547	2.28	1770590	281	1770871	2.35	(+)0.07
b) Alternate Investment Fund	16732	0	16732	0.03	20232	0	20232	0.03	0
Sub-Total (B)(1)	7943908	260	7944168	11.68	7500020	5732	7505752	9.81	(1.87)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non- Institutions									
(a) Bodies Corp									
i. Indian	1623336	11217	1634553	2.40	5117733	3462	5121195	6.81	(+)4.41
ii. Overseas	0	0	0	0	0	0	0	0	0.00
(b) individuals									
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	4393566	2222881	6616447	9.74	5437023	1531633	6968656	9.26	(-)0.48
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	514882	0	514882	0.76	1841996	0	1841996	2.45	(+)1.69
(C) Others (Specify)									
1 NRI	237906	3135	241041	0.35	256409	2727	259136	0.34	(-)0.01
2 Clearing Member	43055	0	43055	0.06	20352	0	20352	0.03	(-)0.03
3 OCB	0	0	0	0	1776874	0	1776814	2.36	(+)2.36
4 Trust	5850	0	5850	0.01	6208	0	6208	0.01	0.00
5 IEPF	0	0	0	0	718577	0	718577	0.96	(+)0.96
Sub-Total (B)(2)	6818595	2237233	9055828	13.32	15175172	1537822	16712994	22.22	(+)8.90
Total Shareholding of Public = (B) (1) + (B) (2)	14762503	2237493	16999996	25.00	22675192	1543554	24218746	32.20	(+)7.20
TOTAL (A)+(B)	65762491	2237493	67999984	100.00	73675180	1543554	75218734	100.00	0.00
C. Shares held by custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
Grand Total (A+B+C)	65762491	2237493	67999984	100.00	73675180	1543554	75218734	100.00	0.00

(ii) Shareholding of Promoters:

Sl.No	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change during the Year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Timken Singapore Pte. Ltd.	50,999,988	75.00	0	50,999,988	67.80	0	7.20
	Total	50,999,988	75.00	0	50,999,988	67.80	0	7.20

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Timken Singapore Pte. Ltd				
	At the beginning of the year	50,999,988	75.00	50,999,988	75.00
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Change due to allotment of new shares to the shareholders of erstwhile ABC as per share exchange ratio			
	At the End of the year	-	-	50,999,988	67.80

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Date wise increase/ decrease (DD/MM/YY)	Shareholding at the beginning/ changes during the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MIDCAP					
	At the beginning of the year	01/04/2018	1450012	2.13	1450012	2.13
	Decrease- Sale	03/08/2018	11133	0.02	1438879	2.12
	Decrease- Sale	17/08/2018	6136	0.01	1432743	2.11
	Decrease- Sale	24/08/2018	2743	0.00	1430000	2.10
	Decrease- Sale	31/08/2018	13590	0.02	1416410	2.08
	Decrease- Sale	07/09/2018	1797	0.00	1414613	1.88
	Decrease- Sale	28/09/2018	14613	0.02	1400000	1.86
	Decrease- Sale	01/03/2019	10000	0.01	1390000	1.85
	At the end of the year	31/03/2019	-	-	1390000	1.85

Sl. No.	For Each of the Top 10 Shareholders	Date wise increase/ decrease (DD/MM/YY)	Shareholding at the beginning/ changes during the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2.	HDFC LIFE INSURANCE COMPANY LIMITED					
	At the beginning of the year	01/04/2018	700000	1.03	700000	1.03
	Increase - Buy	07/04/2018	25000	0.04	725000	1.07
	Increase - Buy	20/04/2018	74916	0.11	799916	1.18
	Increase - Buy	27/04/2018	84	0.00	800000	1.18
	Decrease- Sale	06/07/2018	3326	0.00	796674	1.17
	Decrease- Sale	13/07/2018	2224	0.00	794450	1.17
	Increase - Buy	03/08/2018	5550	0.01	800000	1.18
	Increase - Buy	31/08/2018	25000	0.04	825000	1.21
	Increase - Buy	07/09/2018	75000	0.10	900000	1.20
	Increase - Buy	28/09/2018	50000	0.07	950000	1.26
	Increase - Buy	05/10/2018	25000	0.03	975000	1.30
	Increase - Buy	12/10/2018	5418	0.01	980418	1.30
	Increase - Buy	26/10/2018	19582	0.03	1000000	1.33
	Increase - Buy	02/11/2018	24698	0.03	1024698	1.36
	Increase - Buy	09/11/2018	302	0.00	1025000	1.36
	Increase - Buy	30/11/2018	125000	0.17	1150000	1.53
	Increase - Buy	07/12/2018	3778	0.01	1153778	1.53
	Increase - Buy	14/12/2018	2305	0.00	1156083	1.54
	Increase - Buy	04/01/2019	3061	0.00	1159144	1.54
	Increase - Buy	11/01/2019	9454	0.01	1168598	1.55
	Increase - Buy	18/01/2019	4204	0.01	1172802	1.56
	Increase - Buy	25/01/2019	2198	0.00	1175000	1.56
	Increase - Buy	22/02/2019	25000	0.03	1200000	1.60
	At the end of the year	30/03/2019			1200000	1.60
3.	MOTILAL OSWAL MIDCAP 30 FUND					
	At the beginning of the year	01/04/2018	700000	1.03	700000	1.03
	Increase - Buy	07/04/2018	20000	0.03	720000	1.06
	Increase - Buy	27/04/2018	10000	0.01	730000	1.07
	Decrease- Sale	25/05/2018	200000	0.29	530000	0.78
	Decrease- Sale	01/06/2018	40000	0.06	490000	0.72
	Decrease- Sale	08/06/2018	32000	0.05	458000	0.67
	Decrease- Sale	15/06/2018	58000	0.09	400000	0.59
	Decrease- Sale	06/07/2018	150000	0.22	250000	0.37
	Decrease- Sale	10/08/2018	3173	0.00	246827	0.36

Sl. No.	For Each of the Top 10 Shareholders	Date wise increase/decrease (DD/MM/YY)	Shareholding at the beginning/changes during the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Decrease- Sale	17/08/2018	9827	0.01	237000	0.35
	Decrease- Sale	31/08/2018	657	0.00	236343	0.35
	Decrease- Sale	31/08/2018	236343	0.35	0	0.00
	At the end of the year	31/03/2019	-	-	0	0
4.	RELIANCE CAPITAL TRUSTEE CO. LTD. A/C RELIANCE SMALL CAP FUND					
	At the beginning of the year	01/04/2018	460926	0.68	460926	0.68
	Increase Buy	30/11/2018	165700	0.22	626626	0.83
	At the end of the year	31/03/2019	-	-	626626	0.83
5.	SUNDARAM MUTUAL FUND A/C SUNDARAM SMALL CAP FUND					
	At the beginning of the year	01/04/2018	445673	0.66	445673	0.66
	Decrease- Sale	22/06/2018	1673	0.00	444000	0.65
	At the end of the year	31/03/2019	-	-	444000	0.59
6.	CANARA ROBECO MUTUAL FUND A/C CANARA ROBECO EMERGING EQUITIES					
	At the beginning of the year	01/04/2018	357624	0.53	357624	0.53
	Decrease- Sale	19/10/2018	25921	0.03	331703	0.44
	Decrease- Sale	26/10/2018	1015	0.00	330688	0.44
	Decrease- Sale	02/11/2018	10000	0.01	320688	0.43
	Decrease- Sale	16/11/2018	39853	0.05	280835	0.37
	Decrease- Sale	23/11/2018	280835	0.37	0	0.00
	At the end of the year	31/03/2019	-	-	0	0.00
7.	SBI INFRASTRUCTURE FUND					
	At the beginning of the year	01/04/2018	300000	0.44	300000	0.44
	At the end of the year	31/03/2019	-	-	300000	0.40
8.	L AND T MUTUAL FUND TRUSTEE LIMITED - L & T BUSINESS CYCLES FUND					
	At the beginning of the year	01/04/2017	286986	0.42	286986	0.42
	Decrease- Sale	08/03/2019	6392	0.01	280594	0.37
	Decrease- Sale	15/03/2019	13594	0.02	267000	0.35
	Decrease- Sale	22/03/2019	9828	0.01	257172	0.34
	Decrease- Sale	29/03/2019	3132	0.00	254040	0.34
	At the end of the year	31/03/2019	-	-	254040	0.34

Sl. No.	For Each of the Top 10 Shareholders	Date wise increase/ decrease (DD/MM/YY)	Shareholding at the beginning/ changes during the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9.	SUNDARAM INDIA MIDCAP FUND					
	At the beginning of the year	01/04/2018	286617	0.42	286617	0.42
	At the end of the year	31/03/2019	-	-	286617	0.38
10.	SUNDARAM MUTUAL FUND A/C SUNDARAM INFRASTRUCTURE ADVANTAGE FUND					
	At the beginning of the year	01/04/2018	167509	0.25	167509	0.25
	Increase - Buy	06-04-2018	50000	0.07	217509	0.32
	Decrease- Sale	10-08-2018	6548	0.01	210961	0.31
	Decrease- Sale	17-08-2018	5694	0.01	205267	0.30
	Increase - Buy	28-09-2018	157257	0.21	362524	0.48
	At the end of the year	31/03/2019	-	-	362524	0.48
11.	EMSONS LEASING COMPANY PVT. LTD.					
	At the beginning of the year	01/04/2018	0	0.00	0	0.00
	Increase - Buy	28/09/2018	580450	0.77	580450	0.77
	At the end of the year	31/03/2019	-	-	580450	0.77
12.	MIPCO INVESTMENTS PVT. LTD.					
	At the beginning of the year	01/04/2018	0	0.00	0	0.00
	Increase - Buy	28/09/2018	542174	0.60	542174	0.72
	At the end of the year	31/03/2019	-	-	542174	0.72
13.	MANOWAY INVESTMENTS PRIVATE LIMITED					
	At the beginning of the Year	01/04/2018	0	0.00	0	0.00
	Increase - Buy	03/09/2018	455039	0.60	455039	0.60
	At the end of the year	31/03/2018			455039	0.60

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Priyashankar Das Gupta				
	a) At the Beginning of the Year	1	0.00	1	0.00
	b) Change during the Year	No Change			
	c) At the end of the Year	--	-	1	0.00
2.	Ajay Kumar Das				
	a) At the Beginning of the Year	16	0.00	16	0.00
	b) Change during the Year	No Change			
	c) At the end of the Year	-	-	16	0.00
3.	Soumitra Hazra				
	a) At the Beginning of the Year	3	0.00	3	0.00
	b) Change during the Year	No Change			
	c) At the end of the Year	-	-	3	0.00
4.	Avishrant Keshava				
	a) At the Beginning of the Year	2	0.00	2	0.00
	b) Change during the Year	No Change			
	c) At the end of the Year	-	-	2	0.00
5.	Bushen Lal Raina				
	a) At the Beginning of the Year	150	0.00	150	0.00
	b) Change during the Year	No Change			
	c) At the end of the Year	-	-	150	0.00

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans*	Deposits**	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	159,381,513	25,235,987	184,617,500
ii) Interest due but not paid	-	-	2,058,080	2,058,080
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	159,381,513	27,294,067	186,675,580
Change in Indebtedness during the financial year				
Addition	-	833,972,438	6,125,880	840,098,318
Reduction	-	762,550,708	2,365,232	764,915,940
Net Change	-	71,421,730	3,760,648	75,182,378
Indebtedness at the end of the financial year				
i) Principal Amount	-	230,803,243	28,524,320	259,327,563
ii) Interest due but not paid	-	-	2,530,395	2,530,395
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	230,803,243	31,054,715	261,857,958

* Represents bills discounted with Banks with recourse to the Company with various maturity dates.

** Represents interest bearing deposits accepted from dealers/distributors which are repayable only upon termination of the agreement.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. Sanjay Koul (CMD & CEO)	Mr. Avishrant Keshava (WTD & CFO)	
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,44,33,861.00	61,53,119.00	3,05,86,980.00
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	69,86,008.00	16,32,238.00	86,18,246.00
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	3,14,19,869.00	77,85,357.00	3,92,05,226.00
	Ceiling as per the Act			22,85,53,608.00

B. Remuneration to other Directors:

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		P S Dasgupta	Rupa Mahanty	Bushen Lal Raina**	
3.	Independent Directors				
	● Fee for attending board / committee meetings ● Commission ● Others, please specify	4,50,000	4,90,000	4,50,000	13,90,000
	Total (1)	4,50,000	4,90,000	4,50,000	13,90,000
4.	Other Non-Executive Directors				
	● Fee for attending board / committee meetings ● Commission ● Others, please specify	Nil	-	Nil	
	Total (2)	0	0	0	0
	Total (B) = (1)+(2)	4,50,000	4,90,000	4,50,000	13,90,000
	Total Managerial Remuneration*	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act				2,28,55,361

* The company pays sitting fees of Rs.50,000 for attending each Board Meeting and Rs. 40,000 for attending each Committee Meeting to its Independent Directors. This payment is not considered while computing the ceiling for Managerial Remuneration under the Companies Act, 2013.

C. Remuneration to other Directors key managerial personnel other than MD/MANAGER/WTD: (Amount in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO*	Company Secretary	CFO*	Total
1	Gross Salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	48,49,631.00		48,49,631.00
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	78,275.00		78,275.00
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option		-		-
3	Sweat Equity		-		-
4	Commission - as % of profit - others, specify...		-		-
5	Others, please specify		-		-
	Total (A)	-	49,27,906.00		49,27,906.00

* Please refer to Part A

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		
B. DIRECTORS					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		
C. OTHER OFFICERS IN DEFAULT					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		

For and on behalf of the Board of Directors

Place: Bengaluru
Date : 1 July, 2019Sd/-
Sanjay Koul
Chairman & Managing Director
DIN: 05159352

Management Discussion & Analysis

Bearing Industry Structure & Development

The estimated consumption of anti-friction bearings in India is about Rs. 95 to 105 billion. While the demand for bearings is directly influenced by industrial and manufacturing activity in India, export markets provide additional opportunity for Indian anti-friction bearing manufacturers. At the same time, Indian demand for anti-friction bearings is also met through imports.

Advance estimates of national income published by Central Statistical Office, Government of India (CSO, GOI) indicates 7.2% growth in GDP during 2018-19 over previous year. The General Index of industrial production (Source: CSO, GOI) is estimated to have grown by 4% during Apr'18-Feb'19 over corresponding period of previous year.

Automotive sector is a major consumer of bearings. As per the flash figures published by Society of Indian Automobile Manufacturers (SIAM), commercial vehicle production grew 24.2% during Apr'18-Mar'19 over prior year period. During the same period, passenger vehicles production remained flat.

Performance of core sector gave a boost to the industry. As per figures published by Office of the Economic Adviser, Production of Coal, Steel, Cement and Power grew by 7%, 5%, 13% and 5% respectively.

Business Review

Your Company, Timken India Limited (TIL) is one of the leading players in the Indian anti-friction bearings, mechanical power transmission products and services sector. The parent Company of TIL, The Timken Company has been recognized as one of the world's most ethical companies by the Ethisphere Institute for the ninth straight year. Your Company has been growing and expanding footprints, customer base and products and services offerings in India. Your Company has state-of-the-art tapered roller bearing manufacturing plant in Jamshedpur and Bharuch.

With deep knowledge of metallurgy, tribology and mechanical systems, your Company closely works with Original Equipment Manufacturers to design and develop solution as per application need. With about 50+ Industrial and 100+ Automotive channel partners, your Company reaches out to the end-markets to avail product & services and helps customer to improve reliability and efficiency of equipment, machinery and vehicles.

In August 2018, the merger of ABC Bearings Limited with TIL was completed. This merger provides your Company with manufacturing footprint for Cylindrical Roller Bearings, Spherical Roller Bearings and Slewing Bearings. Integration activities are on and will be an ongoing activity.

Your Company believes in being a strategic technology partner for Customer. Train-18, India's fastest train runs on Timken Bearings.

Your Company takes pride in providing significant value to customers. Following are some of key recognition received from customers and other certifying agencies:

- On-Time delivery award by Terex in Sept'18
- Received Authorized Economic Operator (AEO) certificate from Central Board of Excise & Customs.

During the financial year under review, total Income grew by approximate 32%, primarily due to increase in domestic sales by 42% – increase in all front-end units – mobile, distribution, process and consolidation of sales of ABC with that of the Company. Export sales also increased by 12%. Increase in expenditure could be attributed to volume increase, expenses relating to merger and impact of inflation. PBT increased by 60% primarily because of volume/mix-variance. Tax expenses though increased in absolute terms, the effective rate of income tax has remained at 34.17% - same as previous year. There is no reportable exceptional item for the year 2018-19. During the year, there has not been any significant change in key financial ratios.

During the year, the entire industry went through significant commodity cost increases coupled with India Rupee depreciation. Your Company has been able to retain the profitability to a large extent.

Opportunities, Threats and Outlook

Known for more than a century of expertise in tapered roller bearing, the Timken group has been transforming into wider solutions across Bearing and Mechanical Power Transmissions space. Leveraging the group knowhow, capabilities and acquisitions, your Company provides complete offering in mechanical drive train like belts, industrial chains and augurs, couplings, clutches lubrication systems and housed units. This further helps getting larger share of business at customer with Timken quality, reliability and service.

Your Company is continuously adding more channel footprint to penetrate General MRO market and address regional gaps with value added services to meet customer demand. Expert service and engineering team engages with customer solving problems and demanding needs to take desired load with more compact, energy efficient and cost-effective solution. Custom application knowledge and optimum design considerations help customer realize extended life and lesser downtime.

Make in India, an initiative by Government of India aims to increase in the share of manufacturing in the country's Gross Domestic Product to 25% by year 2025, which will provide great opportunity for the manufacturing sector. Upgrades of Rail network, introducing new range of locomotives and faster travels create new growth opportunities. For Medium and Heavy Commercial Vehicles, the lever depends on implementation of BS-VI compliant vehicles and how early can the OEMs catch-up with the requirements.

In terms of threat, any adverse changes in the industrial environment or government policymaking affecting our customers could lead to reduction in demand for their finished products, in turn can have a direct impact on the demand of our products.

Low quality counterfeit or spurious products pose bigger risk to the end users and threat to the superior manufacturer. Efforts are being taken by manufacturers to educate customers on the importance of using genuine high-quality bearings and procured from authorized channel partner.

Metal components are one of the key raw materials of our products. Prices and supply of raw materials may depend on factors beyond our control, including economic conditions, exchange rates, competition, consumer demand, production levels, transportation costs and import duties. Recent increase in input costs and depreciation of INR against global currency has severely impacted the costs of goods.

Internal Control Systems

The various internal control systems operating in the Company are working satisfactorily. The adequacy and effectiveness of these systems during financial year was examined by Internal Auditors and the findings of these audits were reported to the Audit Committee of the Board and also to the Board of Directors. The adequacy of the internal control system has also been examined by the Statutory Auditors and the Audit Department of The Timken Company, USA and the Company has not received any major adverse comments from them on the adequacy of the internal control systems.

HR Front

During the financial year under review, the Company did not witness any adverse development on the HR/IR front. The relationship between the Associates of the Company and the Management remains congenial all through-out the year. The Company employed 1225 associates as on 31 March, 2019.

Cautionary Statement:

Certain statements made in this report describing the industry structure and development, business outlook and opportunities may be "forward looking statement" within the meaning of applicable Securities law and Regulations. Actual results could materially differ from those expressed or implied. Important factors that could make difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

For and on behalf of the Board of Directors

Place: Bengaluru
Date: 1 July, 2019

Sd/-
Sanjay Koul
Chairman & Managing Director
DIN: 05159352

Corporate Governance Report

Company's philosophy on code of governance

Timken's mission, vision and core values guide the Company and this direction keeps the Company successfully working together, so as to enable us to make the world a more productive place and deliver value to our stakeholders.

The Vision Statement of the Company expresses its aspiration to be the global leader in bearings and mechanical power transmission, continually improving performance, reliability and efficiency. This, it is believed, will help the Company in maximizing the shareholders' value.

The Company's Standards of Business Ethics Policy - Code of Conduct is the foundation of its outstanding reputation for integrity, ethics and respect for the law. This code of conduct contains the moral and ethical standards by which each associate, officer and director of the Company is required to conduct the business activities of the Company. Every associate, officer and director needs to understand and adhere to these standards.

Towards achieving these objectives, the Company has put in place a number of systems to ensure transparency in decision-making, empowerment at different levels, accountability and integrity. These systems are continuously monitored and fine-tuned so as to bring them in line with the changing requirements under various laws including of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Board of Directors

Composition: The Company has an Executive Chairman under the designation 'Chairman & Managing Director' and the number of Independent Directors is 50% of the total number of Directors. The number of Non-Executive Directors is more than 50% of the total number of Directors. The Company has a Woman Director on its Board of Directors.

The details about Directors on the Board, their attendance at the Board Meetings held during the year ended 31 March, 2019 and also at the last Annual General Meeting, the number of directorships and committee memberships held by them in other companies are given below:

Name	Category	No. of Board Meetings attended during the financial year ended 31 March, 2019	Whether attended AGM held on 10 August, 2018	No. of Directorships in other companies*	No. of Committee positions held in other companies**	
					Chairman	Member
Mr. Sanjay Koul (DIN: 05159352)	Promoter Director Executive, Non-Independent	4	Yes	-	-	-
Mr. P S Dasgupta (DIN: 00012552)	Non-Executive, Independent	4	Yes	16	1	5
Mrs. Rupa Mahanty (DIN: 06746148)	Non-Executive, Independent	4	Yes	-	-	-
Mr. Bushen Lal Raina (DIN:00182160)	Non-Executive, Independent	4	Yes	-	-	-
Mr. Ajay K Das (DIN: 02697466)	Promoter Director Non-Executive, Non-Independent	1	No	-	-	-
Mr. Avishrant Keshava (DIN: 07292484)	Promoter Director Executive, Non-Independent	4	Yes	-	-	-

* Includes private Companies and Section 8 Companies as per the Companies Act, 2013

** as per sub regulation (b) of Regulation 26(1) of the Listing Regulations

No Director of the Company serves as an Independent Director in more than seven listed Companies and no Director serving as a Whole-time Director in any listed Company serves as an Independent Director in more than three listed Company. No Independent Director resigned during the year. The Company is in receipt of declarations under Section 149(7) of the Companies Act, 2013 from all the Independent Directors. Of the three Independent Directors, Mr. Bushen Lal Raina and Mrs. Rupa Mahanty does not have any directorship in any other company. Mr. P S Dasgupta is an Independent Director of five listed Company namely Cummins India Limited, Bhilwara Technical Textiles Limited, Maral Overseas Limited, RSWM Limited, Ester Industries Limited.

Pursuant to Regulation 34(3) read with Schedule V of Listing Regulations, in the opinion of the Board, the following chart describes core skill/ expertise/competencies required to run the Company :

Core skill/ expertise/competencies	Availability with Board
Financial Management	Yes
Leadership	Yes
Technology	Yes
Production and Engineering	Yes
Legal and tax	Yes
Human Resource	Yes
Board and Corporate Governance	Yes
Sales and marketing	Yes
Mergers and Acquisitions	Yes
Business Strategy and System	Yes

The tenure of the Independent Directors of the Company is within the time limit prescribed under the Companies Act, 2013. No Director of the Company is a member in more than ten committees or acts as Chairman of more than five committees across all companies in which he/she is a Director. The necessary disclosures regarding committee positions have been made by all the Directors.

The Company has disclosed the terms and conditions of the appointment of Independent Directors on its website www.timken.com/en-in.

During the financial year ended 31 March, 2019, four Board Meetings were held on 21 May, 2018; 10 August, 2018; 5 November, 2018 and 7 February, 2019 respectively and the gap between two consecutive meetings did not exceed 120 days.

One meeting of the Independent Directors without participation of Non-Independent Directors and any management personnel was also held on 7 February, 2019.

Information as required under PART-A of Schedule II of Listing Regulations has been made available to the Board.

During the year, the Board of Directors accepted all the recommendations made by the Audit Committee of the Board.

It is hereby confirmed that in the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management.

Disclosure of relationship between Directors inter-se

No Director of the Company is related to another Director *inter-se*.

Non-executive Directors' Shareholding

Mr. P S Dasgupta holds 1 equity share, Mr. Ajay K Das holds 16 equity shares and Mr. Bushen Lal Raina holds 154 equity shares of the Company. Mrs. Rupa Mahanty does not hold any shares of the Company. The Company has not issued any convertible instrument.

Familiarization Program

During the year under review, on 7 February, 2019, a session was conducted for the Independent Directors as a part of familiarization programme titled "India-2020 & Beyond" dealing with strategic planning and process. Mr. S Sivaramakrishnan, General Manager - Marketing, New Business Development, Channel Development and Strategic Planning conducted such session.

Familiarization programmes conducted for Independent Directors so far have been disclosed on Company's website and can be seen at: www.timken.com/en-in.

Audit Committee

The Audit Committee enjoys all the powers as mentioned in Regulation 18 (2) (c) of Listing Regulations. The role of the Audit Committee is as per what is stated in Part C (A) of Schedule II of Listing Regulations read with Section 177 of the Companies Act, 2013 and Rules framed thereunder. The Audit Committee mandatorily reviewed the information prescribed in Schedule II, Part C (B) of Listing Regulations at each of its meeting.

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The Company has complied with all the requirements of Regulation 18(1) of Listing Regulations relating to composition of the Audit Committee. Mr. P S Dasgupta, an Independent, Non-executive Director acted as the Chairman of the Audit Committee during the year ended 31 March, 2019. Mr. Dasgupta, as Chairman of the Audit Committee, was present at the 31st Annual General Meeting of the Company held on 10 August, 2018.

During the financial year ended 31 March, 2019, four Audit Committee Meetings were held on 21 May, 2018; 10 August, 2018; 5 November, 2018 and 7 February, 2019 respectively.

During the year ended 31 March, 2019, the composition of the Audit Committee and the details of meetings attended by the members thereof were as follows:

Name of the Members	Category	No. of Meetings attended
Mr. P S Dasgupta Chairman	Non-Executive Independent	4
Mr. Sanjay Koul Member	Promoter Director Executive Non-Independent	4
Mrs. Rupa Mahanty Member	Non-Executive Independent	4
Mr. Bushen Lal Raina Member	Non-Executive Independent	4

Audit Committee Meetings were also attended by the representatives of Internal Auditors and Statutory Auditors. As required under law, Company Secretary & Chief – Compliance acted as the Secretary of the Audit Committee.

Nomination and Remuneration Committee

The role of the Nomination and Remuneration Committee is as per what is described in Part D (A) of the Schedule II of the Listing Regulations.

The Nomination and Remuneration Committee comprises four directors all of whom are Non-executive Directors and more than fifty percent of the members are Independent Directors. The Chairperson of the Committee is an Independent Director.

During the year ended 31 March, 2019, one meeting of the Nomination and Remuneration Committee was held on 7 February, 2019.

During the year ended 31 March, 2019, the composition of Nomination and Remuneration Committee and details of meeting attended by members thereof were as follows:

Name of the Members	Category	Attendance (7 February, 2019)
Mrs. Rupa Mahanty Chairperson	Non-Executive Independent	Yes
Mr. P. S. Dasgupta Member	Non-Executive Independent	Yes
Mr. Bushen Lal Raina Member	Non-Executive Independent	Yes
Mr. Ajay K Das Member	Non-Executive Non-Independent	No

As required under law, Company Secretary & Chief – Compliance acted as the Secretary of the Nomination and Remuneration Committee.

Performance evaluation criteria

The Nomination and Remuneration Committee of the Board has laid down the following performance evaluation criteria for the Independent Directors:

1. Active participation and contribution to discussions in Board Meetings
2. Effective use of knowledge and expertise of the directors towards the growth and betterment of the Company
3. Commitment to the highest ethical standards and values of the Company
4. Compliance with the policies of the Company and other applicable laws and regulations
5. Independence of behaviour and judgment
6. Impact and influence

Performance evaluation of the Independent Directors has been done by the entire Board of Directors excluding the evaluated Director.

Remuneration of Directors

Except for sitting fees paid to the Independent Directors for attending the meetings of the Board or Committees thereof, the Company does not have any pecuniary relationship or transactions with Non-executive Directors.

As per Company's policy, Independent Directors of the Company were paid remuneration by way of sitting fees only. The Company paid remuneration by way of salary & allowance, perquisites (fixed components) and Performance Incentive (variable component) to the Chairman & Managing Director and Whole-time Director being the executive directors on the Board of Directors of the Company, after obtaining the requisite approvals. As per practices consistently followed by the Company, Performance Incentives (variable component) were based on the performance criteria laid down at the beginning of the year broadly taking into account the profit targets set for the year under review.

Criteria for making payment to Directors are disclosed in the Nomination and Remuneration Policy, attached to the Board's Report marked as Annexure - II.

Details of Remuneration of Directors for Year 2018-19

Non-Executive Directors

Name of the Director	Sitting Fees (Rs.)
Mr. P. S. Dasgupta	4,50,000
Mrs. Rupa Mahanty	4,90,000
Mr. Bushen Lal Raina	4,50,000
Mr. Ajay K Das	Nil

Executive Directors

(In Rupees)

Name of the Director	Salary & Allowance	Perquisites	Performance Incentive	Stock Option
Mr. Sanjay Koul	1,53,81,155	1,04,21,878	1,01,21,993	Nil
Mr. Keshava Avishrant	47,30,438	16,23,877	15,90,220	Nil

The terms of appointment of the Executive Directors are governed by the applicable provisions of the law and such appointment is subject to termination by either party by giving three months' notice unless termination at a shorter notice is mutually agreed by the concerned Executive Director and the Board of Directors of the Company. As per terms of appointment, none of the Executive Directors is entitled to receive any severance fees.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee is entrusted with the responsibility to consider and resolve grievances of shareholders including complaints relating to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc. and also to authorize registration of transfer / transmission of shares in physical form, issue of duplicate / new certificates, etc.

During the year ended 31 March 2019, one meeting of the Stakeholders Relationship Committee was held on 7 February, 2019.

Generally, approval of the members of Stakeholders Relationship Committee is obtained through circular resolutions for effecting registration of transfer / transmission of shares in physical form, issue of duplicate / new certificates and other issues involving investor services.

In addition, status reports, *inter-alia*, on share price movement and investors' profile were circulated periodically to the members of the Stakeholders Relationship Committee.

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During the year ended 31 March, 2019, the composition of the Stakeholders Relationship Committee and details of meeting attended by the members thereof were as follows:

Name of the Members	Category	Attendance (7 February, 2019)
Mrs. Rupa Mahanty Chairperson	Non-Executive Independent	Yes
Mr. Sanjay Koul Member	Executive Non-Independent	Yes
Mr. Ajay K Das Member	Non-Executive Non-Independent	No

As required under law, Company Secretary & Chief - Compliance acted as the Secretary of the Stakeholders Relationship Committee. Mr. Soumitra Hazra, Company Secretary & Chief-Compliance is Compliance Officer under Listing Regulations.

The status on investors' queries/complaints during the financial year ended on 31 March, 2019 is given below:

No.	Particulars	Q1	Q2	Q3	Q4	Total in the year
1.	Number of shareholders' complaints received so far	210	158	333	351	1052
2.	Number not solved to the satisfaction of shareholders	0	0	0	0	0
3.	Number of pending complaints	0	0	0	0	0

General Body Meetings

Location, date and time of the last three Annual General Meetings held during the last three years:

Year	Location	Date	Day	Time	No. of Special Resolutions
2015-16	Tangerine Conference Hall Lemon Tree Hotel, Plot No. 54B/55A, Hosur Main Road, Electronic City, Phase I, Bangalore - 560 100	10 August, 2016	Wednesday	10 am	—
2016-17	Tangerine Conference Hall Lemon Tree Hotel, Plot No. 54B/55A, Hosur Main Road, Electronic City, Phase I, Bangalore - 560 100	9 August, 2017	Wednesday	10 am	—
2017-18	Tangerine Conference Hall Lemon Tree Hotel, Plot No. 54B/55A, Hosur Main Road, Electronic City, Phase I, Bangalore - 560 100	10 August, 2018	Friday	10 am	3

Note: (a) No Special Resolution was required to be passed in 2018-19 through Postal Ballot.

(b) No special resolution is proposed to be conducted at the ensuing Annual General Meeting.

Means of Communication

Quarterly results of the Company were communicated through newspaper insertions and intimation to the Stock Exchanges and were also displayed on the Company's website.

Quarterly results were published in Economic Times (English) and Samyukta Karnataka (Kannada).

The financial results were also displayed on the Company's website at www.timken.com/en-in. During the financial year, no presentation was made to Institutional Investors/analyst.

General Shareholders Information

1.	AGM	12 August, 2019, 10AM at Tangerine Conference Hall, Lemon Tree Hotel, Plot No. 54B/55A, Hosur Main Road, Electronic City, Phase I, Bangalore - 560 100		
2.	Financial Calendar	The financial year covers - 1 April, 2018 to 31 March, 2019.		
3.	Dividend Payment Date	-		
4.	Name and address of each stock exchanges(s) at which the Company's Securities are listed and a confirmation about payment of annual listing fees	Equity Shares of the Company are presently listed on the following Stock Exchanges: The National Stock Exchange of India Limited		

TIMKEN INDIA LIMITED

7.	Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc.	Performance of the Company's Share Prices in comparison of the BSE Sensex is given below:			
	Price (Rs.) Sensex (Points) — Price (Rs.) — Sensex (Points)				
8.	Securities are suspended from trading	Not Applicable			
9.	Registrars & Share Transfer Agent	C B Management Services Private Limited P-22, Bondel Road, Kolkata - 700 019 Phone No. 033 40116700			
10.	Share Transfer System	Requests for registration of transfer of shares held in physical form were processed every 10 -12 days from the date of receipt and put up to the Company Secretary & Chief Compliance and Stakeholders Relationship Committee for approval. In terms of recent SEBI norms, registration of transfer of shares in physical forms has been discontinued effective 1 April, 2019 except for transfer request submitted before the above date but could not be given effect due to certain irregularities and request for registration of Transmission of shares/correction in name, etc., In order to get registration of transfer of shares, the shareholders are required to convert their shareholding in dematerialized form and follow prescribed procedure to get the share transfer done.			
11.	Distribution of Share holding	The distribution of shareholding as on 31st March,2019 is given below:			
		Range (Rs.)	Accounts	Shares	%
		1 – 5000	50605	7146303	9.50
		5001 – 10000	81	598207	0.80
		10001 – 20000	41	552879	0.74
		20001 – 30000	22	512035	0.68
		30001 – 40000	9	308995	0.41
		40001 – 50000	9	424721	0.56
		5001 – 100000	27	1878305	2.50
		100001 and above	34	63797289	84.82
			50828	75218734	100.00

12.	Dematerialisation of Shares and liquidity	The Company has arrangements with National Securities Depositories Ltd. (NSDL) as well the Central Depository Services (India) Ltd. (CDSL) for Demat facility. As on 31 March, 2019, 97.95% of the Company's Equity Share Capital is dematerialized. The Equity shares of the Company are listed as aforesaid and are regularly traded on BSE and NSE, Mumbai.			
13.	Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity	Nil			
14.	Commodity price risk or foreign exchange risk and hedging activities	Reference - Note No. 37 to Accounts			
15.	Plant location	The Company's Plants are located at : ● Bara, P.O. Agrico, Jamshedpur – 831 009. ● 1403/4 G.E. Road, Sy. No. 46 and 1405/5, Raipur, Chhattisgarh – 490042 ● Plot no 109A, 109B, 1 -B- C, Narmadanagar, Bharuch – 392015			
15.	Address for correspondence	Investor related queries may be addressed to the following addresses : <table><tr><td>Company Secretary & Chief – Compliance Timken India Limited 39-42, Electronic City, Phase II, Hosur Road, Bangalore – 560 100 Tel. No. 080 - 41362000 Fax No. 080-41362010 e-mail: soumitra.hazra@timken.com</td><td>C B Management Services Private Limited P-22, Bondel Road Kolkata – 700 019 Tel. No. 033 – 40116700, 40116725, 40116729 e-mail: rta@cbmsl.com</td></tr></table>		Company Secretary & Chief – Compliance Timken India Limited 39-42, Electronic City, Phase II, Hosur Road, Bangalore – 560 100 Tel. No. 080 - 41362000 Fax No. 080-41362010 e-mail: soumitra.hazra@timken.com	C B Management Services Private Limited P-22, Bondel Road Kolkata – 700 019 Tel. No. 033 – 40116700, 40116725, 40116729 e-mail: rta@cbmsl.com
Company Secretary & Chief – Compliance Timken India Limited 39-42, Electronic City, Phase II, Hosur Road, Bangalore – 560 100 Tel. No. 080 - 41362000 Fax No. 080-41362010 e-mail: soumitra.hazra@timken.com	C B Management Services Private Limited P-22, Bondel Road Kolkata – 700 019 Tel. No. 033 – 40116700, 40116725, 40116729 e-mail: rta@cbmsl.com				

Other Disclosures

There was no materially significant related party transaction that may have potential conflict with the interest of the Company at large during the financial year 2018-19. Senior management personnel have declared that during the year ended 31 March, 2019, Company did not enter into transaction in which they had personal interest. Details of all related party transactions including with promoter entities holding 10% or more shareholding are disclosed separately in the Annual Report. (Refer page no 91-94).

Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchange / SEBI or any statutory authority on any matters related to capital markets during the last three years - NIL.

The Company has adopted a Whistle Blower Policy in terms of which the Directors and Associates of the Company have access to "The Timken Helpline", a toll free phone number that any associate can call, if he has any concern or question, which he is not willing to discuss face to face with his Supervisor, Manager or a Member of the Human Resource Team or Senior Management. This Helpline is available around the clock, every day. No call tracing or recording devices are ever used and if the Associate so wishes, he may remain completely anonymous. In terms of the said policy, associates of the Company have got direct access to the Chairman of the Audit Committee to report matters of exceptional nature.

The Company follows the open door policy and adequate safeguards have been provided against victimization of the reporting directors/associates. The Whistle blower Policy of the Company is disclosed on the Company's website at www.timken.com/en-in.

A certificate from a Company Secretary in Practice certifying that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is attached herewith.

During the year under review, no credit rating was required to be obtained by the Company. Disclosure requirement regarding utilization of fund was not applicable.

Total Fees paid to statutory auditors during the year is disclosed in the Annual Report separately (Refer page no 88).

The Company does not have any subsidiary Company and therefore, policy for determining 'material' subsidiaries is not applicable. Policy on dealing with related party transactions is disclosed on the website of the Company and can be seen at: <https://www.timken.com/en-in/investors/policies/>

TIMKEN INDIA LIMITED

The compliance with Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Sub-regulation (2) of Regulation 46 of Listing Regulations has been disclosed in this report. The Company has complied with all the mandatory requirements in terms of Regulation 27 and Schedule V(C) of Listing Regulations. The status on compliance with non-mandatory requirements is as below:

- A. Chairman of the Board – As the Chairman of the Board of Directors is an Executive Director under the designation Chairman & Managing Director, these provisions are not applicable.
- B. Shareholders' Rights – Half-yearly declaration of financial performance are not currently sent to each of the household of Shareholders but are published in terms of Regulation 47(3) of Listing Regulations in certain newspapers and also sent to the Stock Exchanges. Besides, all the quarterly / half-yearly / annual financial results are published on the Company's website.
- C. Audit Qualification – The Auditors' Report on the Company's financial statements does not contain any qualification.
- D. Separate posts of Chairperson and Chief Executive Officer – Currently the posts of Chairman and Chief Executive Office are held by the same person designated as Chairman & Managing Director.
- E. Reporting of Internal Auditor – Pricewaterhousecoopers Private Limited acted as the Internal Auditors for 2018-19 and during the tenure, they reported to the Audit Committee of the Board.

During the year, the Company has complied with all applicable compliance norms relating to Corporate Governance and there has been no instance of non-compliance.

For and on behalf of the Board of Directors

Sd/-

Sanjay Koul

Chairman & Managing Director

DIN: 05159352

Place: Bengaluru

Date: 1 July, 2019

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To

The Members of Timken India Limited

I have examined all the relevant records of Timken India Limited ("the Company") for the purpose of certifying compliance of the conditions of the Corporate Governance under the SEBI (LODR) Regulations, 2015 for the financial year ended 31 March 2019. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. My examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance. 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.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid Regulations, 2015.

Sd/-

R Vijaykumar & Co.,

R Vijaykumar

Practicing Company Secretary

FCS No. 6418; C P No.8667

Place : Bangalore

Date : 1 July, 2019

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Members

Timken India Limited

39-42 Electronic City, Phase II

Hosur Road, Bangalore – 560 100

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Timken India Limited** having **CIN : L29130KA1996PLC048230**, and having Regd. Office at **39-42, Electronic City, Phase II, Hosur Road, Bangalore – 560 100** (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Bangalore
1 July 2019

Sd/-
R Vijayakumar & Co.,
R.Vijayakaumar
Company Secretary in Practice
FCS - 6418; COP - 8667

Annexure - X

Declaration in terms of Schedule V (D) of Listing Regulations - Code of Conduct

This is to confirm that the Company has adopted Business Ethics Policy - Code of Conduct for its employees and members of the Board of Directors. This code is posted on Company's website.

I confirm that the Company has received from the Senior Management Team of the Company and from the members of the Board of Directors a declaration of compliance with the code for the financial year ended 31 March, 2019.

For the purpose of this declaration, Senior Management Team means members of management one level below the executive directors as on 31 March, 2019.

For and on behalf of the Board of Directors

Sd/-

Sanjay Koul

Chairman & Managing Director

DIN: 05159352

Place: Bengaluru

Date: 1 July, 2019

Annexure - XI

BUSINESS RESPONSIBILITY REPORT**SECTION A: GENERAL INFORMATION ABOUT THE COMPANY**

1.	Corporate Identity Number (CIN) of the Company	L29130KA1996PLC048230
2.	Name of the Company	Timken India Limited
3.	Registered address	39-42, Electronic City, Phase II, Hosur Road, Bengaluru - 560 100
4.	Website	www.timken.com/en-in
5.	E-mail id	soumitra.hazra@timken.com
6.	Financial Year reported	2018-19
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	2814 - manufacture of bearings, gears, gearing and driving elements (as per NIC 2008)
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	1. Bearings; 2. Components; and 3. Maintenance and refurbishment Services
9.	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5)	Nil
	(b) Number of National Locations	1. Jamshedpur 2. Raipur 3. Bengaluru 4. Delhi 5. Kolkata 6. Pune 7. Chennai 8. Bharuch
10.	Markets served by the Company - Local / State / National / International	Local, State, National and International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	75,20,77,590
2.	Total Turnover (INR)	16,80,70,34,997
3.	Total profit after taxes (INR)*	1,48,64,18,863
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.89% (with respect to 3 above)
5.	List of activities in which expenditure in 4 above has been incurred:	The area in which the above expenditure has been incurred includes Preventive Healthcare, Promoting Education, Environment Sustainability and Promotion of Sports.

* Excluding other comprehensive income

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	No
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company collaborates with all relevant stakeholders including suppliers, distributors and other entities as part of the business responsibility initiatives of the Company. At present, the number of entities which directly or indirectly participate in the above initiatives is estimated to be less than 30%.

SECTION D: BR INFORMATION

1.	Details of Director/Directors responsible for BR:		
(a)	Details of the Director/Directors responsible for implementation of the BR Policy/Policies		
	1.	DIN Number	07292484
	2.	Name	Mr. Avishrant Keshava
	3.	Designation	Business Controller- India, CFO and Whole-time Director
	Details of the BR head		
	No.	Particulars	Details
	1.	DIN Number (if applicable)	07292484
(b)	2.	Name	Mr. Avishrant Keshava
	3.	Designation	Business Controller- India, CFO and Whole-time Director
	4.	Telephone number	080-41362000
	5.	e-mail id	avishrant.keshava@timken.com

SECTION D: BR INFORMATION (Contd.)

2.	Principle-wise (as per NVGs) BR Policy/Policies										
(a)	Details of compliance (Reply in Y/N)										
	No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	1	Do you have a policy/ policies for..	✓	✓	✓	✓	✓	✓	✓	✓	✓
	2	Has the policy being formulated in consultation with the relevant stakeholders?	✓	✓	✓	✓	✓	✓	✓	✓	✓
	3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	✓	✓	✓	✓	✓	✓	✓	✓	✓
	4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	✓	✓	✓	✓	✓	✓	✓	✓	✓
	5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	✓	✓	✓	✓	✓	✓	✓	✓	✓
	6	Indicate the link for the policy to be viewed online?	http://www.timken.com/EN-IN/INVESTORS/Pages/Policies.aspx								
	7	Has the policy been formally communicated to all relevant internal and external stakeholders?	✓	✓	✓	✓	✓	✓	✓	✓	✓
	8	Does the Company have in-house structure to implement the policy/ policies.	✓	✓	✓	✓	✓	✓	✓	✓	✓
	9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	✓	✓	✓	✓	✓	✓	✓	✓	✓
	10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	✓	✓	✓	✓	✓	✓	✓	✓	✓
(b)	If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)										
	No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	1.	The Company has not understood the Principles	Not Applicable								
	2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
	3.	The Company does not have financial or manpower resources available for the task									
	4.	It is planned to be done within next 6 months									
	5.	It is planned to be done within the next 1 year									
	6.	Any other reason (please specify)									
3.	Governance related to BR										
(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year		At least once annually								
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?		Company Publish Business Responsibility Report as part of Annual Report and it can be accessed at the website of the Company at http://www.timken.com/en-in								

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1		
1.	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?	The Company's code of conduct is based primarily on the code of conduct of The Timken Company, ultimate parent company which is followed by all the entities in Timken group worldwide. The principles of this code of conduct are expected to be adhered by the other stakeholders including customers and vendors.
2.	How many stakeholder complaints have been received in the past financial year and pending as on year end.	Nil

Principle 2		
1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	The Company does not design products. Designing is done by the our ultimate parent company at the headquarters in US and corporate global citizenship principles are followed in this regard. Some of the examples of our group products designed by adhering to the above principles are given below - Fuel Efficient Bearings for Vehicle - Timken fuel-efficient bearings for cars, trucks and other vehicles reduce friction by 25 percent and improve fuel economy by as much as 2 percent over traditional bearings Fuel Efficiency in Rail Transport - Our low-torque designs and innovative lubrication technology deliver fuel-efficiency in freight, locomotive, passenger, tram and high-speed operations around the world Reuse, Reliability and Savings - When it comes to remanufacturing and repair, we provide customers with an environments friendly way to improve the return on their bearing investment. Our remanufacturing procedures restore a large bearing's original major components using a fraction of the materials and energy required to manufacture a replacement
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Please refer to comments above
3	Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	Yes 64%, our Jamshedpur Plant procures rings / rollers and heat treatment services through best suppliers based around Jamshedpur.
4	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Yes. In India we are focusing more on localization and procuring maximum possible within the 100 Km Region of the location. As a part of our lean supply chain concept, we encourage our local sources to develop their capacity and capability continually. The Company also does handholding with suppliers in such cases.
5	Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	The Company recycles less than 5 % of its products and more than 10 % in waste. In addition to that our Jamshedpur Plant is a ZERO liquid discharge Plant. The product waste (scrap) is melted and reused in steel making process. The grinding sludge is recycled in cement Klins. Wood waste is recycled to alternate applications (including new pallets making etc). At Bharuch Plant, in addition to recycling of rings scrap, the Company uses recyclable poly sheets only for product packing. The Company also recycles wood waste and convert then to pallets for internal usages.

TIMKEN INDIA LIMITED

Principle 3				
1.	Please indicate the Total number of employees		1225 as on 31 March, 2019	
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis.		512	
3.	Please indicate the Number of permanent women employees.		26	
4.	Please indicate the Number of permanent employees with disabilities		5	
5.	Do you have an employee association that is recognized by management		There is an employee union in Jamshedpur for operators	
6.	What percentage of your permanent employees is members of this recognized employee association?		28.86%	
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.		Nil	
	No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
	1.	Child labour/forced labour/involuntary labour	-	-
	2.	Sexual harassment	-	-
	3.	Discriminatory employment	-	-
	8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?			
	(a)	Permanent Employees	81.5%	
	(b)	Permanent Women Employees	100%	
	(c)	Casual/Temporary/Contractual Employees	99.6%	
	(d)	Employees with Disabilities	–	
Principle 4				
1.	Has the company mapped its internal and external stakeholders? Yes/No		Yes	
2.	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?		Yes	
3.	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so		The Company's manufacturing facilities are located at Jamshedpur, Bharuch and Raipur which are inhabited by people belonging to economically weaker section of the society. The Company endeavours to focus on providing educational support and preventive healthcare to them.	
Principle 5				
1.	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/ Others?		The Company's code of conduct is based primarily on the code of conduct of The Timken Company, which is followed by all the entities in Timken group worldwide. The principles of this code of conduct are expected to be adhered by the other stakeholders including customers and vendors.	
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?		Nil	

Principle 6		
1.	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ others.	The Company's EHS Policy is based primarily on the EHS Policy of The Timken Company, which is followed by all the entities in Timken group worldwide. The principles of this Policy are expected to be adhered by the other stakeholders including customers and vendors.
2.	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Link to our global web site for global citizenship. http://www.timken.com/EN-US/ABOUT/CITIZENSHIP/Pages/default.aspx
3.	Does the company identify and assess potential environmental risks? Y/N	Yes. This is being done through our ISO 14001 environmental management system using tools such as aspect and impact analysis.
4.	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	As of now, we are not filing any environmental compliance reports.
5.	Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	The Company has installed roof top solar plant at Jamshedpur and also has taken step to install the same at Bharuch.
6.	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes
7.	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Zero

Principle 7		
1.	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	a. Confederation of Indian Industries b. American Chamber of Commerce in India
2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes Through providing suggestions at the time of finalization of union/local budgets, to ensure ease of doing business in India through removal of complicated regulations, drive against spurious products etc.

Principle 8		
1.	Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	The Company has programmes, inter-alia, for providing healthcare facilities and promoting education, sports and environment sustainability
2.	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	Programmes run by NGO's and service providers directly are being supported.
3.	Have you done any impact assessment of your initiative?	Is being done.
4.	What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?	For details, please refer Annexure - IV to Board's Report.
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Not applicable.

Principle 9		
1.	What percentage of customer complaints/ consumer cases are pending as on the end of financial year	Nil
2.	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)	Yes, the Company adheres to Legal Metrology Regulations.
3.	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	Nil
4.	Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes

For and on behalf of the Board of Directors

Place: Bengaluru
Date: 1 July, 2019

Sd/-
Sanjay Koul
Chairman & Managing Director
DIN: 05159352

Annexure - XII

DIVIDEND DISTRIBUTION POLICY

The purpose of this document is to outline the Timken India Limited dividend policy that balances the objectives of rewarding shareholders through dividends and retaining capital to support a sound financial position.

- A. This Policy will be subject to the applicable provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in India as amended from time to time and also to any guidelines issued by any Regulatory Authority on this subject in India.
- B. Timken India Limited will target dividend payouts that are in line with peers.
- C. The frequency of the dividend declared is expected to be annually though the Board of Directors of Timken India Limited reserves the right to declare and pay dividend more frequently depending upon availability of suitable payout opportunities.
- D. The amount of a dividend to be declared – While deciding the quantum of the dividend to be paid, the Board of Directors will consider all relevant factors including the following:
 - i. Company's current and projected financial strength in the light of global and local situation of financial markets;
 - ii. Evaluation of the tax implications to shareholders;
 - iii. Renovation/ Modernisation of existing facilities;
 - iv. Major Repairs & Maintenance;
 - v. Likelihood of requirement of contingent liabilities, if any, including a contingency fund;
 - vi. Acquisition or disposal of assets;
 - vii. Other current or future requirements for capital expenditure including without limitation, expansion projects arising out of change in business models, modernization projects, etc.
- E. Dividend declaration:
 - i. The Managing Director in consultation with India Management Team will prepare a recommendation of dividend to the Board of Directors.
 - ii. Dividend will be paid only if the Board of Directors concurs with such proposal and after complying with all applicable norms as per regulations prevailing in India.
- F. Retained earnings will be utilized as per the provisions of the Companies Act, 2013 and rules framed thereunder for corporate actions and investment towards growth of business.

Independent Auditor's Report

To the Members of Timken India Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of TIMKEN INDIA LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

We draw attention to Note 43 of the financial statements which describes the Scheme of Arrangement ("Scheme") between the Company and ABC Bearings Limited and the accounting for the resultant business combination at fair values as at 1 May, 2018, the appointed date under the Scheme. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Accounting of business combination for acquisition of ABC Bearings Limited Due to the associated significant risk of material misstatement on account of complexity surrounding the accounting for the transaction in accordance with Ind AS 103 and considering the assumptions and estimates required to be made by the management as part of purchase price allocation, the accounting for this business combination was a key audit matter. The acquisition accounting requires the management to identify and value acquired assets (including intangible assets) and liabilities at the acquisition date. Significant judgement is involved in such identification.	Principal procedures performed: We performed testing of design and operating effectiveness of internal controls and substantive testing as follows: – Evaluated the design of the management's internal control processes around application of the principles of Ind AS 103 "Business combinations" and compliance thereto. – With the assistance of our internal valuation specialists, we evaluated: ➤ the consideration transferred by the Company, ➤ the methodological approach of the external expert engaged by the management with respect to the identification of assets and liabilities acquired considering the requirement of Ind AS 103. ➤ the short-term and long-term growth rates considered in the estimates of future cash flows and the discount rate used in the calculations.

	The valuation of the assets and liabilities involve usage of significant estimates including those relating to future cash flows, short term and long term growth rate and discounting rate. The management had engaged an external professional services firm in this regard.	We also evaluated the qualifications and competence of the management expert, an external professional services firm. We assessed the adequacy of the disclosures made in the financial statements for the year ended March 31, 2019.
2	Impairment assessment of goodwill: The Company carries goodwill of Rs 1,813 Million as at March 31, 2019 arising out of the merger of ABC Bearing Limited (refer note 43 for details of the merger). As indicated in note 2 to the financial statements, the management of the Company assesses the impairment of goodwill annually. The carrying values of goodwill will be recovered through future cash flows and there is a risk of impairment loss where the actual future cash flows will be lower than expected. The impairment assessment performed by the Management contained a number of significant judgements and estimates including short and long-term growth rates and discount rate. We focused on this area because of the significance of the balance and the significant judgements and assumptions involved in impairment assessment by the Management about the future results of performance of the business acquired pursuant to the merger.	Principal procedures performed: We assessed the Management's process for impairment assessment of goodwill. We performed testing of design and operating effectiveness of internal controls and substantive testing as follows: ➤ Evaluated the design of the management's internal control around the impairment assessment process. ➤ Understood the key assumptions considered in the management's estimates of future cash flows. ➤ Involving our valuation specialists, we evaluated the short-term and long-term growth rates considered in the estimates of future cash flows and the discount rate used in the calculations. ➤ Compared the historical cash flows (including for current year) against projections of the management for the same periods and gained understanding of the rationale for the changes. ➤ Performed sensitivity analysis on the key assumptions within the forecast cash flows and focused our attention on those assumptions we considered most sensitive to the changes; such as revenue growth and profitability during the forecast period, the terminal growth rate and the discount rate applied to the future cash flows. ➤ We ascertained the extent to which a change in these assumptions, both individually or in aggregate, would result in impairment, and considered the likelihood of such events occurring. We further assessed the adequacy of the disclosures made in the financial statements for the year ended March 31, 2019.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including Annexures to Board's report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income,

changes in equity of the Company and cash flows in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and 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 it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Bengaluru, May 21, 2019
SK/HSM/2019

Sathya P. Koushik
Partner
(Membership No. 206920)

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **TIMKEN INDIA LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sathya P. Koushik
Partner
(Membership No. 206920)

Bengaluru, May 21, 2019
SK/HSM/2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of fixed assets,

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner 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 program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date except the following:

Particulars of the land and buildings	Gross Block (as at the Balance sheet date) (Rs. in million)	Net Block (as at the Balance sheet date) (Rs. in million)	Remarks
Freehold land and building thereof, located at Central Hope Town, Vikasnagar, Dehradun admeasuring 8,412 sq. metre.	78.70	78.32	The title deeds are in the name of ABC Bearings Limited that was merged with the Company under Section 230 to 232 of the Companies Act, 2013 in terms of the approval of the National Company Law Tribunal.
Freehold property thereof, located at Vadodara admeasuring 6,000 sq. ft.	24.00	23.00	The title deeds are in the name of ABC Bearings Limited that was merged with the Company under Section 230 to 232 of the Companies Act, 2013 in terms of the approval of the National Company Law Tribunal.

In respect of building constructed on leased land, based on the examination of the lease agreements, we report that the lease agreements are in the name of the Company, where the Company is the lessee in the agreement except the following:

Particulars of the land and buildings	Gross Block (as at the Balance sheet date) (Rs. in million)	Net Block (as at the Balance sheet date) (Rs. in million)	Remarks
Leasehold land and building thereof, located at Bharuch Industrial Area admeasuring 136,721 sq. metre.	1,583.83	1,550.01	The lease deeds are in the name of ABC Bearings Limited that was merged with the Company under Section 230 to 232 of the Companies Act, 2013 in terms of the approval of the National Company Law Tribunal.

- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Service Tax, cess and other material statutory dues applicable to it with the appropriate authorities.
 - There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
 - Details of dues of Income-tax, Sales Tax, Service Tax, Excise Duty, and Customs Duty which have not been deposited as on March 31, 2019 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved (Rs. in million)	Amount Unpaid (Rs. in million)
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2002-03	23.93	23.93
		Commissioner of Income Tax (Appeals)	2013-14 and 2014-15	1.43	1.43
		High Court	2013-14 and 2014-15	2.69	2.69
Various state Sales Tax Acts	Various Sales Tax	Various appellate authorities	1994-95 to 2014-15	118.73	111.28
Finance Act, 1994	Service Tax	Supreme Court	2003-04 to 2012-13	27.32	20.59
	Service Tax	Central Excise and Service Tax Appellate Tribunal	2011-12 to 2012-13	13.84	13.36
	Service Tax	Assistant / Deputy Commissioner	2005 to 2008	1.44	1.24
Central Excise Act, 1944	Excise Duty	Central Excise and Service Tax Appellate Tribunal	2011-12	0.33	0.33
Customs Act, 1962	Custom Duty*	High Court	2007-08	5.34	5.34

* The company has obtained stay order from the High Court against the demand.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have borrowings from financial institutions and government and has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

TIMKEN INDIA LIMITED

- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of the Holding Company, subsidiary or associated company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Bengaluru, May 21, 2019
SK/HSM/2019

Sathya P. Koushik
Partner
(Membership No. 206920)

Balance Sheet as at March 31, 2019

₹ in million

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current Assets			
(a) Property, plant and equipment	3	4,382.28	2,509.81
(b) Capital work-in-progress		635.07	538.28
(c) Goodwill	4	1,813.11	-
(d) Other Intangible assets	5	1,750.57	1.18
(e) Financial assets			
(i) Investments	6 A	0.30	0.30
(ii) Trade receivables	10	35.10	21.81
(iii) Loans	7	62.91	33.29
(f) Other non-current assets	8	316.26	204.28
		8,995.60	3,308.95
Current Assets			
(a) Inventories	9	3,170.79	2,454.48
(b) Financial assets			
(i) Investments	6 B	1,757.24	551.74
(ii) Trade receivables	10	3,018.89	2,231.79
(iii) Cash and cash equivalents	11	219.09	229.97
(iv) Bank balances other than (iii) above	11	20.88	37.78
(v) Loans	12	1.31	0.92
(vi) Other financial assets	13	39.31	27.37
(c) Other current assets	14	534.27	945.77
		8,761.78	6,479.82
Total Assets		17,757.38	9,788.77
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	752.08	679.89
(b) Other equity	16	12,655.35	6,343.42
Total Equity		13,407.43	7,023.31
LIABILITIES			
Non-current Liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	17	201.39	224.62
(b) Provisions	18	495.65	106.28
(c) Deferred tax liabilities (Net)	19	549.49	21.82
		1,246.53	352.72
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	20	230.80	159.38
(ii) Trade payables	21	97.16	61.43
(a) Total outstanding dues of micro and small enterprises		97.16	61.43
(b) Total outstanding dues of creditors other than micro and small enterprises		2,237.81	1,904.26
(iii) Other financial liabilities	22	82.68	101.32
(b) Other current liabilities	23	54.32	74.34
(c) Provisions	18	61.45	54.49
(d) Current tax liabilities	24	339.19	57.52
		3,103.41	2,412.74
Total Liabilities		4,349.94	2,765.46
Total Equity and Liabilities		17,757.38	9,788.77

See accompanying notes to the Financial Statements

2.1 to 45

As per our report of even date

For and on behalf of the Board of Directors of Timken India Limited

For Deloitte Haskins & Sells LLPChartered Accountants
(Firm's Registration No. 117366W/W – 100018)**Sathya P. Koushik**Partner
Membership No. 206920
Place: Bengaluru
Date: May 21, 2019**Sanjay Koul**Chairman,
Managing Director & CEO
DIN - 05159352**Avishrant Keshava**Business Controller,
CFO & Whole-time Director
DIN - 07292484**Soumitra Hazra**Company Secretary & Chief - Compliance
Bengaluru, May 21, 2019

Statement of Profit and Loss for the year ended March 31, 2019

₹ in million

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue			
Revenue from Operations	25	16,644.33	12,517.69
Other Income	26	162.70	208.39
Total Income (I)		16,807.03	12,726.08
Expenses			
Cost of Materials Consumed	27	7,083.62	5,490.43
Purchase of Traded Goods		2,711.38	2,324.23
Changes in Inventories of Finished Goods, Traded Goods and Work-in-progress	28	(508.83)	(403.95)
Excise Duty on movement in stock of Finished goods		-	(127.86)
Excise duty on sale of goods		-	177.63
Employee Benefits Expense	29	1,226.90	905.03
Finance costs	30	17.59	12.16
Depreciation and amortisation expense	31	793.29	431.38
Other Expenses	32	3,244.87	2,519.55
Total Expenses (II)		14,568.82	11,328.60
III. Profit before tax for the year (I-II)		2,238.21	1,397.48
IV. Tax expense:			
(1) Current tax charge {includes net reversal of ₹ 3.88million (March 31, 2018 - reversal of ₹ 1.45million) relating to earlier year }		928.09	423.52
(2) Deferred tax		(176.30)	54.05
Total Tax Expenses		751.79	477.57
V. Profit for the year (III - IV)		1,486.42	919.91
VI. Other Comprehensive Income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
(i) Re-measurement gains/ (losses) on defined benefit plans		4.66	10.58
(ii) Income tax (charge)/gain effect on above		(1.63)	(3.66)
Other comprehensive income for the year, net of tax		3.03	6.92
VII. Total Comprehensive Income for the year (V + VI)		1,489.45	926.83
VIII. Earnings per equity share: Basic & Diluted (Nominal value ₹ 10 per share (PY ₹ 10 per share))	33	19.92	13.53

See accompanying notes to the Financial Statements

2.1 to 45

As per our report of even date

For and on behalf of the Board of Directors of Timken India Limited

For Deloitte Haskins & Sells LLPChartered Accountants
(Firm's Registration No. 117366W/W – 100018)**Sathya P. Koushik**Partner
Membership No. 206920
Place: Bengaluru
Date: May 21, 2019**Sanjay Koul**Chairman,
Managing Director & CEO
DIN - 05159352**Avishrant Keshava**Business Controller,
CFO & Whole-time Director
DIN - 07292484**Soumitra Hazra**Company Secretary & Chief - Compliance
Bengaluru, May 21, 2019

Statement of Changes in Equity for the years ended March 31, 2019

A) Equity Share Capital (also refer note 15)

	Subscribed and Fully Paid-up		Subscribed and partly paid-up		Total Equity share capital
	No. of Shares	Amount (₹ in million)	No. of Shares	Amount (₹ in million)	Amount (₹ in million)
As at March 31, 2017	67,975,784	679.76	24,200.00	0.13	679.89
Receipt of calls in arrears	300	0.00	(300.00)	-	0.00
As at March 31, 2018	67,976,084	679.76	23,900.00	0.13	679.89
Issue of equity share capital (refere note 43)	7,218,750	72.19	-	-	72.19
Receipt of calls in arrears	200	0.00	(200.00)	-	0.00
As at March 31, 2019	75,195,034	751.95	23,700.00	0.13	752.08

B) Other Equity (also refer note 16)

₹ in million

	Reserves and Surplus			Total
	Capital Redemption Reserve	Securities Premium Account	Retained earnings	
Balance as at March 31, 2017	260.00	435.52	4,803.28	5,498.80
Profit for the year			919.91	919.91
Other comprehensive income for the year, net of tax			6.92	6.92
Total comprehensive income			5,730.11	6,425.63
Equity Dividend for the year 2016-17			(67.99)	(67.99)
Tax on Equity Dividend			(14.22)	(14.22)
Balance as at March 31, 2018	260.00	435.52	5,647.90	6,343.42
Profit for the year			1,486.42	1,486.42
Other comprehensive (loss) for the year, net of tax			3.03	3.03
Total comprehensive income for the year			7,137.35	7,832.87
Issue of share capital for the acquisition of ABC Bearings Ltd. (Refer note 43)		4,913.15	-	4,913.15
Equity Dividend for the year 2017-18			(75.21)	(75.21)
Tax on Equity Dividend			(15.46)	(15.46)
Balance as at March 31, 2019	260.00	5,348.67	7,046.68	12,655.35

See accompanying notes to the Financial Statements 2.1 to 45

As per our report of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm's Registration No. 117366W/W – 100018)

Sathya P. Koushik

Partner
Membership No. 206920
Place: Bengaluru
Date: May 21, 2019

For and on behalf of the Board of Directors of Timken India Limited

Sanjay Koul

Chairman,
Managing Director & CEO
DIN - 05159352

Avishrant Keshava

Business Controller,
CFO & Whole-time Director
DIN - 07292484

Soumitra Hazra

Company Secretary & Chief - Compliance
Bengaluru, May 21, 2019

Cash Flow Statement for the year ended March 31, 2019

₹ in million

	Year ended March 31, 2019		Year ended March 31, 2018	
A. Cash Flow from Operating Activities :				
Profit for the year		1,486.42		919.91
Adjustments to reconcile profit before tax to net cash flows :				
Income tax expense recognised in profit or loss	751.79		477.57	
Depreciation and amortisation	793.29		431.38	
Interest income	(8.31)		(33.97)	
Interest expense	17.59		12.16	
Dividend Income	(60.50)		(31.24)	
(Profit)/Loss on sale of Property, Plant & Equipment (Net)	3.43		(1.12)	
Provision for Doubtful debts / advances	37.93		27.59	
Provision no longer required written back	(28.79)		(110.38)	
Deffered government grants	(31.69)		(25.79)	
Unrealised foreign exchange loss / (gain)	(5.23)		21.25	
Impairment losses	28.99		-	
		1,498.50		767.45
Operating Profit before Working Capital Changes		2,984.92		1,687.36
Changes in assets and liabilities				
(Increase) in Trade receivable	(586.19)		(323.13)	
(Increase) / Decrease in Loans & other financial assets and other assets	846.57		(387.50)	
(Increase) in Inventories	(400.91)		(574.20)	
Increase in Trade payable	191.58		356.18	
Increase/(Decrease) in Other financial liabilities, other liabilities & provisions	205.71		9.59	
		256.76		(919.06)
Cash Generated from Operations		3,241.68		768.30
Direct Taxes paid (net of refund)		(753.86)		(378.39)
Net Cash from Operating Activities (A)		2,487.82		389.91
B. Cash Flow from Investing Activities :				
Purchase of Property, Plant & Equipment including capital work in progress and capital advances		(1,174.14)		(724.04)
Proceeds from Sale of Property, Plant & Equipment		0.10		9.91
Dividend received		60.50		31.24
Interest received		8.16		34.51
Redemption/ maturity of bank deposits (having original maturity of more than three months)		7.98		10.00
Net Cash used in Investing Activities (B)		(1,097.40)		(638.38)

Cash Flow Statement for the year ended March 31, 2019

₹ in million

	Year ended March 31, 2019		Year ended March 31, 2018	
C. Cash Flow from Financing Activities :				
Interest paid		(17.59)		(12.16)
Proceeds from short term borrowings		230.80		159.38
Repayment of short term borrowings		(355.53)		(83.99)
Dividend paid		(75.21)		(67.99)
Tax on dividend distribution		(15.46)		(14.22)
Net Cash (used in)/ from Financing Activities (C)		(232.99)		(18.98)
Net Increase in Cash and Cash equivalents (A + B + C)		1,157.43		(267.45)
Cash and Cash equivalents - Opening Balance		781.71		1,052.10
Cash and Cash equivalents received as scheme of Merger (Refer note 43)		14.96		-
Effect of exchange differences on restatement of foreign currency cash and cash equivalents		22.23		(2.94)
Cash and Cash equivalents - Closing Balance		1,976.33		781.71

(a) Calls in arrears of ₹0.0013million (2017-18 - ₹0.0015million) have been received during the year.

Cash and cash equivalents consist of cash on hand, cheques in hand, balances with banks and short term investments with a maturity period of 90 days or less. Cash and cash equivalents included in the cash flow statement comprises the following balance sheet amounts :

₹ in million

	As at March 31, 2019	As at March 31, 2018
Cash on hand and balances with banks (refer note 11)	219.09	229.97
Short term Investments (refer note 6B)	1,757.24	551.74
Cash & Cash equivalents	1,976.33	781.71

See accompanying notes to the Financial Statements 2.1 to 45

As per our report of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm's Registration No. 117366W/W – 100018)

Sathya P. Koushik

Partner
Membership No. 206920
Place: Bengaluru
Date: May 21, 2019

For and on behalf of the Board of Directors of Timken India Limited

Sanjay Koul

Chairman,
Managing Director & CEO
DIN - 05159352

Avishrant Keshava

Business Controller,
CFO & Whole-time Director
DIN - 07292484

Soumitra Hazra

Company Secretary & Chief - Compliance
Bengaluru, May 21, 2019

Notes to financial statements as at and for the year ended March 31, 2019

1. CORPORATE INFORMATION

Timken India Limited ('the Company') is a public company domiciled in India. It was incorporated on 15th June 1987 under the provisions of the erstwhile Company's Act, 1956. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is located at 39-42, Electronics City, Phase II, Hosur Road, Bengaluru - 560 100. The Company is primarily into manufacture and distribution of tapered roller bearings, components and accessories for the automotive sector and the railway industry. It also provides maintenance contract services and refurbishment services. The Company's primary bearing and components manufacturing plant is located at Jamshedpur in Jharkhand. It also has a gear box repairing facility at Raipur, where it provides repair and maintenance services of industrial gear boxes. Also refer Note 43 on Scheme of amalgamation and arrangement. Pursuant to the amalgamation as referred to therein, the Company has another bearing manufacturing plant in Bharuch.

These financial statements were authorised for issue in accordance with a resolution of the Directors on May 21, 2019.

2. BASIS OF PREPARATION AND PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These financial statements for the year ended March 31, 2019 have been prepared in accordance with Indian Accounting Standards ("Ind-AS") consequent to the notification of The Companies (Indian Accounting Standards) Rules, 2015 (the Rules) issued by the Ministry of Corporate Affairs.

Basis of preparation and measurement

These Ind-AS Financial Statements have been prepared on a going concern basis using historical cost convention, except for certain investments measured at fair value and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind-AS (refer accounting policies for financial instruments and employee benefits).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind-AS 17, and measurements that have some similarities to fair value but are not fair value, such as in value in use in Ind-AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

Functional and presentation currency

These Ind-AS Financial Statements are prepared in Indian Rupee (₹) which is the Company's functional and presentation currency.

Business combinations

The Company accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognized in the standalone statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognized at their fair values at the acquisition cost.

Purchase consideration paid in excess of the fair value of net assets acquired is recognized as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognized as capital reserve.

Notes to financial statements as at and for the year ended March 31, 2019

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfers of interests in entities that are under common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity is recorded in shareholders' equity.

2.1 Summary of significant accounting policies

a) Property, Plant and equipment

Property, Plant and Equipment is stated at cost of acquisition less accumulated depreciation and impairment losses, if any.

Cost comprises the purchase price, duties (net of cenvat), taxes, incidental expenses and erection / commissioning expenses which are directly attributable in bringing the asset to its working condition for the intended use. The amount of asset related grants are added to the cost of respective asset with a corresponding recognition of deferred income in respect of Government grant (also refer accounting policy on Government grants).

Subsequent expenditure related to an item of property, plant & equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of property, plant & equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The Company identifies and determines cost of each component of an asset separately, if the component has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the useful life of the principal asset.

Depreciation and useful lives

Depreciation on items of Property, Plant & Equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The identified components of an asset are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

The Company has used the following useful economic lives to provide depreciation on its property, plant & equipment.

	Useful economic life (years)
Factory Buildings	6-30
Furniture & Fixtures	5-10
Plant & Equipment	3-15
Computers	3-6
Vehicles	8
Office Equipment	5

The useful economic life of buildings and plant and equipment as estimated by the management, is supported by independent assessment by professionals, are lower than those indicated in Schedule II to the Companies Act, 2013. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

Notes to financial statements as at and for the year ended March 31, 2019

b) Goodwill and Intangible assets

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

Intangible assets purchased including acquired business combination are measured at cost as at the date of acquisition, as applicable on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The Company's intangible assets are amortised under straight line basis over the following useful lives.

	Useful economic life (years)
Tradename and Trademark	15
Developed Technology	15
Customer Relationship	20
Right to use	61

The amortisation period and the amortisation method are reviewed at the end of each reporting period.

c) Impairment of property plant and equipment and intangible assets

The carrying amount of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external or internal factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price of assets and their 'value in use'. The estimated future cash flows are discounted to their present value using pre-tax discount rates and risks specific to the asset.

(d) Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

(e) Revenue Recognition

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The impact of adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Notes to financial statements as at and for the year ended March 31, 2019

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by industry verticals, geography and nature of services.

Use of significant judgements in revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Revenue for fixed-price contracts is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of the completion of the performance obligation.
- Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of the licence, whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Export Incentive Income

Export incentives are recognized when the right to receive such incentives as per the applicable terms is established, in respect of the exports made and when there is no significant uncertainty regarding the ultimate realization / utilization of such incentives.

Notes to financial statements as at and for the year ended March 31, 2019

Dividends

Revenue for dividend income is recognized when the right to receive payment is established by the reporting date.

Interest income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of a financial liability or a financial asset to their gross carrying amount.

Interest and Dividend income are included under the head "other income" in the Statement of Profit and Loss.

f) Foreign Currency Translations

In the financial statements of the Company, transactions in foreign currencies are translated into the functional currency at the exchange rates ruling at the date of the transaction. Foreign currency monetary items are translated into the functional currency at exchange rates prevailing on the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

g) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, components, stores and spares	These are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.
Work-in-progress and finished goods	These are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.
Trading goods	Valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

h) Employee benefits

(A) Short term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short term employee benefits. These benefits include salaries and wages, bonus and ex gratia. The undiscounted amount of short term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

(B) Post employment benefits

The Company operates the following post employment schemes:

- i) Gratuity is administered through an approved benefit fund. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method done at the end of each financial year.

Notes to financial statements as at and for the year ended March 31, 2019

- ii) The liability on account of long term compensated absences and death benefit scheme due to the employees are provided for on the basis of an actuarial valuation on projected unit credit method at the end of each financial year.
- iii) Retirement benefits in the form of Provident Fund and Superannuation / Pension Schemes are charged to the statement of profit & loss of the year when an employee renders the related service. Interest shortfall, if any, on Provident Fund, which is managed through a private trust, is provided for based on year-end actuarial valuation on projected unit credit method.
- iv) Re-measurements, comprising of actuarial gains and losses excluding amounts included in net interest on the net defined benefit liability and the return on plan assets, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- b) Net interest expense or income
- v) The long-term and short term classification of gratuity, compensated absences, death benefit scheme and provident fund liabilities are based on the actuarial valuations.

i) Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating lease.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

j) Taxes

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Indian Income Tax Act. Management periodically evaluates positions taken in the tax returns vis-à-vis position taken in books of account which are subject to interpretation and creates provisions where appropriate.

Deferred tax

Deferred tax is recognised on temporary differences between the tax bases and accounting bases of assets and liabilities at the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. 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. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

Notes to financial statements as at and for the year ended March 31, 2019

k) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used the increase in the provision due to the passage of time is recognised as a finance cost.

l) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

m) Earnings Per Share

Basic Earnings per share is calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

n) Cash Flow Statement

Cash flows are reported using indirect method as set out in Ind-AS -7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

o) Cash & Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

p) Financial Instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instruments.

Initial recognition and measurement:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

Subsequent measurement:

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to financial statements as at and for the year ended March 31, 2019

Financial Assets at fair value through other comprehensive Income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business model whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of profit and loss if such gain or loss would have otherwise been recognised in statement of profit and loss on disposal of that financial asset.

Financial liabilities

Financial liabilities are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Offsetting financial asset and financial liability

The Company offsets a financial asset and a financial liability when the Company :

- (a) currently has a legally enforceable right to set off the recognised amounts and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in statement of profit and loss.

- 2.2** The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions as described below that affect the reported amounts and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) Useful lives of property, plant and equipment

The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Notes to financial statements as at and for the year ended March 31, 2019

b) Defined benefit plans

The cost of the defined benefit plans and the present value of the defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future.

For further details refer to Note 41.

c) Litigations

The Company is involved in certain direct tax and indirect tax disputes. Uncertain tax items for which a provision is made relate principally to the interpretation of tax legislation applicable to arrangements entered into by the Company. Due to the uncertainty associated with such tax items, it is possible that, on conclusion of open tax matters at a future date, the final outcome may differ significantly.

d) Impairment of Trade receivables

The recognition of impairment loss allowance on trade receivables are based on assumptions about risk of default and expected loss rates. The Company uses judgements in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

e) Impairment of Goodwill

Determining whether the asset is impaired requires to assess the recoverable amount of the asset or Cash Generating Unit (CGU) which is compared to the carrying amount of the asset or CGU, as applicable. Recoverable amount is the higher of fair value less costs of disposal and value in use. Where the carrying amount of an asset or CGU exceeds the recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The value in use calculation requires estimation of future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

- 2.3** Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Company has not applied as they are effective from April 1, 2019:

Ind AS 116 – Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019.

On transition, the Company will be using the practical expedient provided by the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Company is in the process of finalising changes to systems and processes to meet the accounting and the reporting requirements of the standard in conjunction with review of lease agreements.

The Company will recognise with effect from April 1, 2019 new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to (a) amortisation charge for the right-to-use asset, and (b) interest accrued on lease liability.

Notes to financial statements as at and for the year ended March 31, 2019

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

₹ in million

	Freehold Land	Buildings	Plant & Equipment	Office Equipment	Computers	Furniture & Fixtures	Vehicles	Total
GROSS BLOCK								
As at April 01, 2017	-	357.43	2,368.14	24.23	43.02	10.70	7.12	2,810.64
Additions	-	6.92	586.00	28.94	16.69	3.82	1.54	643.91
Deductions	-	-	(30.94)	(2.74)	(8.97)	(1.84)	(0.35)	(44.84)
As at March 31, 2018	-	364.35	2,923.20	50.43	50.74	12.68	8.31	3,409.71
Additions	-	51.30	365.68	2.57	9.35	2.73	0.83	432.46
Acquisitions through business combinations (Refer Note 43)	47.11	545.66	1,604.02	1.19	2.02	3.92	2.75	2,206.67
Deductions	-	(0.23)	(11.12)	(2.83)	(0.00)	(0.21)	(3.59)	(17.98)
As at March 31, 2019	47.11	961.08	4,881.78	51.36	62.11	19.12	8.30	6,030.86
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES								
As at April 01, 2017	-	21.83	450.79	8.22	20.01	2.32	1.64	504.81
Charge for the year (Refer Note 31)	-	18.81	394.19	1.19	15.05	1.31	0.59	431.14
Deductions	-	-	(22.44)	(2.49)	(8.97)	(1.80)	(0.35)	(36.05)
As at March 31, 2018	-	40.64	822.54	6.92	26.09	1.83	1.88	899.90
Charge for the year (Refer Note 31)	-	44.60	664.68	6.33	14.89	2.29	1.35	734.14
Impairment losses recognised in profit & loss (Refer Note 3.1)	-	-	28.99	-	-	-	-	28.99
Deductions	-	(0.21)	(9.17)	(2.79)	-	(0.05)	(2.23)	(14.45)
As at March 31, 2019	-	85.03	1,507.04	10.46	40.98	4.07	1.00	1,648.58
NET BLOCK								
As at March 31, 2018	-	323.71	2,100.66	43.51	24.65	10.85	6.43	2,509.81
As at March 31, 2019	47.11	876.05	3,374.74	40.90	21.13	15.05	7.30	4,382.28

- 3.1 During the year, considering the performance of its facility at Raipur (herein after referred as 'unit'), the Company carried out a review of the recoverable amount of the manufacturing plant and related equipment at the unit. The review led to the recognition of an impairment loss of Rs.28.99 million which has been recognised in statement profit and loss. The Company estimated the fair value less cost of disposal of the unit based on recent market prices of assets with similar age. The value in use is less than fair value less cost of disposal and hence recoverable amount of the relevant assets has been determined on the basis of fair value less cost of disposal. No impairment assessment was performed in 2017-18 as there were no indicators of impairment.
- 3.2 The impairment losses on non financial assets have been included in profit and loss in the "other expenses" line items.

NOTE 4 : GOODWILL

₹ in million

Particulars	As at March 31, 2019
Goodwill as at 1st April 2018	-
Additions during the financial year	
- pursuant to the Scheme (refer note 43)	1,813.11
Goodwill as at Mar 31, 2019	1,813.11
The Company has only single Cash Generating Unit ("CGU") considering the interdependency between the operating locations, management review system etc. and accordingly the above Goodwill has been allocated to the Company.	1,813.11

Impairment assessment of goodwill as at March 31, 2019:

The Company have performed annual impairment assessment of the goodwill by determining the "value in use" of the CGU as an aggregate of present value of cash flow projections covering a five year period and the terminal value. Determination of value in use involves significant estimates and assumptions that affect the reporting CGU's expected future cash flows. These estimates and assumptions, primarily include, but are not limited to, the revenue growth and profitability during the forecast period, the discount rate and the terminal growth rate.

Notes to financial statements as at and for the year ended March 31, 2019

NOTE 4 : GOODWILL (Contd.)

Considering the historical performance of the CGU and based on the forward looking estimates, revisions were made to the cash flow projections and other key assumptions such as discount rate and the perpetual growth rate. The cash flows are discounted using a post tax discount rate of 13.5%. The terminal value of cash generating unit is arrived at by extrapolating cash flows of latest forecasted year to perpetuity using a constant long term growth rate of 5.5% p.a. which is consistent with the industry forecasts for the generic bearing market.

During the year ended March 31 2019, the testing did not result in any impairment in the carrying amount of goodwill.

The table below shows the percentage movement in key assumptions that (individually) would be required to reach the point at which the value in use approximates its carrying value.

Assumptions	Movement
Post tax discount rate	9.50% increase

NOTE 5 : OTHER INTANGIBLE ASSETS

₹ in million

	Computer Softwares	Tradename and Trademark	Developed Technology	Customer Relationship	Land usage rights*	Total
GROSS BLOCK						
As at April 01, 2017	9.09	-	-	-	-	9.09
Additions	1.04	-	-	-	-	1.04
As at March 31, 2018	10.13	-	-	-	-	10.13
Additions	0.77	-	-	-	-	0.77
Acquisitions through business combinations (Refer Note 43)		119.00	476.00	119.00	1,093.77	1,807.77
As at March 31, 2019	10.90	119.00	476.00	119.00	1,093.77	1,818.67
ACCUMULATED AMORTISATION						
As at April 01, 2017	8.71	-	-	-	-	8.71
Charge for the year (refer note 31)	0.24	-	-	-	-	0.24
As at March 31, 2018	8.95	-	-	-	-	8.95
Charge for the year (refer note 31)	0.90	7.27	29.09	5.45	16.44	59.15
As at March 31, 2019	9.85	7.27	29.09	5.45	16.44	68.10
NET BLOCK						
As at March 31, 2018	1.18	-	-	-	-	1.18
As at March 31, 2019	1.05	111.73	446.91	113.55	1,077.33	1,750.57

* Pertains to right to use of land at Bharuch acquired through the scheme referred in Note 43

Notes to financial statements as at and for the year ended March 31, 2019

NOTE 6 A : NON-CURRENT INVESTMENTS

	Face Value	Holdings as at March 31, 2019		Face Value	Holdings as at March 31, 2018	
	₹ per unit	Nos	₹ in million	₹ per unit	Nos	₹ in million
At fair value through profit and loss						
Trade (Unquoted)						
Equity Shares fully paid up						
Nicco Jubilee Park Limited	10	30,000	0.30	10	30,000	0.30
Total			0.30			0.30

NOTE 6 B : CURRENT INVESTMENTS

	Face Value	Holdings as at March 31, 2019		Face Value	Holdings as at March 31, 2018	
	₹ per unit	Nos	₹ in million	₹ per unit	Nos	₹ in million
At fair value through profit and loss						
Unquoted Instruments						
Investments in Mutual Funds						
Aditya Birla Sun Life Liquid Fund - Daily Dividend - Regular Plan	100	3,118,414	312.59	100	1,376,494	137.97
DSP BlackRock Liquidity Fund - Institutional Plan - Daily Dividend	1000	338,337	338.65	1,000	137,830	137.96
Axis Liquid Fund - Daily Dividend - Regular Plan	1000	425,662	426.26	1,000	137,780	137.97
L & T Liquid Fund - Daily Dividend - Regular Plan	1000	251,224	254.29	1,000	136,154	137.84
UTI Liquid Cash Plan -DDR	1000	417,333	425.45	-	-	-
Total			1,757.24			551.74

Refer note 39A for determination of fair values of investments.

NOTE 7 : LOANS (Non current) (at amortised cost)

(Unsecured, considered good)

₹ in million

	As at March 31, 2019	As at March 31, 2018
Security Deposits	62.40	32.88
Loans to employees	0.51	0.41
	62.91	33.29

Notes to financial statements as at and for the year ended March 31, 2019

NOTE 8 : OTHER NON-CURRENT ASSETS (Unsecured, considered good)

₹ in million

	As at March 31, 2019	As at March 31, 2018
a) Capital Advances	148.13	20.92
b) Others		
- Advance Income Tax (net of provision for tax ₹2,693.39 million (Mar 31, 2018 - ₹2,734.20 million))	164.96	172.27
- Advances to Employees	-	6.02
- Prepaid Expenses	3.17	5.07
	316.26	204.28

NOTE 9 : INVENTORIES

(Valued at lower of Cost and Net Realisable Value)

₹ in million

	As at March 31, 2019	As at March 31, 2018
a) Raw materials and Components *	548.09	567.37
b) Work - in - progress	222.67	460.46
c) Finished stock*	1,230.57	582.51
d) Traded Goods*	995.81	719.08
e) Stores and Spares *	173.65	125.06
	3,170.79	2,454.48
* Including goods in transit :		
Raw Materials and Components	67.64	250.81
Stores & Spares	7.54	5.62
Finished Stock	33.79	21.92
Traded Goods	260.59	158.67

NOTE 10 : TRADE RECEIVABLES (at amortised cost)

₹ in million

	Non-current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Trade receivables				
(a) Secured, considered Good	-	-	17.07	13.38
(b) Unsecured,				
- considered Good	35.10	21.81	3,001.82	2,218.41
- which have significant increase in Credit Risk	-	-	61.67	85.98
- credit impaired	-	-	47.52	-
	35.10	21.81	3,128.08	2,317.77
Less: Allowance for Doubtful trade receivables	-	-	(109.19)	(85.98)
	35.10	21.81	3,018.89	2,231.79

10.1 : Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

10.2 : The carrying amount of Trade receivables may be affected by the changes in the credit risk of the counterparties as well as the currency risk as explained in note 40A.

Notes to financial statements as at and for the year ended March 31, 2019

NOTE 11 : CASH AND BANK BALANCES

₹ in million

	As at March 31, 2019	As at March 31, 2018
Cash and Cash Equivalents :		
Balance with Banks		
On Current Accounts	202.46	150.87
In Foreign Currency Account (EEFC)	16.63	79.10
Cash and Cash Equivalents	219.09	229.97
Other Bank Balances		
On unpaid dividend account - refer note (a) below	20.88	37.78
	239.97	267.75
Cash and cash equivalents as defined in Ind AS 7 "Statement of cash flows"	219.09	229.97

Note:

- (a) Bank Balances on unpaid dividend account represents monies that can be utilised only to pay dividend to equity shareholders against dividend warrants issued to them.

NOTE 12 : LOANS (Current) (at amortised cost) (Unsecured, considered good)

₹ in million

	As at March 31, 2019	As at March 31, 2018
Loans to employees	1.31	0.92
	1.31	0.92

NOTE 13 : OTHER CURRENT FINANCIAL ASSETS (at amortised cost) (Unsecured, considered good)

₹ in million

	As at March 31, 2019	As at March 31, 2018
Deposits with banks as margin money against guarantees with more than 12 months maturity	7.98	10.00
Interest accrued on fixed deposit	0.15	1.48
Other receivable - Accrued income	1.57	-
Reimbursements receivable from related parties (Refer note 38)	29.61	15.89
	39.31	27.37

Notes to financial statements as at and for the year ended March 31, 2019

NOTE 14 : OTHER CURRENT ASSETS

₹ in million

(Unsecured, considered good)

	As at March 31, 2019	As at March 31, 2018
Others		
Advances to Employees	11.07	8.23
Balance with statutory authorities/ Government authorities	328.42	678.43
Prepaid expenses	13.04	9.82
Export Incentives receivable	154.92	170.93
Other advances	26.82	78.36
	534.27	945.77

NOTE 15 : SHARE CAPITAL

₹ in million

	As at March 31, 2019	As at March 31, 2018
Authorised :		
87,000,000 (March 31, 2018: 75,000,000) Equity Shares of ₹ 10/- each	870.00	750.00
2,600,000 (March 31, 2018: 2,600,000) 9% Cumulative Redeemable Preference Shares of ₹100/- each	260.00	260.00
	1,130.00	1,010.00
Issued :		
75,233,884 (March 31, 2018: 68,015,134) Equity Shares of ₹10/- each	752.34	680.15
Subscribed and fully paid-up:		
75,195,034 (March 31, 2018: 67,976,084) Equity Shares of ₹ 10/- each fully paid-up	751.95	679.76
Subscribed and partly paid-up:		
23,700 (March 31, 2018: 23,900) Equity Shares of ₹ 10/- each	0.24	0.24
Less: Calls in Arrears - other than directors *	<u>0.11</u> 0.13	<u>0.11</u> 0.13
	752.08	679.89

Notes:

- * (i) Calls in arrears have been computed on the basis of information certified by the Registrar & Share Transfer Agent of the Company.
- (ii) No Equity shares have been allotted during the year ended March 31, 2019 out of 15,150 shares of ₹ 10/- each kept in abeyance as at 31st March, 1998.

Notes to financial statements as at and for the year ended March 31, 2019

a Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Equity Shares				
At the beginning of the year	67,999,984	679.89	67,999,984	679.89
Issue of shares pursuant to the Scheme (Refer note 43)	7,218,750	72.19	-	-
Calls in arrears (Refer note (i) below)	-	0.00	-	0.00
Outstanding at the end of the year	75,218,734	752.08	67,999,984	679.89

Note:

(i) ₹ 0.00075 million (2017-18 - ₹ 0.0015 million) have been received during the year.

b Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by Board of Directors of ₹1 per equity share (March 31, 2018 - ₹1 per equity share) is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Dividend for the year 2017-18 proposed by the Board and approved by the shareholders at the 31st Annual General Meeting during the year ended March 31, 2019 has been paid to the eligible shareholders.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c Details of shareholders holding more than 5% shares in the Company (Refer note (i) & (ii) below)

	As at March 31, 2019			As at March 31, 2018		
	No. of Shares	₹ in million	% of share holding	No. of Shares	₹ in million	% of share holding
Timken Singapore PTE Limited, the holding company	50,999,988	510	67.80%	50,999,988	510	75.00%

Notes:

(i) Out of the total shares issued, 50,999,988 fully paid-up Equity shares of ₹ 10/- each are held by Timken Singapore PTE Limited. However, The Timken Company, USA is the Ultimate Holding Company. No shares in the Company are held by any subsidiary or associates of the holding company or the ultimate holding company.

(ii) As per records of the Company, including its register of shareholders/ members, the above shareholding represents legal ownership of shares.

NOTE 16 : OTHER EQUITY

₹ in million

	As at March 31, 2019	As at March 31, 2018
a) Capital Redemption Reserve	260.00	260.00
Capital Redemption Reserve created on redemption of preference shares in earlier years.		
b) Securities Premium Account		
Premium received on equity shares issued are recognised in the Securities premium account		
As at March 31, 2018	435.52	435.52
Increase pursuant to the Scheme (Refer note 43)	4,913.15	-
As at March 31, 2019	5,348.67	435.52
c) Retained Earnings (refer (i) below)		
Surplus in Statement of Profit & Loss	7,046.68	5,647.90
Total - Other equity	12,655.35	6,343.42

(i) Movement in Retained Earnings

₹ in million

Opening Balance	5,647.90	4,803.28
Add: Profit for the year	1,486.42	919.91
Other Comprehensive income for the year	3.03	6.92
Less : Appropriations		
Equity Dividend of ₹ 1 per equity share (March 31, 2018- ₹ 1)	(75.21)	(67.99)
Tax on Equity Dividend	(15.46)	(14.22)
Closing Balance	7,046.68	5,647.90

Notes to financial statements as at and for the year ended March 31, 2019

NOTE 17 : OTHER FINANCIAL LIABILITIES

₹ in million

	As at March 31, 2019	As at March 31, 2018
Government Grants		
Opening Balance	224.62	182.95
Received during the year	8.46	67.46
Released to the statement of profit and loss (refer note 26)	(31.69)	(25.79)
Closing Balance	201.39	224.62

Government grants have been received for import of certain items of Property, Plant and Equipment and capital work in progress against import licences taken under export promotion capital goods scheme of Government of India. The Company has certain export obligations against such benefits availed which it would fulfill within the required time period under the scheme.

NOTE 18 : PROVISIONS

₹ in million

	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Provision for Employee benefits :				
Employees' Death Benefit Scheme (refer note 41)	15.77	17.47	4.19	4.15
Employees' Provident Fund (refer note 41)	16.46	12.81	3.26	1.70
Gratuity (refer note 41)	-	-	23.29	7.97
Compensated absences	93.12	76.00	11.16	9.70
Total (a)	125.35	106.28	41.91	23.52
Others :				
Provision for Indirect taxes (refer note (a) below)	-	-	16.40	30.68
Other provisions (refer note (b) below)	370.30	-	3.14	0.29
Total (b)	370.30	-	19.54	30.97
Total (a + b)	495.65	106.28	61.45	54.49

a) Provision for Indirect taxes

₹ in million

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	30.68	136.21
Additions during the year	-	2.54
Utilisation/Reversal during the year	(14.28)	(108.07)
Closing Balance	16.40	30.68

The Company has reviewed the various liabilities/ claims relating to indirect taxes and estimated the provision for contingencies based on assessment of its probability of outflows.

- b) Other provision of ₹ 370.30 million represents accrual for fair value of incremental income taxes relating to ABC (for periods prior to acquisition). The timing of utilisation of provision depends on the outcome of the decisions of the appropriate authorities and the Company's rights for future appeals.

Notes to financial statements as at and for the year ended March 31, 2019

NOTE 19 : DEFERRED TAX LIABILITIES

₹ in million

	As at March 31, 2019	As at March 31, 2018
Deferred Tax Assets		
- Disallowance u/s 43B and 40(a)(ia) of Income Tax Act, 1961	48.34	45.94
- Provision for Doubtful Debts & Advances	37.27	29.74
- Disallowances u/s 35DD	64.25	-
- Others	1.46	0.90
Gross Deferred Tax Assets	151.32	76.58
Deferred Tax Liabilities		
- Arising out of temporary difference on depreciable assets.	(739.29)	(98.40)
Gross Deferred Tax Assets/(Liabilities)	(739.29)	(98.40)
MAT credit entitlement	38.48	-
Net Deferred Tax Liabilities	(549.49)	(21.82)

Reconciliation of statutory rate of tax and effective rate of tax:

₹ in million

	2018-19	2017-18
Profit before Tax (a)	2,238.21	1,397.48
Tax Expense (b)	751.79	477.57
Tax rate as a % of PBT (b)/(a)	33.59%	34.17%
At India's statutory income tax rate of 34.944% (31 March 2018: 34.608%)	782.12	483.64
Adjustments:		
Non-deductible expenses for tax purposes	6.18	5.93
Dividend income - exempt for tax purposes	(21.14)	(10.80)
Allowances claimed under Income tax Act, 1961	-	-
Tax impact of earlier years	(15.37)	(1.20)
At the effective income tax rate of 33.59% (31 March 2018: 34.17%)	751.79	477.57
Income tax expense reported in the statement of profit and loss	751.79	477.57

Notes to financial statements as at and for the year ended March 31, 2019

NOTE 20 : SHORT-TERM BORROWINGS (at amortised cost)

₹ in million

	As at March 31, 2019	As at March 31, 2018
Bills discounted with bank - Unsecured	230.80	159.38
	230.80	159.38

Bills discounted with banks are with recourse to the Company with various maturity dates ranging from 1- 3 months. Interest payable is 10% for overdue bills.

NOTE 21 : TRADE PAYABLES (at amortised cost)

₹ in million

	As at March 31, 2019	As at March 31, 2018
Trade Payables :		
i) Total outstanding dues of micro and small enterprises (refer note below)	97.16	61.43
ii) Total outstanding dues of creditors other than micro and small enterprises (for dues to related parties refer note 38)	2,237.81	1,904.26
Total Trade Payables	2,334.97	1,965.69

Trade payables are non-interest bearing and are normally settled on 60-days terms.

Note: Information in terms of section 22 of the Micro, Small and Medium Enterprises Development Act 2006:

₹ in million

Details of dues to Micro and Small Enterprises as per MSMED Act, 2006	As at and Year ended March 31, 2019	As at and Year ended March 31, 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal	97.16	61.43
Interest	0.23	0.28
The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.		
Interest	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	1.16	1.35
The amount of interest accrued for the year and remaining unpaid at the end of each accounting year;	6.27	5.11
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-

Notes to financial statements as at and for the year ended March 31, 2019

NOTE 22 : OTHER CURRENT FINANCIAL LIABILITIES (at amortised cost)

₹ in million

	As at March 31, 2019	As at March 31, 2018
Security deposits received from Customers (refer note (a))	28.52	25.24
Interest accrued on Security deposit from customers	2.53	2.06
Unpaid dividends (refer note (b))	20.88	37.78
Capital creditors	30.49	36.24
Others	0.26	-
	82.68	101.32

Notes:

- a) The above are interest bearing deposits (carrying interest @ 8% p.a.) accepted from dealers / distributors which are repayable only upon termination of the dealership / distributor agreement at 1 month notice by either party.
- b) Investor Education and Protection Fund will be credited by the amount of unpaid dividends as and when due.

NOTE 23 : OTHER CURRENT LIABILITIES

₹ in million

	As at March 31, 2019	As at March 31, 2018
Taxes and duties payable	34.35	56.15
Advances from Customers	19.97	18.19
	54.32	74.34

NOTE 24 : CURRENT TAX LIABILITIES

₹ in million

	As at March 31, 2019	As at March 31, 2018
Income tax payable (net of advance tax of ₹1,878.87million (Mar 31, 2018 - ₹1,336.86million))	339.19	57.52
	339.19	57.52

NOTE 25 : REVENUE FROM OPERATIONS

₹ in million

	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of Products		
Sale of Goods (Gross) *	15,935.12	11,896.61
Sale of Services	528.04	448.04
Other operating revenue		
Export incentives	177.36	173.04
Other operating income	3.81	-
Revenue from operations	16,644.33	12,517.69

* Sale of goods includes excise duty collected from customers of ₹Nil (Mar 31, 2018 : ₹177.63 million upto 30th June 2017). The Government of India introduced the Goods and Service Tax (GST) with effect from July 01, 2017. GST is collected on behalf of the Government and no economic benefit flows to the entity, consequently revenue for the post GST period is presented net of GST.

Excise duty on movement in stock of finished goods amounting to ₹Nil (March 31, 2018: ₹127.86 million) has been considered as an expense in the statement of profit & loss.

Disaggregate revenue information

The Company disaggregated the revenue based on geographical locations and it is disclosed under note 36 "Segment Reporting". Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts that have original expected duration of one year or less.

Trade receivables and Contract Balances

The company classifies the right to consideration in exchange for deliverables as a trade receivable. A receivable is a right to consideration that is unconditional upon passage of time. Revenue for revenue contracts are recognized at a point in time when the Company transfers control over the product to the customer.

Trade receivable are presented net of impairment in the Balance Sheet.

Notes to financial statements as at and for the year ended March 31, 2019

NOTE 26 : OTHER INCOME

₹ in million

	Year ended March 31, 2019	Year ended March 31, 2018
Interest Income recognised on Financial assets, recognised at amortised cost	8.31	33.97
Dividend Income on current investments - non-trade (refer note (a))	60.50	31.24
Profit on Sale of property, plant and equipment (net)	-	1.12
Gain on foreign currency transaction and translation (net)	23.79	-
Excess liabilities/provisions no longer required written back	28.79	110.38
Government grants	31.69	25.79
Miscellaneous Income	9.62	5.89
	162.70	208.39

a) Includes fair value gain on current investments classified as fair value through profit and loss.

NOTE 27 : COST OF RAW MATERIALS AND COMPONENTS CONSUMED

₹ in million

	Year ended March 31, 2019	Year ended March 31, 2018
Inventories at the beginning of the year (Refer note 9)	567.37	408.38
Add: Purchases	6,927.10	5,649.42
	7,494.47	6,057.80
Add : Opening Stock of Raw materials acquired on amalgamation of ABC (Refer note 43)	137.24	-
Less: Inventories at the end of the year (Refer note 9)	548.09	567.37
Cost of raw materials and components consumed	7,083.62	5,490.43

NOTE 28 : (INCREASE)/DECREASE IN STOCK OF FINISHED GOODS, TRADED GOODS AND WORK IN PROGRESS

₹ in million

	Year ended March 31, 2019	Year ended March 31, 2018
Opening Stock		
Work in Progress	460.46	306.82
Finished Goods	582.51	500.86
Traded Goods	719.08	550.42
	1,762.05	1,358.10
Add : Opening Stock of Finished goods, Traded goods and work in Progress acquired on amalgamation of ABC (Refer note 43).	178.17	-
Less : Closing Stock		
Work in Progress	222.67	460.46
Finished Goods	1,230.57	582.51
Traded Goods	995.81	719.08
	2,449.05	1,762.05
(Increase)/Decrease in Stock of Finished goods, Traded goods and Work in Progress	(508.83)	(403.95)

During the year ended March 31, 2019, ₹73.30million(₹13.54million) was recognised as on reversal /expenses for inventories carried at net realisable value.

NOTE 29 : EMPLOYEE BENEFITS EXPENSE

₹ in million

	Year ended March 31, 2019	Year ended March 31, 2018
i) Salaries, Wages and Bonus	1,019.98	740.75
ii) Contribution to provident and other funds (note 41)	107.11	76.10
iii) Staff welfare expenses	99.81	88.18
	1,226.90	905.03

Notes to financial statements as at and for the year ended March 31, 2019

NOTE 30 : FINANCE COST

₹ in million

	Year ended March 31, 2019	Year ended March 31, 2018
Interest Expenses	17.59	12.16
	17.59	12.16

NOTE 31: DEPRECIATION AND AMORTISATION EXPENSES

₹ in million

	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on Property, plant and equipment (note 3)	734.14	431.14
Amortisation of Intangible assets (note 5)	59.15	0.24
	793.29	431.38

NOTE 32 : OTHER EXPENSES

₹ in million

	Year ended March 31, 2019	Year ended March 31, 2018
a) Consumption of stores and spares	731.41	607.72
b) Power & Fuel	346.77	270.06
c) Repairs to Buildings	10.85	15.29
d) Repairs to Machineries	79.26	84.94
e) Repairs Others	93.90	51.09
f) Royalty	300.90	251.34
g) Rent	56.50	49.02
h) Rates and Taxes	135.09	14.85
i) Insurance	13.61	9.01
j) Commission (refer note (a))	227.38	153.16
k) Travelling	96.91	83.71
l) Subcontracting charges	302.18	217.86
m) Legal & Professional Fees (refer note (b))	193.63	175.40
n) Inter company Service Charges	74.87	61.75
o) Network & ERP Expenses	36.73	40.95
p) Carriage and Handling	245.28	198.96
q) CSR Expenditure (refer note (c))	28.14	26.93
r) Provision for doubtful debts, deposits & advance	37.93	27.59
s) GST Expense (refer note (d))	3.57	5.33
t) Foreign Exchange Loss (net)	-	18.22
u) Impairment losses (refer note 3)	28.99	-
v) Other Expenses	200.97	156.37
	3,244.87	2,519.55

Notes:

- (a) Commission expense includes payments made for logistics and warehouse management services rendered by a third party service provider.

Notes to financial statements as at and for the year ended March 31, 2019

(b) Legal & Professional Fees include:

₹ in million

	Year ended March 31, 2019	Year ended March 31, 2018
Auditor's remuneration (exclusive of service tax/GST)		
As Auditors		
- For Statutory Audit	2.00	2.00
- For Limited Reviews	1.10	1.13*
- For Travelling & out-of-pocket expenses	0.60	-
For Other Matters		
- For Tax Audit	0.50	0.50
- For Other Services	0.85	-
(* includes ₹ 0.4 million paid to predecessor auditors)		

(c) Corporate Social Responsibility

As per section 135 of the Companies Act, 2013 ("the Act"), a Company meeting the applicability threshold, need to spend at least 2% of average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environments sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which as specified in Schedule VII of the Act.

₹ in million

	Year ended March 31, 2019	Year ended March 31, 2018
Gross amount required to be spent by the Company during the year	27.95	26.93
Amount spent (in cash) during the year :		
i) Construction/acquisition of any asset	-	-
ii) On purposes of promotion of education and combating diseases	28.14	26.93
Total	28.14	26.93

(d) GST expense (net of recovery) represents duty paid/provided for on stocks written off, burnt stock, free samples etc.

NOTE 33 : EARNINGS PER SHARE (EPS)

	Year ended March 31, 2019	Year ended March 31, 2018
(a) Profit attributable to equity shareholders of company (₹ in million)	1,486.42	919.91
(b) Weighted Average Number of Equity Shares outstanding @ ₹ 10/- each	74,617,172	67,988,934
Earnings per share - Basic & Diluted* (a)/(b)(In ₹)	19.92	13.53

* There are no dilutive potential equity shares.

NOTE 34 : CONTINGENT LIABILITIES AND COMMITMENTS

A. CONTINGENT LIABILITIES

₹ in million

	As at March 31, 2019	As at March 31, 2018
Claims against the Company not acknowledged as debts		
i) Sales tax matters	118.73	105.71
ii) Income tax demands	23.98	109.10
iii) Excise and customs	48.27	34.17
iv) Stamp duty	25.46	-
v) Other claims	8.53	5.89

Based on the discussions with the solicitors and in view of the favourable decisions in similar cases on above matters, no provision against the above is considered necessary.

B. CAPITAL AND OTHER COMMITMENTS

₹ in million

	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for; (net of advance of ₹165.99 million (March 31, 2018 - ₹20.92 million)	404.94	141.97

Notes to financial statements as at and for the year ended March 31, 2019

NOTE 35 : LEASES

Assets taken on lease

Office premises are obtained on operating leases which are generally cancellable in nature except two premises for which disclosures are given below.

The lease term is for various number of years and renewable for further periods as per the lease agreements at the option of the Company. There are no restrictions imposed by the lease arrangements. There are no subleases.

Leases which are non-cancellable in nature

The details of non-cancellable lease rentals payable are given below :

	As at March 31, 2019	As at March 31, 2018
Within one year	9.22	9.02
After one year but not more than five years	3.63	12.84
More than five years	-	-

The Company has paid ₹56.50 million (March 31, 2018: ₹49.02 million) towards lease rent during the year.

Other Leases

Lease of Land and Building

- a) The Company has taken on lease, land and building thereon, for the purposes of its facility in Raipur relating to servicing of gears / related accessories. The significant lease terms are as follows:

The land lease is for a period of 30 years cancellable with six months prior notice and total lease payments during the lease term amounts to ₹239.18million. The lease does not involve upfront payment and has terms of renewal and escalation clauses.

The building lease is for a period of 7 years cancellable with six months prior notice and total lease payments during the lease term amounts to ₹95.26million. The lease does not involve upfront payment and has terms of renewal and escalation clauses.

- b) The land at ABC unit has been obtained from Gujrat Industrial Development Corporation in September 1978 for a period of 99 years, renewable for further periods as per the lease agreements at the option of the Company. There are no subleases.

NOTE 36 : SEGMENT INFORMATION

Operating Segment:

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker (CODM) in deciding how to allocate resources and assessing performance. Information reported to the chief operating decision maker (CODM) for the assessment of segment performance focuses on the types of products and services delivered or provided. The Company's CODM is the Board of the Company.

The Company has identified two operating segments, viz. i) Mobile industry ii) Process industry. In accordance with the process followed by the Timken Group globally and the manner of review of performance by the management, these have been aggregated due to similar nature of products, production process and distribution process and hence considered as a single reportable segment and accordingly no separate segment information is disclosed.

Entitywide disclosures

- a) The revenue from major products and services of the Company are as given below:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products		
i) Bearings	9,543.08	5,431.49
ii) Components	5,847.80	5,911.12
iii) Bearing accessories	544.25	554.00
Total Sale of products	15,935.12	11,896.61
Details of services rendered		
i) Maintenance and refurbishment services	497.15	415.70
ii) Others	30.89	32.34
	528.04	448.04

Notes to financial statements as at and for the year ended March 31, 2019

- b) Geographical revenue is allocated based on the location of the customers. Information regarding geographical revenue is as follows:

₹ in million

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Sale of products and services		
India	12,716.51	9,051.13
Outside India		
- USA	2,236.68	1,932.50
- Others	1,691.15	1,534.06
	3,927.83	3,466.56
Total	16,644.33	12,517.69

Geographical non-current assets (other than financial assets and deferred tax assets) are allocated based on the location of the assets. Information regarding geographical non-current assets is as follows:

₹ in million

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current assets other than financial assets		
India	8,897.29	3,253.55
Outside India	-	-
Total	8,897.29	3,253.55

- c) Revenue from one of the customer group amounted to ₹4,007.17million (March 31, 2018 : ₹3,637.04million) arising from sale of products & services.

NOTE 37 : UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars of unhedged foreign currency exposure as at the reporting date

in million

Particulars	Currency	As at March 31, 2019		As at March 31, 2018	
		Amount in Foreign Currency	Value (₹ in million)	Amount in Foreign Currency	Value (₹ in million)
a) Trade Receivables	USD	16.14	1,091.17	13.08	832.62
	EURO	0.03	2.32	-	-
b) Trade Payables and capital creditors	USD	18.10	1,266.82	17.62	1,161.64
	EURO	0.14	11.20	0.03	2.30
	GBP	0.01	0.83	-	-
	JPY	1.58	1.00	0.12	0.07
c) EEFC Bank account	USD	0.25	16.63	1.24	79.10

Notes to financial statements as at and for the year ended March 31, 2019

NOTE 38 : RELATED PARTY DISCLOSURE:

Related parties where control exists :

Holding Company	– Timken Singapore PTE. Limited
Ultimate Holding Company	– The Timken Company, US

Other related parties with whom transactions have taken place during the year :

Fellow subsidiaries	1) The Timken Corporation, US. 2)Timken Industrial Services LLC,US. 3) Timken UK Limited. 4) Timken Do Brasil COM.E.IND.LTDA. 5) Timken Korea LLC. 6) Timken South Africa (PTY) Limited. 7) Timken Romania, SA. 8) Yantai Timken Company Limited. 9) Australian Timken Proprietary Limited. 10) Timken Polska, SP z.o.o. 11) Timken (China) Investment Co.Ltd.. 12) Timken Wuxi Bearings Co Ltd - China. 13) Timken (Shanghai) Distribution & Sales Co. Ltd - China. 14) Timken Engineering and Research India Pvt. Ltd. 15) Timken DE Mexico S A DE CV. 16) Timken Canada Holdings III, ULC. 17) MPB Corporation. 18) Timken Gears & Services Inc. 19) Timken (Chengdu) Aerospace and Precision Products Co Ltd. 20) Timken Aerospace Drive Systems, LLC. 21) Timken XEMC(Hunan) Bearings Co. Ltd. 22)Timken SMO LLC. 23) Bearing Inspection Inc 24) Timken Italia SRL 25)Timken PWP SRL (Romania).
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Key management personnel

Chairman & Managing Director	– Mr. Sanjay Koul
Whole time Director & Chief Financial Officer	– Mr. Avishrant Keshava
Company Secretary & Chief of Compliance	– Mr. Soumitra Hazra
Non-executive director	– Mr. P.S. Dasgupta
Non-executive director	– Mr. Jai S Pathak (till 10th November 2017)
Non-executive director	– Mrs. Rupa Mahanty
Non-executive director	– Mr. Ajay Kumar Das
Non-executive director	– Mr. Bushen Lal Raina (from 5th February 2018)
Firms where a director is a Partner	– M/s.Gibson Dunn & Crutcher LLP
	– M/s. New Delhi Law Offices

Trusts managed by the Company

- Timken India Provident Fund
- Timken India Gratuity Fund
- Timken India Superannuation Fund
- ABC Bearings Employees Gratuity Fund

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

₹ in million

SI No.	Name of the Related Party	Relationship	Nature of transactions	Transaction Amount for the year ended	Outstanding as at	Transaction Amount for the year ended	Outstanding as at
				March 31, 2019		March 31, 2018	
1	The Timken Company, US	Ultimate Holding Company	Purchase of goods	753.10	219.61	631.11	205.28
			Sale of Goods	786.83	144.49	537.91	110.40
			Expenses Receivable	9.07	7.60	4.20	-
			Expenses paid/ payable	133.03	11.27	129.47	10.19
			Agency Commission (Income)	3.16	0.10	6.03	0.71
			Royalty paid/ payable	313.69	274.11	249.92	227.98
2	Timken Singapore PTE. Limited	Holding Company	Sale of Goods	88.00	19.19	85.26	6.17
			Agency Commission (Income)	12.84	8.79	10.73	1.55
			Purchase of goods	21.28	9.21	16.92	7.80
			Expenses Receivable	12.67	8.39	10.39	5.41
			Dividend paid	51.00	51.00	51.00	-

Notes to financial statements as at and for the year ended March 31, 2019

₹ in million

SI No.	Name of the Related Party	Relationship	Nature of transactions	Transaction Amount for the year ended	Outstanding as at	Transaction Amount for the year ended	Outstanding as at
				March 31, 2019		March 31, 2018	
3	The Timken Corporation, US	Fellow Subsidiary	Purchase of goods Sale of Goods Purchase of Property, Plant & Equipment Expenses Receivable Agency Commission (Income)	825.39 2,149.11 60.83 - 12.35	251.08 615.73 4.12 - 1.47	796.65 1,857.98 88.94 0.69 10.89	286.21 328.81 14.26 - 0.93
4	Timken Industrial Services, LLC, US	Fellow Subsidiary	Purchase of goods Sale of Goods	- 1.27	- -	1.81 0.31	- 0.29
5	Timken UK Limited	Fellow Subsidiary	Sale of Goods Purchase of goods	49.73 0.83	16.10 -	57.58 -	9.18 -
6	Timken Do Brasil COM.E.IND.LTDA	Fellow Subsidiary	Sale of Goods Purchase of goods Agency Commission (Expense)	221.27 0.34 -	44.90 0.30 -	185.23 7.98 0.00	46.84 6.26 -
7	Timken Korea LLC	Fellow Subsidiary	Agency Commission (Expense)	5.16	0.45	1.11	-
8	Timken South Africa Limited	Fellow Subsidiary	Sale of Goods Purchase of goods Purchase of Property, Plant & Equipment Expenses Receivable	209.51 24.94 - 3.26	14.07 13.66 - -	274.81 4.74 0.05 0.14	60.40 6.70 0.15 0.14
9	Timken Romania, SA	Fellow Subsidiary	Purchase of goods Expenses Paid	200.58 0.02	52.16 -	163.37 0.47	52.76 -
10	Yantai Timken Company Limited	Fellow Subsidiary	Purchase of goods Purchase of Property, Plant & Equipment Expenses Paid Expenses Receivable Sale of Goods	247.87 3.20 0.01 - -	63.07 2.38 - - -	194.88 1.20 - 0.06 0.17	54.48 3.17 - 0.06 -
11	Australian Timken Proprietary Limited	Fellow Subsidiary	Sale of Goods Purchase of goods Expenses Receivable	58.57 3.00 0.83	8.54 0.35 0.07	94.15 9.39 0.54	5.47 0.14 0.07
12	Timken Polska, SP z.o.o	Fellow Subsidiary	Purchase of goods Purchase of Property, Plant & Equipment	70.20 -	14.99 -	60.05 2.70	16.02 2.78
13	Timken (China) Investment Co.Ltd.	Fellow Subsidiary	Expenses Paid Expenses Receivable	9.20 0.03	- -	- -	- -
14	Timken Wuxi Bearings Co Ltd - China	Fellow Subsidiary	Purchase of goods Expenses Paid Expenses Receivable Sale of Goods	1,033.39 0.00 0.46 9.35	320.88 - - 1.73	959.98 - - 4.13	197.25 - 0.50 1.18
15	Timken (Shanghai) Distribution & Sales Co. Ltd - China	Fellow Subsidiary	Sale of Goods Purchase of Goods	177.46 7.93	17.97 9.64	119.18 14.15	20.12 18.46
16	MPB Corporation	Fellow Subsidiary	Agency Commission (Income)	0.03	0.04	-	-
17	Timken PWP SRL (Romania)	Fellow Subsidiary	Expenses Receivable	0.31	0.22	-	-
18	Timken Engineering and Research India Pvt. Ltd	Fellow Subsidiary	Expenses Receivable Expenses paid/ payable Purchase of goods Sale of Goods Purchase of Property, Plant & Equipment Sale of Property, Plant & Equipment Purchase of DEPB Licenses	63.75 104.72 402.04 158.17 - - 83.90	12.76 8.74 15.71 41.65 - - -	51.82 95.80 534.47 210.36 2.76 8.53 67.71	9.59 8.56 21.20 6.36 - - 7.60

Notes to financial statements as at and for the year ended March 31, 2019

₹ in million

Sl No.	Name of the Related Party	Relationship	Nature of transactions	Transaction Amount for the year ended	Outstanding as at	Transaction Amount for the year ended	Outstanding as at
				March 31, 2019		March 31, 2018	
19	Timken DE Mexico S A De CV	Fellow Subsidiary	Purchase of goods Sale of Goods	0.49 89.08	1.08 3.34	0.18 175.86	0.60 20.75
20	Timken Canada Holdings III ULC	Fellow Subsidiary	Purchase of goods Sale of Goods	0.13 1.99	0.12 0.15	0.03 0.71	0.11 -
21	Timken Gears and Services Inc	Fellow Subsidiary	Expenses paid/ payable Purchase of Goods Royalty paid/ payable Sale of Goods	0.59 0.08 0.41 4.49	0.07 - 0.22 4.37	7.85 - 1.42 -	1.32 - 5.66 -
22	Timken (Chengdu) Aerospace and Precision Products Co., Ltd.	Fellow Subsidiary	Purchase of Goods	1.69	0.66	0.26	0.01
23	Timken Aerospace Drive Systems, LLC	Fellow Subsidiary	Agency Commission (Income)	-	-	0.27	0.11
24	Timken XEMC(Hunan) Bearings Co., Ltd	Fellow Subsidiary	Purchase of Goods	7.71	5.98	4.96	5.07
25	Timken SMO LLC	Fellow Subsidiary	Agency Commission (Income)	0.50	0.13	0.94	0.14
26	Bearing Inspections INC	Fellow Subsidiary	Agency Commission (Income)	1.85	0.91	1.82	0.80
27	Timken Italia S R L	Fellow Subsidiary	Sale of Goods Purchase of Goods Expenses Receivable	2.34 1.46 0.22	- - 0.22	2.72 0.43 -	0.94 - -
28	Timken India Provident Fund	Trust managed by the Company	Provident fund expense	4.82	-	77.00	-
29	Timken India Gratuity Fund	Trust managed by the Company	Gratuity fund expense	-	-	30.24	-
30	Timken India Superannuation Fund	Trust managed by the Company	Super Annuation fund expense	32.30	-	28.06	-
31	ABC Bearings Employees Gratuity Fund	Trust managed by the Company	Gratuity fund expense	6.24	6.10	-	-
32	Gibson Dunn & Crutcher LLP	Firm where a director is a Partner	Expenses Paid	-	-	5.36	-
33	New Delhi Law Offices	Firm where a director is a Partner	Expenses Paid	1.07	-	0.91	-
34	P S Dasgupta	Key Management Personnel	Sitting fees paid	0.45	-	0.45	-
35	Rupa Mahanty	Key Management Personnel	Sitting fees paid Expenses Paid	0.49 0.07	- -	0.58 0.15	- -
34	Jai S. Pathak	Key Management Personnel (till 10th November 2017)	Sitting fees paid	-	-	0.18	-
36	Bushan Lal Raina	Key Management Personnel (from 5th February 2018)	Sitting fees paid Expenses Paid	0.45 0.02	- -	0.05 -	- -
37	Sanjay Koul	Key Management Personnel	Short-term employee benefits Post-employment benefits Other long-term benefits Sitting fees paid Expenses paid	34.60 0.74 0.59 - 0.07	1.55 - - - -	27.12 0.67 0.54 0.04 0.12	1.36 - - - -

Notes to financial statements as at and for the year ended March 31, 2019

₹ in million

SI No.	Name of the Related Party	Relationship	Nature of transactions	Transaction Amount for the year ended	Outstanding as at	Transaction Amount for the year ended	Outstanding as at
				March 31, 2019		March 31, 2018	
38	Avishrant Keshava	Key Management Personnel	Short-term employee benefits	7.52	0.31	6.65	0.28
			Post-employment benefits	0.24	-	0.20	-
			Other long-term benefits	0.19	-	0.16	-
			Expenses paid	0.02	-	0.12	-
39	Soumitra Hazra	Key Management Personnel	Short-term employee benefits	4.84	0.21	4.36	0.19
			Post-employment benefits	0.23	-	0.22	-
			Other long-term benefits	0.18	-	0.18	-
			Sitting fees paid	-	-	0.02	-
			Expenses paid	0.00	-	0.01	-

₹ in million

Total of payments made to key managerial personnel	Nature of transactions	Transaction Amount for the year ended	Outstanding as at	Transaction Amount for the year ended	Outstanding as at
		March 31, 2019		March 31, 2018	
	Sitting fees paid	1.39	-	1.24	-
	Short-term employee benefits	46.95	2.07	38.13	1.83
	Post-employment benefits	1.20	-	1.09	-
	Other long-term benefits	0.96	-	0.87	-
	Other fees Paid	-	-	0.02	-
	Expenses Paid	0.18	-	0.40	-
Total		50.68	2.07	41.75	1.83

Notes to financial statements as at and for the year ended March 31, 2019

NOTE 39 : CATEGORIES OF FINANCIAL INSTRUMENTS

₹ in million

	As at March 31, 2019	As at March 31, 2018
Financial Assets		
Break up of financial assets carried at amortised cost		
Loans - Non-current (Note 7)	62.91	33.29
Trade receivables (Note 10)	3,053.99	2,253.60
Cash and Bank balances (Note 11)	239.97	267.75
Loans - Current (Note 12)	1.31	0.92
Other Current Financial Assets (Note 13)	39.31	27.37
Total financial assets carried at amortised cost	3,397.49	2,582.93
Break up of financial assets at fair value through profit or loss		
Investments (Note 6A & 6B)		
Non-current	0.30	0.30
Current	1,757.24	551.74
Total financial assets carried at fair value through profit or loss	1,757.54	552.04
Financial Liabilities		
Break up of financial liabilities carried at amortised cost		
Other Non-current Financial Liabilities (Note 17)	201.39	224.62
Short term Borrowings (Note 20)	230.80	159.38
Trade payables (Note 21)	2,334.97	1,965.69
Other Current Financial Liabilities (Note 22)	82.68	101.32
Total financial liabilities carried at amortised cost	2,849.84	2,451.01

The management has assessed that the carrying amount of the Financial Assets/ Liabilities at amortised cost approximate their fair value largely due to their short-term nature.

NOTE 40A : Financial Risk Management Objectives and Policies

The Company's principal financial liabilities comprise trade and other payables and short term borrowings. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derives directly from its operations.

The Company is exposed to credit risk, market risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's financial risk activities are governed by appropriate policies and procedures and financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, primarily investments in mutual funds, security deposits, etc.

1. Trade receivables

Customer credit risk is managed in accordance with the Company's established policy, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of the financial assets disclosed in Note 10. The Company does not hold any collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as most of its external customers (other than related party customers) are established players in their industry or are distributors/dealers against which the Company holds security deposit as its policy and operate in largely independent markets.

Notes to financial statements as at and for the year ended March 31, 2019

All the related party receivables are from various Timken group companies where there is a minimal default risk.

Reconciliation of loss allowances provision - Trade receivables

Particulars	₹ in million
Loss allowance on March 31, 2017	58.86
Change in loss allowance	27.13
Loss allowance on March 31, 2018	85.98
Change in loss allowance	23.21
Loss allowance on March 31, 2019	109.19

2. Investments

Credit risk from investments with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Audit Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. Investments are only made in securities with highest grade rating (AAA) or equivalent hence the credit risk is considered as minimal.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to different types of market risks. For the Company, the market risk is the possibility of changes in foreign currency exchange rates and commodity prices which may affect the value of the Company's financial assets, liabilities or expected future cash flows.

1. Commodity Risk

The principal raw materials for the Company products are alloy steel bars, tubes and wire rods, which are purchased by the Company's vendors from the approved list of global suppliers, in order to leverage The Timken Company's economies of scale. Most of the input materials such as rings and cages are procured from domestic vendors. Raw material procurement is subject to price negotiation.

In order to mitigate the risk associated with raw material and components prices, the Company manages its procurement through grading, sourcing of raw material and constant pricing negotiation with vendors. It renegotiates the prices with its customers in case there is more than normal deviation in the prices of its major raw materials.

2. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The risk of fluctuations in foreign currency exchange rates on its financial liabilities including trade and other payables etc, which are mainly in US Dollars are mitigated through the natural hedge alignment, as Company's export sales are predominantly in US dollars and such economic exposure through trade and other receivables in US dollars provide natural alignment. Hence, a reasonable variation in the Foreign exchange rate would not have much impact on the profit/ equity of the Company.

Foreign currency sensitivity analysis

The Company is exposed to the currencies USD, EURO, GBP, JPY and CHF on account of outstanding trade receivables and trade payables.

The following table details the Company's sensitivity to a 5% increase and decrease in INR against the USD, EURO, GBP, JPY and CHF. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A negative number below indicates a decrease in profit or equity where the INR weakens 5% against the relevant currency. For a 5% strengthening of the INR against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be positive.

₹ in million		
Particulars	As at March 31, 2019	As at March 31, 2018
Impact on profit or loss for the year	(7.38)	(15.09)
Impact on total equity as at the end of the reporting period	(7.38)	(15.09)

Fair values

₹ in million		
(i) Class wise fair value of the Company's financial instruments:	As at March 31, 2019	As at March 31, 2018
Investments (unquoted) in Equity shares	0.30	0.30
Investments (unquoted) in mutual funds	1,757.24	551.74

Notes to financial statements as at and for the year ended March 31, 2019

(ii) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets

₹ in million

	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019:			
Assets measured at fair value:			
Investments in mutual funds	1,757.24	-	-
Investment in equity shares	-	-	0.30
Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018 :			
Assets measured at fair value:			
Investments in mutual funds	551.74	-	-
Investment in equity shares	-	-	0.30

- The Fair value for investments in mutual funds have been determined based on the NAV of the respective funds as on balance sheet date.
- The Company has determined the carrying value of the investment as its fair value in the absence of any available fair value for its non-current investment which is carried at cost.

NOTE 40B: Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company is not subject to any externally imposed capital requirements.

NOTE 41 : GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The Company has a defined benefit gratuity plan (funded). Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The Company also has a Death Benefit Scheme (unfunded) for its employees where the immediate beneficiaries are entitled to a monthly fixed sum till the date of superannuation, for death in harness.

The Company has a separate Provident Fund Trust (funded) whereby, all the employees are entitled to benefits as per Provident Fund Act / Trust Deed. Any shortfall for the Trust is borne by the Company, hence the same is treated as a defined benefit scheme. The actuary has provided a valuation and determined the fund assets and obligations as at March 31, 2019. The corresponding disclosures mentioned below are to the extent of the shortfall in the interest guaranteed on the provident fund vis-a-vis the interest rate notified by the Government.

Notes to financial statements as at and for the year ended March 31, 2019

As per Ind AS "Employee Benefits" (Ind AS - 19), the disclosures of Employee Benefits as defined in the Standard are given below:

Profit and Loss account :

Net employee benefit expense (recognised in Employee Cost)

₹ in million

	Gratuity fund		Employee Death Benefit scheme		Provident fund	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
I) Expenses recognised in the Statement of Profit & Loss						
1) Current service cost	19.76	15.62	0.57	0.66	-	1.29
2) Interest cost	(1.06)	1.18	1.53	1.57	1.09	1.15
3) Expected return on plan assets	-	-	-	-	-	-
4) Immediate recognition of (gains)/losses other long term employee benefits plans	-	-	-	-	3.43	(4.37)
5) Total	18.70	16.80	2.10	2.23	4.52	(1.93)
Expense recognised in OCI						
6) Net remeasurement (gain) / loss recognised in the year	(3.22)	(8.64)	(1.43)	(1.94)	-	-
7) Total Expense	15.48	8.16	0.67	0.29	4.52	(1.93)
II) Net Asset/ (Liability) recognised in the Balance Sheet						
1) Present Value of Defined Benefit Obligation	361.44	284.28	19.96	21.62	19.72	14.51
2) Fair value of Plan Assets	338.15	276.31	-	-	-	-
3) Net Asset/ (Liability)	(23.29)	(7.97)	(19.96)	(21.62)	(19.72)	(14.51)
III) Change in Obligation during the year						
1) Present Value of Defined Benefit Obligation at the beginning of the year	284.28	269.25	21.62	23.47	14.51	12.07
2) Current service cost/ Plan amendments	19.76	15.62	0.57	0.66	-	1.29
3) Acquisitions (Credits) /cost	110.05	0.35	-	-	-	-
4) Interest Cost	24.55	20.72	1.53	1.57	1.09	1.15
5) Benefit Paid	(76.83)	(7.07)	(2.32)	(2.13)	-	-
6) Remeasurement (Gain)/ Losses						
Arising from the change in experience	(4.44)	(4.19)	(1.57)	(1.44)	(1.20)	-
Arising from the change in financial assumptions	4.06	(10.40)	0.14	(0.51)	4.63	-
Total	(0.37)	(14.59)	(1.43)	(1.94)	3.43	-
7) Present Value of Defined Benefit Obligation at the end of the year	361.44	284.28	19.96	21.62	19.72	14.51
IV) Change in the Fair Value of Plan Assets						
1) Plan assets at the beginning of the year	276.31	239.02	-	-	-	-
2) Expected return on plan assets	25.61	19.54	-	-	-	-
3) Contribution by employer	7.21	30.24	-	-	-	-
4) Actual benefit paid	(76.83)	(7.07)	-	-	-	-
5) Return of Plan Assets greater/ (lesser) than discount rate	2.85	(5.95)	-	-	-	-
6) Remeasurement (Gain)/ Losses	-	-	-	-	-	-
7) Acquisition adjustments	103.00	0.53	-	-	-	-
8) Plan Asset at the end of the year	338.15	276.31	-	-	-	-

V) In 2019-20, the Company expects to contribute ₹ 23.30 million (2018-19: ₹ 7.97 million) to gratuity fund.

Notes to financial statements as at and for the year ended March 31, 2019

VI) Actuarial Assumptions

	Gratuity fund		Employee Death Benefit scheme		Provident fund	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
1) Discount Rate	7.30%	7.50%	7.30%	7.50%	7.30%	7.50%
2) Expected rate of return on plan asset	8.90%	8.90%	NA	NA	8.65%	8.70%
3) Mortality	IALM (2006-2008) (modified) Ult	IALM (2006-2008) (modified) Ult	IALM (2006-2008) (modified) Ult	IALM (2006-2008) (modified) Ult	NA	NA
4) Average attained age (years)	40	40	51	50	NA	NA
5) Average past service (years)	14	14	25	24	NA	NA
6) Employee Turnover Rate	0.1% - 0.5%	0.1% - 0.5%	0.1% - 0.5%	0.1% - 0.5%	NA	NA
7) Rate of escalation in salary (per annum)	8.00%	8.00%	8.00%	8.00%		

Actuarial Assumptions for leave encashment

	Leave encashment	
	For the year ended March 31, 2019	For the year ended March 31, 2018
1) Discount Rate	7.50%	7.30%
2) Rate of escalation in salary (per annum)	8.00%	8.00%
3) Mortality	IALM (2006-2008) (modified) Ult	IALM (2006-2008) (modified) Ult
4) Withdrawal rate	Officers: 10% Non-officers: Ages : Rate 20 - 25 : 0.50%, 26 - 30 : 0.30%, 31 - 35 : 0.20%, 36 - 50 : 0.10%, 51 - 55 : 0.20%, 56 - 60 : 0.30%	Officers: 10% Non-officers: Ages : Rate 20 - 25 : 0.50%, 26 - 30 : 0.30%, 31 - 35 : 0.20%, 36 - 50 : 0.10%, 51 - 55 : 0.20%, 56 - 60 : 0.30%

	Gratuity fund		Employee Death Benefit scheme		Provident fund	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
VII) Maturity Profile of the defined benefit obligation						
Weighted average duration of the defined benefit obligation	7 years	8 years	7 years	8 years	7 years	8 years
Not later than 1 year	24.93	17.20	4.34	4.31	NA	NA
Later than 1 year and not later than 5 years	144.10	101.01	17.55	17.83	NA	NA
More than 5 years	313.48	244.09	9.99	11.16	NA	NA

The estimates of rate of escalation in salary considered in actuarial valuation taken into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

Each year, the Board of Trustees reviews the level of funding in the Gratuity plan. Such a review includes the asset-liability matching strategy and investment risk management policy.

Notes to financial statements as at and for the year ended March 31, 2019

VIII) Amounts for the current and previous two periods are as follows:

(₹ in million)

	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
1. Gratuity			
Defined Benefit Obligation	361.44	284.28	269.25
Plan Assets	338.15	276.31	239.02
Surplus/ (Deficit)	(23.29)	(7.97)	(30.24)
Experience (Gain)/ loss adjustment on plan liabilities	(4.44)	(4.19)	5.68
Experience (Gain)/ loss adjustment on plan assets	-	-	-

NOTE 42 : GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

IX) A quantitative sensitivity analysis for significant assumption are as shown below:

a) Gratuity (Funded)

₹ in million

	March 31, 2019		March 31, 2018	
	Discount rate		Discount rate	
	1% increase (₹)	1% decrease (₹)	1% increase (₹)	1% decrease (₹)
	(22.93)	25.56	(19.18)	21.38
Impact on defined benefit obligation (Increase/ (decrease))				

₹ in million

	March 31, 2019		March 31, 2018	
	Salary Growth		Salary Growth	
	1% increase (₹)	1% decrease (₹)	1% increase (₹)	1% decrease (₹)
	23.88	(21.87)	21.09	(19.28)
Impact on defined benefit obligation (Increase/ (decrease))				

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

b) EMPLOYEE DEATH BENEFIT SCHEME (Unfunded)

₹ in million

	March 31, 2019		March 31, 2018	
	Discount rate		Discount rate	
	1% increase (₹)	1% decrease (₹)	1% increase (₹)	1% decrease (₹)
	(0.66)	0.70	(0.96)	1.05
Impact on Employee death benefits obligation (Increase/ (decrease))				

₹ in million

	March 31, 2019		March 31, 2018	
	Salary Growth		Salary Growth	
	1% increase (₹)	1% decrease (₹)	1% increase (₹)	1% decrease (₹)
	0.54	(0.51)	0.61	(0.57)
Impact on Employee death benefits obligation (Increase/ (decrease))				

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Notes to financial statements as at and for the year ended March 31, 2019

c) Provident fund (Funded)		₹ in million	
	March 31, 2019		March 31, 2018
	Expected return on plan assets		Expected return on plan assets
	0.5% increase	0.5% decrease	0.5% increase 0.5% decrease
Impact on defined benefits obligation (Increase/ (decrease))	(19.03)	39.90	(14.51) 35.21

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

NOTE 43 : SCHEME OF AMALGAMATION AND ARRANGEMENT

The Scheme of Amalgamation and Arrangement between ABC Bearings Limited ("ABC") and the Company (the "Scheme") was approved by National Company Law Tribunal ("NCLT") at Mumbai and by National Company Law Tribunal ("NCLT") at Bangalore vide their orders dated April 20, 2018 (received on July 17, 2018) and April 26, 2018 (received on April 27, 2018) respectively. On filing of the NCLT order with the jurisdictional registrar of companies on the August 30, 2018, the Scheme became effective from the Appointed date of May 1, 2018 (the "Appointed date") as per the NCLT orders. The Company has followed the acquisition method of accounting under Ind AS 103 to account for the approved Scheme.

Pursuant to the Scheme, the Company allotted 7,218,750 equity shares to the shareholders of the Company in the ratio of 5 equity share of ₹ 10/- each of the Company for every 8 shares of ₹ 10/- each held by the shareholders of ABC.

As per the requirements of the Scheme, amalgamation of ABC into the Company have been accounted as under as on the appointed date :

- (I) Assets and liabilities of ABC have been recorded to reflect at their fair values as on the Appointed date. The difference between the fair value of equity shares issued to the shareholders of ABC and the net assets (i.e. fair value of assets and liabilities recorded as mentioned above), is recorded as goodwill.
- (II) The face value of equity shares issued by the Company to the shareholders of ABC has been recorded to the credit of share capital account of the Company. The premium on issue of these equity shares has been recorded to the credit of securities premium account, to the extent of difference between (i) the fair value of such shares so issued and (ii) the face value of such shares allotted.

Details of the fair value of assets and liabilities of the ABC recorded by the Company as at May 01, 2018 are as below:

Particulars	₹ in Million
(A) Fair value of equity shares issued by the Company to the shareholders of ABC	4,985.34
Fair value of assets taken over and liabilities assumed :	
Property, plant and equipment	2,206.66
Capital work-in-progress	34.86
Intangible assets	1,807.77
Cash and cash equivalents	14.96
Inventory	315.41
Other assets	528.22
(B) Fair value of assets taken over	4,907.88
Non-current liabilities	556.67
Current liabilities	558.35
(C) Fair value of liabilities assumed	1,115.02
(D) Net assets (B) - (C)	3,792.86
(E) Deferred tax liabilities (net) on net assets	620.63
(F) Goodwill (A-D+E)	1,813.11
(G) Face value of equity shares of the Company issued to the shareholders of ABC Bearings Limited recorded as equity share capital of the Company (7,218,750 equity shares of ₹ 10/- each)	72.19
(H) Securities premium on issue of such shares (A) - (G)	4,913.15

Notes to financial statements as at and for the year ended March 31, 2019

Principal activity of ABC :

ABC was in the business of manufacturing and sells bearings in India and its products significantly includes taper roller, cylindrical roller, clutch release etc. The business was carried out through its manufacturing facility in Bharuch, Gujrat which is transferred to the Company, pursuant to the Scheme

Impact of acquisition of the above businesses on the results of the Company

Particulars	₹ in Million
Revenue from operations	1,694.69
Other income	6.63
Total revenue (A)	1,701.32
Cost of materials consumed	923.86
Purchase of Stock-in-trade	14.15
Changes in inventories of finished goods and work-in-progress	(142.29)
Employee benefits expenses	205.75
Finance costs	5.43
Depreciation and amortisation expense	292.29
Other expenses	383.93
Total expenses (B)	1,683.12
Profit before tax (C = A-B)	18.20

Had the above acquisition occurred at the beginning of the year ended March 31, 2019, the Revenue from operations and profit before tax for the year ended would have been higher by ₹ 175.19 million and ₹ 9.2 million.

NOTE 44 : NEW REVENUE RECOGNITION

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated - i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The impact of adoption of the standard on the financial statements of the Company is insignificant

NOTE 45 : PREVIOUS PERIOD COMPARATIVES

Previous year figures have been regrouped or reclassified wherever necessary to conform to current year's grouping or classification.

As per our report of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm's Registration No. 117366W/W – 100018)

Sathya P. Koushik

Partner

Membership No. 206920

Place: Bengaluru

Date: May 21, 2019

For and on behalf of the Board of Directors of Timken India Limited

Sanjay Koul

Chairman,
Managing Director & CEO
DIN - 05159352

Avishrant Keshava

Business Controller,
CFO & Whole-time Director
DIN - 07292484

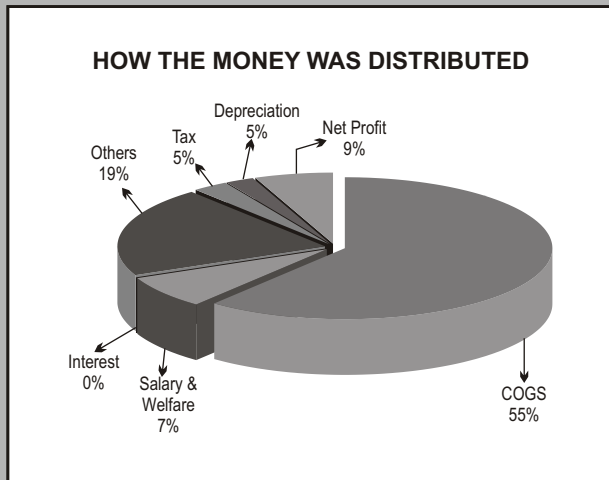
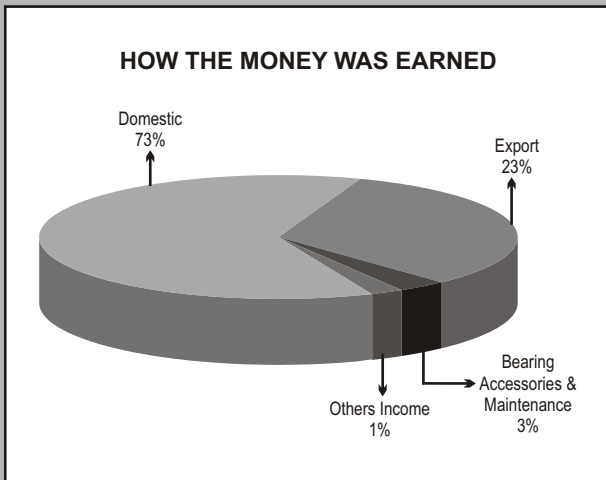
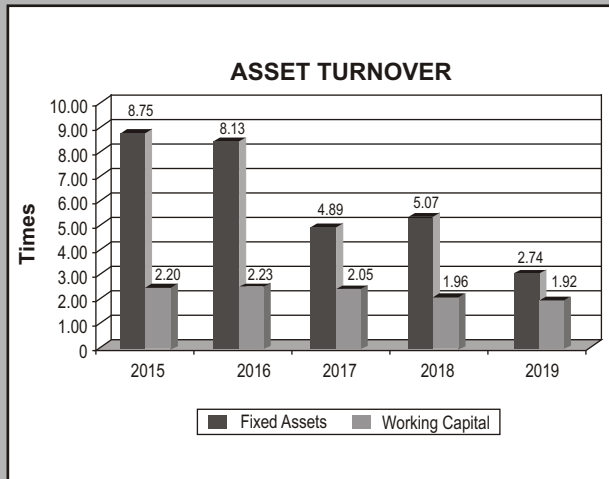
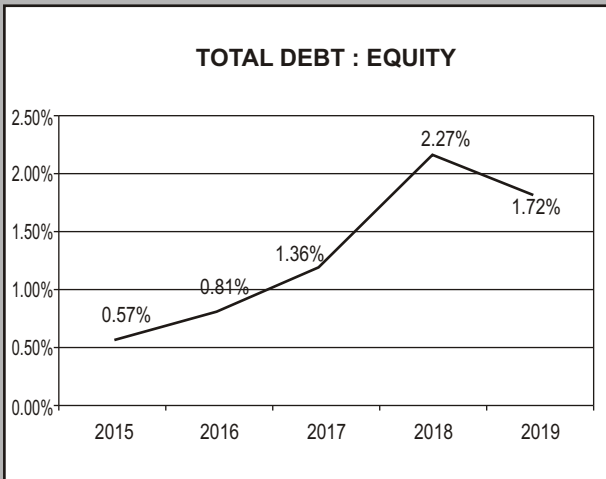
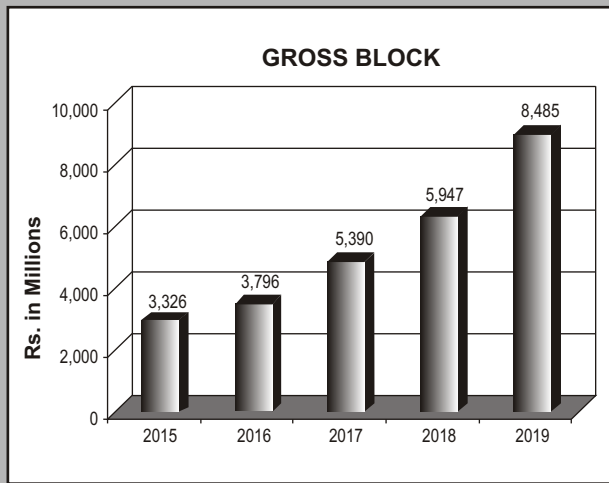
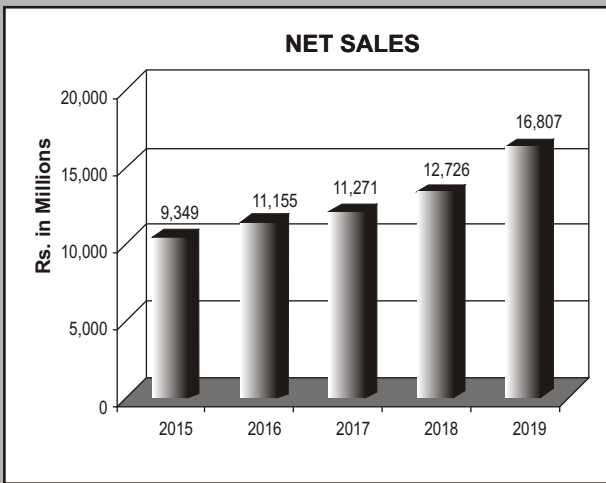
Soumitra Hazra

Company Secretary & Chief - Compliance
Bengaluru, May 21, 2019

FIVE YEARS AT A GLANCE

	Year Ended 31.03.2019	Year Ended 31.03.2018	Year Ended 31.03.2017	Year Ended 31.03.2016	Year Ended 31.03.2015
Production					
(i) Standard Roller Brgs (Equiv. Nos.)	9,880,017	3,604,852	2,539,487	2,081,949	2,137,317
(ii) Special Roller Bearings (Equiv. Nos.)	2,633,311	1,557,281	1,430,235	2,332,444	1,350,802
(iii) Components (Equiv.Nos.)	6,788,528	7,239,907	4,445,118	4,307,909	4,379,386
Rs/Millions					
Profit & Loss Account					
(i) NET Income (includes other Income)					
(a) Domestic	12,879	9,260	7,978	7,543	5,933
(b) Export	3,928	3,467	3,293	3,612	3,416
Total (a + b)	16,807	12,726	11,271	11,155	9,349
(ii) EBITDA	3,049	1,841	1,679	1,680	1,396
(iii) Profit after Exceptional items before Tax	2,238	1,397	1,382	1,416	1,223
(iv) Profit After Tax	1,486	920	972	918	807
Balance Sheet					
(i) Gross Block (includes CWIP)	8,485	5,947	5,390	3,796	3,326
(ii) Net Block	6,133	2,511	2,306	1,372	1,069
(iii) Net Current Asset	8,762	6,480	5,494	5,004	4,245
(iv) Capital Employed	14,654	7,376	6,396	5,349	4,473
(v) Beginning Invested Capital (BIC)	7,262	6,308	5,343	4,410	3,856
(vi) Total Debt	231	159	84	43	25
(vii) Equity	13,407	7,023	6,179	5,300	4,384
Other Comparative Data					
(i) PAT to Net Sales (%)	9%	7%	9%	8%	9%
(ii) EBIT / BIC (%)	42%	29%	31%	38%	36%
(iii) Return on Net Worth (%)	11%	13%	16%	17%	18%
(iv) E.P.S (Rs)	19.92	13.53	14.30	13.50	11.87
(v) Total Debt to Total Equity (%)	1.72%	2.27%	1.36%	0.81%	0.57%
(vi) Total Debt to Total Capital (%)	1.58%	2.16%	1.31%	0.81%	0.56%
(vii) Fixed Asset Turnover (times)	2.74	5.07	4.89	8.13	8.75
(viii) Working Capital Turnover (times)	1.92	1.96	2.05	2.23	2.20
(ix) Current Ratio (times)	2.82	2.69	2.31	2.99	3.07
(x) Interest Cover (times)	173	151	201	183	243
(xi) Net sales/Employee (Rs/millions)	14	16	16	18	15

- Notes :** (i) EBIT/BIC i.e. Beginning invested capital, a type of return on asset ratio, used internally to measure the company's performance. In broad terms, invested capital is total assets minus non interest bearing current liabilities.
- (ii) Return on Net Worth is profit after tax divided by net worth as at the end of the year.
- (iii) Equity includes preference share capital net off accumulated losses and miscellaneous expenditure to the extent not written off.
- (iv) Fixed Asset Turnover is net sales divided by net fixed assets as at the end of the year.
- (v) Working Capital Turnover is net sales divided by net current asset as at the end of the year.
- (vi) Current ratio is current assets divided by current liabilities including current portion of long term loans, if any, repayable within one year.
- (vii) Interest Cover is profit before interest and taxation divided by net interest expenses.





TIMKEN

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