

28 July, 2022

The Secretary National Stock Exchange of India Ltd. Exchange Plaza, Plot no. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051. NSE Symbol: TIMKEN	The Secretary BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. Scrip Code: 522113
---	--

Dear Sir(s),

Sub: Notice convening 35th Annual General Meeting and Annual Report 2021-22

In compliance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we attach herewith:

- Notice of 35th Annual General Meeting of the Company to be held on Tuesday, 23 August, 2022 and
- Annual Report of the Company for the financial year 2021-22.

We request you to kindly take this on record.

Thanking you,

Yours sincerely,

For Timken India Limited



Mandar Vasmatkar
Company Secretary
& Chief - Compliance

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: tilinvestor@timken.com

Notice

Notice is hereby given that 35th Annual General Meeting of Timken India Limited (CIN: L29130KA1996PLC048230) will be held through Video Conferencing ('VC')/Other Audio-Visual Means ('OAVM') on Tuesday, 23 August, 2022 at 3.00 PM (IST) to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31 March, 2022 and the reports of the Board of Directors and the Statutory Auditors.
2. To declare dividend of Rs.1.5/- per equity share of Rs.10/- each fully paid up for the year ended 31 March, 2022.
3. To appoint a Director in place of Mr. Avishrant Keshava (DIN: 07292484), who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint Deloitte Haskins & Sells LLP, Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration. In this connection, to consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Sections 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modifications or amendments or re-enactments thereof) and based on recommendations of the Audit Committee and the Board of Directors of the Company, consent of the members of the Company be and is hereby accorded for re-appointment of Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No. 117366W/ W-100018) as Statutory Auditors of the Company to hold office for a period of 5 years from conclusion of 35th Annual General Meeting up to conclusion of 40th Annual General Meeting on such remuneration as may be mutually decided by the Board of Directors of the Company and Statutory Auditors."

SPECIAL BUSINESS:

5. Re-appointment of Mr. Sanjay Koul (DIN: 05159352) as Managing Director of the Company

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

"RESOLVED –

THAT pursuant to provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 (the 'Act') and Rules made thereunder (including any statutory modifications or amendments or re-enactments thereof) read with Schedule-V of the Act and Articles of Association of the Company and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, consent of the Members of the Company be and is hereby accorded for re-appointment of Mr. Sanjay Koul (DIN: 05159352) ('Mr. Koul') as Managing Director of the Company for a period of 5 years with effect from 26 October, 2022 on the terms and conditions including remuneration as set out in explanatory statement attached hereto;

THAT the Board of Directors be and is hereby authorized to vary terms and conditions of said re-appointment including remuneration payable to Mr. Koul not exceeding the limit specified in Section 197 of the Act and to do all such acts and deeds as may be required including delegation of its powers to any Committee of Board or Director(s) or Company Secretary to give effect to this Resolution."

6. Appointment of Mr. George J Ollapally (DIN: 09607523) as an Independent Director of the Company

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

"RESOLVED THAT pursuant to provisions of Section 149 and other applicable provisions of the Companies Act, 2013 (the 'Act') and Rules made thereunder (including any statutory modifications or amendments or re-enactments thereof) read with Schedule-IV of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based

on recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mr. George J Ollapally (DIN: 09607523), in whose respect a notice in writing has been received from a Member under the provisions of Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company for a period of 2 years with effect from 1 June, 2022 to 31 May, 2024 .”

7. Appointment of Mr. Veerappan V (DIN: 01593254) as an Independent Director of the Company

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

“**RESOLVED THAT** pursuant to provisions of Section 149 and other applicable provisions of the Companies Act, 2013 (the 'Act') and Rules made thereunder (including any statutory modifications or amendments or re-enactments thereof) read with Schedule-IV of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mr. Veerappan V (DIN: 01593254), in whose respect a notice in writing has been received from a Member under the provisions of Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company for a period of 2 years with effect from 1 June, 2022 to 31 May, 2024 .”

8. Appointment of Mr. Hansal Patel (DIN: 09607506) as a Director of the Company

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

“**RESOLVED THAT** pursuant to provisions of Section 152 and other applicable provisions of the Companies Act, 2013 (the 'Act') and Rules made thereunder (including any statutory modifications or amendments or re-enactments thereof), Mr. Hansal Patel (DIN: 09607506), who was appointed as an Additional Director by the Board of Directors with effect from 1 June, 2022 and in whose respect a notice in writing has been received from a Member under the provisions of Section 160 of the Act, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

9. 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 provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modifications or amendments or re-enactments thereof) and based on recommendation of the Audit Committee and approval of the Board of Directors, remuneration of Rs. 6,00,000/- (Rupees six lakhs only) plus applicable taxes and reimbursement of out-of-pocket expenses payable to M/s. Shome & Banerjee (Firm Registration No. 000001), Cost Auditors, to conduct the Cost Audit for the financial year 2022-23 be and is hereby ratified and approved.”

10. Material Transactions with Related Party - The Timken Company

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

“**RESOLVED –**

THAT pursuant to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (including any statutory modifications or amendments or re-enactments thereof) and such other applicable provisions of laws, approval of the Members of the Company be and is hereby accorded to estimated related party transactions with The Timken Company, a related party within meaning of Regulation 2(1)(zb) of the Listing Regulations, for FY 2022-23 being in ordinary course of business and on arm's length basis, as set out in explanatory statement attached hereto;

THAT the Audit Committee of the Board of Directors be and is hereby authorized to do all such acts, deeds and things to give effect to this Resolution.”

11. Material Transactions with Related Party - The Timken Corporation

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

“**RESOLVED –**

THAT pursuant to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (including any statutory modifications or amendments or re-enactments thereof) and such other applicable provisions of laws, approval of the Members of the Company be and is hereby accorded to estimated related party transactions with The Timken Corporation, a related party within meaning of Regulation 2(1)(zb) of the Listing Regulations, for FY 2022-23 being in ordinary course of business and on arm's length basis, as set out in explanatory statement attached hereto;

THAT the Audit Committee of the Board of Directors be and is hereby authorized to do all such acts, deeds and things to give effect to this Resolution.”

12. Material Transactions with Related Party - Timken Engineering and Research-India Private Limited

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

“RESOLVED –

THAT pursuant to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (including any statutory modifications or amendments or re-enactments thereof) and such other applicable provisions of laws, approval of the Members of the Company be and is hereby accorded to estimated related party transactions with Timken Engineering and Research-India Private Limited, a related party within meaning of Regulation 2(1)(zb) of the Listing Regulations, for FY 2022-23 being in ordinary course of business and on arm's length basis, as set out in explanatory statement attached hereto;

THAT the Audit Committee of the Board of Directors be and is hereby authorized to do all such acts, deeds and things to give effect to this Resolution.”

13. Material Transactions with Related Party - Timken Wuxi Bearings Co. Ltd.

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

“RESOLVED –

THAT pursuant to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (including any statutory modifications or amendments or re-enactments thereof) and such other applicable provisions of laws, approval of the Members of the Company be and is hereby accorded to estimated related party transactions with Timken Wuxi Bearings Co. Ltd., a related party within meaning of Regulation 2(1)(zb) of the Listing Regulations, for FY 2022-23 being in ordinary course of business and on arm's length basis, as set out in explanatory statement attached hereto;

THAT the Audit Committee of the Board of Directors be and is hereby authorized to do all such acts, deeds and things to give effect to this Resolution.”

By Order of the Board

Date: 1 July, 2022
Place: Bengaluru

Sd/-
Mandar Vasmatkar
Company Secretary
& Chief - Compliance

NOTES :

1. The Ministry of Corporate Affairs vide Circular dated 5 May, 2022 read with relevant Circulars issued from time to time (collectively referred to as “MCA Circulars”) has allowed to conduct Annual General Meeting ('AGM') through VC/OAVM without physical presence of the Members. In view of the same, AGM of the Company is being held through VC/ OAVM. Since physical attendance is dispensed with for this Meeting being conducted through VC/OAVM, facility of appointment of proxy is not available. In view of same, proxy form, attendance sheet and route map are not attached to this Notice.
2. The proceedings of 35th AGM shall be deemed to be conducted at the Registered Office of the Company at Electronic City, Phase II, Hosur Road, Bengaluru - 560 100 which shall be the deemed venue of the AGM.
3. Statement pursuant to Section 102 of the Companies Act, 2013 (the 'Act') in respect of item nos. 5 to 13 is annexed hereto. Applicable details relating to Directors pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Secretarial Standard-2 ('SS-2') are also annexed.
4. Deloitte Haskins & Sells LLP (Firm Registration No. 117366W/ W-100018) ('Deloitte') were appointed as Statutory Auditors for a period of 5 years at 30th AGM to hold office upto conclusion of 35th AGM. As per Section 139 of the Act, Deloitte is eligible to be re-appointed as Statutory Auditors of the Company for another term of 5 years. Deloitte has given consent for re-appointment as Statutory Auditors of the Company. Deloitte also has confirmed that if appointed, its appointment will be in accordance with terms and conditions contained in the Act and Rules made thereunder and it satisfies the criteria specified in the Act and Rules made thereunder.

Deloitte is registered with ICAI under Registration Number 117366W/ W-100018. Deloitte has national presence with offices in 12 cities and is providing audit and assurance services to various clients across India. Deloitte has undergone peer review process as per ICAI guidelines and holds valid certificate issued by Peer Review Board of ICAI. Deloitte has confirmed that it did not identify any situation or risk likely to affect its independence while serving as Statutory Auditors of the Company.

The Audit Committee and the Board after taking into consideration expertise and rich industry experience of Deloitte have recommended to re-appoint Deloitte as Statutory Auditors for a further period of 5 years to hold office from conclusion of 35th AGM upto conclusion of 40th AGM of the Company. Terms of appointment of Deloitte as Statutory Auditors include following:

- Tenure : 5 years from conclusion of 35th AGM upto conclusion of 40th AGM of the Company.
 - Proposed Fees for FY 2022-23 : Rs. 29,70,000/- plus taxes and out of pocket expenses to carry out Statutory Audit as per the Act. The Board shall determine/vary fees payable to them during the tenure of their proposed appointment. Fees paid to them will be disclosed every year in financial statements.
 - The Audit will be conducted in line with the applicable provisions of the Act, Accounting Standards and Listing Regulations.
 - As Statutory Auditors, Deloitte shall report on audit of financial statements and on internal financial controls over financial reporting and also shall carry out limited review as required under Listing Regulations.
5. Those Members who have not encashed their dividend warrants/DDs relating to payment of dividend for FY 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21 of the Company including for erstwhile ABC Bearings Limited (amalgamated), if any, may please contact Investor Relations at tilinvestor@timken.com for payment in lieu of warrant/DD not encashed by them.
 6. The amount outstanding in unpaid dividend accounts in respect of financial years as mentioned above will be transferred to the Investor Education and Protection Fund ("IEPF") after end of seven years from the date when the said dividend was transferred to unpaid dividend account. Accordingly, unpaid dividend for FY 2014-15 relating to ABC Bearings Limited (amalgamated) is due for transfer to IEPF in the month of September, 2022.
 7. Dividend on equity shares, as recommended by the Board of Directors, of Rs. 1.5/- per equity share of Rs.10/- each fully paid up, if declared at 35th AGM of the Company, will be paid:
 - in respect of shares held in physical form to those Members whose names will appear on the Register of Members of the Company as at the close of business on 12 August, 2022.
 - 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 12 August, 2022.
 8. Shareholders may note that effective April 01, 2020, dividends paid or distributed by a company are taxable in the hands of the shareholders and the Company is required to deduct applicable taxes at source ("TDS") from such dividend payment in accordance with the applicable provisions of the Income-tax Act, 1961 ("the IT Act"), as amended by the Finance Act, 2020. In general, to enable the compliance with TDS provisions, shareholders are requested to complete and/ or update their residential status, PAN (Permanent Account number), category as per the IT Act with their Depository Participants/the Company.

Shareholders having valid PAN	10%
Shareholders not having PAN/valid PAN	20% *

*subject to applicable Surcharge and Health and Education Cess

- Tax shall be deducted at the rate of 20% on dividend payable to specified person as per Section 206AB of the Income Tax Act.
- However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by him/her during Financial Year 2021-22 from the Company does not exceed Rs. 5,000 and, also in cases where such resident shareholder provides declaration in Form 15G/Form 15H (applicable to individuals) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower/Nil withholding tax like a Certificate for deduction of TDS at lower rate from the Income Tax Department. PAN is mandatory for Shareholders providing Form 15G/15H or any other document as mentioned above. Necessary declarations in this regard are available on the Company's website at <https://www.timken.com/en-in/investors/statutory-compliances/#dividend>
- For non-resident shareholders, taxes are required to be deducted in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. TDS shall be deducted at the rate of 20% (plus applicable surcharge and

Health and Education cess) on the amount of dividend payable. However, the rate of TDS may be reduced if such non-resident shareholder is a tax resident of a country or specified territory which has signed Double Taxation Avoidance Agreement (DTAA) with India and such DTAA provides for a lower TDS rate. To avail lower TDS rate as per the DTAA, the non-resident shareholders will have to provide the following information/documents to the Company:

- Copy of a Tax Residency Certificate i.e. a certificate of being resident in any country or specified territory outside India from the Government of that country or specified territory ('TRC'), valid till December 31, 2022;
 - Self-declaration in Form No. 10F
 - Copy of PAN card allotted by the Indian Income Tax authorities duly attested by the shareholder, if obtained. If no PAN card is allotted, then following information/ documents are required to be provided duly attested by the shareholder –
 - Name, e-mail id, contact number;
 - Address in the country or specified territory outside India
 - Tax Identification Number in the country or specified territory and in case no such number is available, then a unique number on the basis of which such shareholder is identified by the Government of that country or the specified territory.
 - Self-declaration by the shareholder of having no permanent establishment or business connection in
 - India in accordance with the applicable DTAA or the provisions of the IT Act.
 - Self-declaration of beneficial ownership by the non-resident shareholder
 - Any other documents as prescribed under the IT Act for lower TDS if applicable, duly attested by the shareholder.
 - Please send the documents/declarations, as applicable at the registered office address of the Company. The documents/declarations can be sent to the Company through email at TIL.TDS@timken.com by Wednesday, August 10, 2022 on or before 6 PM India Standard Time. In case insufficient/incomplete documents or no documents are received before the said date and time, the Company will deduct TDS at the maximum applicable rate. For any TDS related query, please write to TIL.TDS@timken.com
9. Members holding shares in demat form are advised to get particulars of their bank accounts and PAN details updated with the Depository Participants.
10. Members may note that pursuant to Section 108 of the Act read with Rules made thereunder and Regulation 44 of Listing Regulations, the Company is providing remote e-Voting facility for voting on the resolutions proposed to be passed at 35th AGM. This Notice contains a set of instructions for remote e-Voting and also for e-Voting on the day of AGM as per applicable provisions of the law.
11. In compliance with MCA Circulars read with SEBI Circular dated 13 May, 2022, Annual Report and Notice of AGM are being sent only by e-mail to those Members who have registered their e-mail address(es) with the Company/Depository Participant(s). Copy of Annual Report for FY 2021-22 and Notice of 35th AGM is available on the website of the Company at www.timken.com/en-in.
12. The SEBI vide circular dated 3 November, 2021 has given mandate to the members holding shares in physical forms to update PAN, KYC and Nomination details with the Company. KYC and Nomination forms are available on the Company's website at <https://www.timken.com/en-in/investors/statutory-compliances/#download-application>. Members are requested to download applicable forms and fill details therein and sign and submit the same to the Company. It may please be noted that the folios wherein any of aforesaid document(s)/detail(s) is/are not available on or after 1 April, 2023, the Company/RTA is obligated to freeze such folios.
13. The Register of Directors and Key Managerial Personnel and their shareholding, the Register of Contracts or Arrangements in which the Directors are interested will be available for inspection by the Members upto the date of AGM. Members seeking to inspect such documents can send an email to tilinvestor@timken.com. A copy of letter setting out terms and conditions relating to appointment of Independent Director is available on the Company's website at www.timken.com/en-in.
14. Corporate Members/Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution, Authority letter/Power of Attorney for representative, who are authorized to attend and/or vote, to the Scrutinizer by e-mail to sree@sreedharancs.com with a copy marked to evoting@nsdl.co.in.

Annexure to the Notice – Statement pursuant to Section 102 of the Act

Item No. 5

Mr. Sanjay Koul (DIN: 05159352) ('Mr. Koul') was re-appointed as Managing Director of the Company for a period of 5 years with effect from 26 October, 2017 on the terms and conditions as approved by the Members of the Company at its meeting held on 9 August, 2017.

Since the tenure of 5 years for which Mr. Koul was re-appointed would come to an end on 25 October, 2022, it is proposed, pursuant to Sections 196, 197, 198, 203 and other applicable provisions of the Act and based on recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, to re-appoint Mr. Koul as Managing Director of the Company for a further period of 5 years with effect from 26 October, 2022.

Details of remuneration payable to Mr. Koul and terms and conditions governing his re-appointment are given below:

Salary & Allowances	In the range of Rs. 2,16,82,200/- to Rs 5,39,52,250/- per annum.	
Term	5 years	
Performance Incentive	As per rules of the Company:	
	i)	Company maintained furnished accommodation including all utility bill payments.*
	ii)	Free use of Company car with driver. Upon superannuation or separation, allotted car will be offered at book value to Mr. Koul.
	iii)	Medical facilities as per rules of the Company.
	iv)	Club membership of one club each in Jamshedpur & Bangalore.
	v)	Leave - accrual and encashment - as per rules of the Company.
	vi)	Leave Travel Concession as per rules of the Company.
	vii)	Company's contribution to Provident Fund / Pension Fund / Employee Deposit Linked Insurance / Group Insurance/ Superannuation Fund.
	viii)	Gratuity, retiral and superannuation benefits as per rules of the Company.
ix)	All other benefits, allowances, amenities and facilities including long term incentive payments, stock options of Parent Company as are available to the whole-time employees (Associates) of the Company as per Rules of the Company.	
Minimum Remuneration	The salary & allowances and perquisites aforesaid shall nevertheless be paid and allowed as the minimum remuneration for any year in the event of absence or inadequacy of profits for such year.	
Duties and Conditions	i)	Mr. Koul will perform the duties and exercise the powers, which from time to time may be assigned to or vested in him by the Board of Directors of the Company.
	ii)	The appointment may be terminated by either party by giving three months' notice in writing to that effect unless termination at a shorter notice is mutually agreed by both Mr. Koul and the Board of Directors.
	iii)	Mr. Koul shall not be entitled to any Sitting Fees for attending any meetings of the Board or any Committee thereof.
	iv)	Mr. Koul shall be entitled to be reimbursed for all expenses incurred by him for the purpose of business of the Company.

*If accommodation is taken on personal lease basis, the Company would also remain responsible for payment of security deposit and for the maintenance thereof up to such amount as may be approved by the Board of Directors.

The Company is in receipt of a notice under Section 160 of the Act from a Member proposing re-appointment of Mr. Koul as Managing Director of the Company.

The Company has received from Mr. Koul:

- a. Consent in writing in Form DIR-2
- b. Intimation in Form DIR-8

The proposal for re-appointment of Mr. Koul as a Managing Director of the Company on the terms and conditions referred above is placed before the members for approval. Taking into account Mr. Koul's long association, valuable contributions and strong performance of the Company under his leadership, the Board recommends resolution set out under item no. 5 for approval of the Members.

Memorandum of Interest

Except Mr. Koul, no other Director, Key Managerial Personnel or their relatives is concerned or interested in the resolution.

Item No. 6

Based on recommendation of the Nomination and Remuneration Committee, Mr. George J Ollapally (DIN: 09607523) ('Mr. Ollapally') has been appointed by the Board of Directors as an Additional and Independent Director of the Company effective 1 June, 2022 for a period of 2 consecutive years. As per Section 161 of the Act, Mr. Ollapally, as an Additional Director, holds office upto the date of this AGM. The Company is in receipt of a notice under Section 160 of the Act from a Member proposing candidature of Mr. Ollapally for the office of Independent Director of the Company.

The Company has received from Mr. Ollapally:

- a. Consent in writing in Form DIR-2
- b. Intimation in Form DIR-8
- c. A declaration confirming that he meets the criteria of independence in terms of Section 149(6) of the Act and Listing Regulations.

The Nomination and Remuneration Policy ('NRC Policy') of the Company provides personal specifications and aspects that needs to be considered for appointment of Director. The Nomination and Remuneration Committee evaluated candidature of Mr. Ollapally taking into consideration personal specifications and aspects covered in the NRC Policy and since he met with criteria laid down therein, recommended his appointment as an Independent Director of the Company.

In the opinion of Board of Directors, Mr. Ollapally fulfils the conditions specified in the Act and Listing Regulations and he is independent of the management. The Board recommends resolution set out under item no. 6 for approval of the Members.

Memorandum of Interest

Except Mr. Ollapally, no other Director, Key Managerial Personnel or their relatives is concerned or interested in this resolution.

Item No. 7

Based on recommendation of the Nomination and Remuneration Committee, Mr. Veerappan V (DIN: 01593254) ('Mr. Veerappan') has been appointed by the Board of Directors as an Additional and Independent Director of the Company effective 1 June, 2022 for a period of 2 consecutive years. As per Section 161 of the Act, Mr. Veerappan, as an Additional Director, holds office upto the date of this AGM. The Company is in receipt of a notice under Section 160 of the Act from a Member proposing candidature of Mr. Veerappan for the office of Independent Director of the Company.

The Company has received from Mr. Veerappan:

- a. Consent in writing in Form DIR-2
- b. Intimation in Form DIR-8
- c. A declaration confirming that he meets the criteria of independence in terms of Section 149(6) of the Act and Listing Regulations.

The NRC Policy of the Company provides personal specifications and aspects that needs to be considered for appointment of Director. The Nomination and Remuneration Committee evaluated candidature of Mr. Veerappan taking into consideration personal specifications and aspects covered in the NRC Policy and since he met with criteria laid down therein, recommended his appointment as an Independent Director of the Company.

In the opinion of Board of Directors, Mr. Veerappan fulfils the conditions specified in the Act and Listing Regulations and he is independent of the management. The Board recommends resolution set out under item no. 7 for approval of the Members.

Memorandum of Interest

Except Mr. Veerappan, no other Director, Key Managerial Personnel or their relatives is concerned or interested in this Resolution.

Item No. 8

Based on recommendation of the Nomination and Remuneration Committee, the Board has appointed Mr. Hansal Patel (DIN: 09607506) ('Mr. Patel') as an Additional Director of the Company effective 1 June, 2022. As per Section 161 of the Act, Mr. Patel, as an Additional

Director, holds office upto the date of this AGM. The Company is in receipt of a notice under Section 160 of the Act from a Member proposing candidature of Mr. Patel for the office of Director of the Company. Mr. Patel, if appointed, would be liable to retire by rotation.

The Company has received from Mr. Patel:

- a. Consent in writing in Form DIR-2
- b. Intimation in Form DIR-8

The NRC Policy of the Company provides personal specifications and aspects that needs to be considered for appointment of Director. The Nomination and Remuneration Committee evaluated candidature of Mr. Patel taking into consideration personal specifications and aspects covered in the NRC Policy and since he met with criteria laid down therein, recommended his appointment as a Director of the Company.

The Board recommends resolution under item no. 8 of the accompanying Notice for approval of the Members.

Memorandum of Interest

Except Mr. Patel, no other Director, Key Managerial Personnel or their relatives is concerned or interested in this resolution.

Item No. 9

Pursuant to Section 148 of the Act read with Rules made thereunder, the Company is required to maintain cost records and get the same audited by Cost Accountant in Practice. The Board of Directors, based on recommendation of the Audit Committee, has re-appointed M/s. Shome & Banerjee (Firm Registration No. 000001), as Cost Auditors for FY 2022-23 at a remuneration of Rs.6,00,000/- (Rupees six lakhs only) plus applicable taxes and other out-of-pocket expenses. Pursuant to Section 148 of the Act read with Rules made thereunder, remuneration payable to the Cost Auditors requires ratification by the Members.

This item involving payment of remuneration to the Cost Auditors is therefore, placed before the Members for ratification. The Board recommends resolution set out under item no. 9 for ratification by the Members.

Memorandum of Interest

No Director, Key Managerial Personnel or their relatives is concerned or interested in this resolution.

Item Nos. 10, 11, 12 and 13

Timken India Limited ('the Company') is listed on BSE and NSE with majority of its share capital held by Timken Singapore Pte. Limited which is a subsidiary of The Timken Company. The Timken Company has many subsidiaries across the world including The Timken Corporation and Timken Wuxi Bearings Co Ltd ('Timken Wuxi'). Timken Engineering and Research- India Pvt. Ltd. ('TERI') is a subsidiary of Timken Singapore Pte. Limited. The Timken Company, founded over 100 years ago by Mr. Henry Timken and having its headquarters at Canton, Ohio, USA, applies its deep knowledge of materials, friction management and mechanical power transmission to improve the reliability and efficiency of industrial machinery and equipment all around the world.

The Timken Company serves diverse markets such as aerospace, mining, railroads, construction, automotive (including trucks), energy, wind sector and other after-market sectors. The Timken Company has operations throughout the world through its various subsidiaries spanning Europe, Middle East, Africa, Asia - Pacific regions, United States, Canada, Mexico.

It is believed that being part of the Timken Group and the associated right to use the trademark and logo of "TIMKEN", offers the Company significant branding strength to attract key customers. The relationship with The Timken Company and the Timken Group enables the Company to benefit from Timken Group's global supply chain to meet customer demand for the products that are not manufactured by the Company in India.

Timken Group companies provide the Company access to management talent and professionals with deep industry knowledge. The acquisitions of The Timken Company in various new and diverse businesses globally provide the Company a platform to launch new products and services in India. The Company has access to proprietary technology of The Timken Company, including without limitation, intellectual property relating to designs, product specifications, methods of manufacturing, service methods and techniques for use thereof for manufacturing various products at Jamshedpur and Bharuch Plant in order to retain the quality standard of all Timken products manufactured worldwide. Further, the Company receives administrative, sales and marketing, after-sales and service engineering related services as and when required. Likewise, the Company is also authorized to market products and services of the Timken Group companies in India. Further, the Company has entered into a trademark license agreement with The Timken Company pursuant to which the Company has a non-transferable, non-sub licensable and non-exclusive right to use the trademarks owned or controlled by The Timken Company. The Company pays royalty to The Timken Company for using its technology and trademarks.

It is believed that this strong relationship with The Timken Company and Timken Group companies is a significant advantage and that the Company will continue to benefit from its global presence, brand name and support in the future.

The Timken Corporation works as distribution center primarily for US market through whom all the exports and imports of the Company are routed through for better distribution of the Timken Products and Services. Instead of buying and selling products from/to individual Timken entities or to final customer, Company buys or sells products from/to The Timken Corporation. This helps to achieve lean supply chain, cost efficiency, quick payment recovery and administrative convenience.

TERI is a subsidiary of Timken Singapore Pte. Limited. TERI's Chennai plant is SEZ unit and mainly caters to global markets. TERI Bangalore unit is in-house global service center and provides shared services to all Timken group entities in world including the Company. TERI Chennai plant, *inter-alia*, manufactures bearings which are supplied to the Company for further sale in India. Also, TERI Bangalore unit provides IT, engineering, research and development, administrative services to the Company.

Timken Wuxi, a fellow subsidiary, *inter-alia* manufactures bearings and components using proprietary technology of The Timken Company, including without limitation, intellectual property relating to designs, product specifications, methods of manufacturing, service methods in order to retain the quality standard of all Timken products manufactured worldwide. The Company buys mainly bearings and rollers (components) from Timken Wuxi to cater domestic demands.

To sustain quality standards of Timken Group, better customer reach and global representation, the Company purchases finished products and components from aforesaid related parties for direct sale in India and also for subsequent use in the manufacturing process. Likewise, the Company also sells finished products or components to these related parties for further sale to global customers or use in their manufacturing process.

Summary of material related party transactions is as under:

INR Million

Name of Related Party (Nature of Relationship) (1)	Nature of Transactions (2)	Actual transactions for year ended 31 March, 2022 (3)	Estimated transactions for FY 2022-23 (4)	Estimated transac- tion as % to turn- over of FY 2021-22 (5)
The Timken Company (Ultimate Holding Company)	Purchase of Goods	497.74	1,300	-
	Sale of Goods	1,412.80	1,580	-
	Expense Receivable	0.88	40	-
	Expense Payable	196.71	260	-
	Agency Commission (Income)	3.76	30	-
	Purchase of Property, Plant & Equipment	0.25	2	-
	Royalty	491.67	550	-
Total		2,603.81	3,762	17%
The Timken Corporation (Fellow Subsidiary)	Purchase of Goods	961.17	1,420	-
	Sale of Goods	3,488.04	4,050	-
	Purchase of Property, Plant & Equipment	114.46	910	-
	Expense Receivable	26.70	30	-
	Expense Payable	-	60	-
	Agency Commission (Income)	11.20	30	-
Total		4,601.57	6,500	29%
Timken Engineering and Research-India Pvt. Ltd. (Fellow Subsidiary)	Expense Receivable	30.54	110	-
	Expense Payable	90.68	200	-
	Purchase of Goods	998.30	2,340	-
	Sale of Goods	253.24	360	-
	Sale of Property, Plant & Equipment	-	30	-
	Purchase of Property, Plant & Equipment	0.23	50	-
	Purchase of Export Licenses	50.81	360	-
Total		1,423.80	3,450	15%
Timken Wuxi Bearings Co. Ltd. (Fellow Subsidiary)	Purchase of goods	2,044.22	2,440	-
	Expense Payable	-	20	-
	Expense Receivable	0.92	20	-
	Sale of Goods	16.89	30	-
	Purchase of Property, Plant & Equipment	-	30	-
Total		2,062.03	2,540	11%

It may be please be noted that approval of Members is sought for total amount of transactions mentioned in column (4) above for each related party. Amount of individual category of transactions mentioned above may vary within total amount of transactions. Further, modification in above transactions not qualifying as material modification may be approved by the Audit Committee as specified in the Listing Regulations.

Above transactions do not pertain to loans, advances, inter corporate deposits or investments. The Company did not rely on any external valuation report for these transactions.

The Timken Company, The Timken Corporation, TERI and Timken Wuxi are related parties as defined under Regulation 2(1)(zb) of Listing Regulations and with each of whom the aggregate value of transactions during the financial year 2022-23 are estimated to be material in terms of the Listing Regulations. The Audit Committee was provided with relevant information as per SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22 November, 2021 regarding these transactions such as nature of transaction, tenure, material terms, estimated transaction values for FY 2022-23 etc. The Audit Committee, after deliberation, has approved aforesaid related party transactions. These transactions are in ordinary course of business and are at arm's length.

The Board recommends Resolutions set out under item nos. 10, 11, 12 and 13 for approval of Members. Members who are related parties of the Company (as defined under Regulation 2(1)(zb) of the Listing Regulations) shall not vote on item nos. 10, 11, 12 and 13 whether or not they are related parties (as defined under Regulation 2(1)(zb) of the Listing Regulations) for the purpose of the said transactions.

Memorandum of Interest

No Director, Key Managerial Personnel or their relatives is concerned or interested in the resolutions except Mr. Patel for item nos. 10 and 11.

By Order of the Board

Date: 1 July, 2022
Place: Bengaluru

Sd/-
Mandar Vasmatkar
Company Secretary
& Chief - Compliance

INSTRUCTIONS

INSTRUCTIONS FOR REMOTE E-VOTING:

1. In compliance with the provisions of Section 108 of the Act read with Rules made thereunder and Regulation 44 of Listing Regulations, the Company is pleased to provide to Members a facility to exercise their right to vote on resolutions proposed to be considered at 35th AGM by remote e-Voting. The facility of casting the votes by the Members through remote e-Voting will be provided by National Securities Depository Limited ("NSDL").
2. The facility of e-Voting on the day of AGM shall also be made available by NSDL 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 AGM.
3. The Members who have cast their vote by remote e-Voting prior to AGM may also attend 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
20 August, 2022 from 9.00 A.M.	22 August, 2022 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 16 August, 2022 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 1: Access to NSDL e-Voting system

- A. **Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode:**-In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 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 ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="text-align: center;">  App Store  Google Play </div> <div style="text-align: center;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forgot User ID and Forgot Password option available at respective websites.

Helpdesk for individual shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cDSLindia.com or contact at 022-23058738 or 022-23058542-43

B) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode:

How to Log-in to NSDL e-Voting website?

1. Visit 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.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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 2 i.e. Cast your vote electronically.
4. 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***

5. Password details for shareholders other than Individual shareholders are given below:
 - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b. 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.
 - c. How to retrieve your 'initial password'?
 - i. 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 .pdf file. The password to open .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'.
 - ii. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

-
-
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
 - a. 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.
 - b. “**Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. 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 etc.
 - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
 8. Now, you will have to click on “Login” button.
 9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of TIMKEN. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for procuring user ID and password for e-Voting for those shareholders whose email IDs are not registered with the depositories/ Company:

The shareholders whose email ids are not registered with Depositories shall send following documents to NSDL at evoting@nsdl.co.in to obtain user id and password and registration of e mail ids for e-Voting for the resolutions set out in the Notice :

- a. In case shares are held in physical mode, please provide Folio No, name of Member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card).
- b. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), name, client master or copy of consolidated account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

INSTRUCTIONS FOR E-VOTING ON THE DAY OF THE AGM :

1. The procedure for e-Voting on the day of AGM is same as mentioned above for remote e-Voting.
2. Only those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM. Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

INSTRUCTIONS FOR MEMBERS ATTENDING AGM THROUGH VC/OAVM:

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access NSDL e-Voting system by following steps mentioned above for access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu.
2. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker. For this purpose, please send request mentioning name, demat account number/folio number, email id, mobile number at tilinvestor@timken.com at least five days before AGM date. Those Members who have registered themselves as a speaker will only be considered to express their views/ask questions during the meeting. However, the Company reserves a right to restrict number of speakers depending on availability of time for AGM. Members who would like to ask questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at tilinvestor@timken.com five days before AGM date. The same will be replied by the Company suitably in the meeting.
3. The Members can join AGM in VC/OAVM mode 30 minutes before and after scheduled time of commencement of the meeting by following procedure mentioned in the Notice. Members attending the AGM through VC/OAVM will be counted for purpose of reckoning the quorum.

GENERAL GUIDELINES FOR MEMBERS

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to 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.
2. 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 1020 990 and 1800 22 4430 or send a request at evoting@nsdl.co.in.
3. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cutoff date of 16 August, 2022.
4. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of Notice of AGM and holding shares as of the aforesaid cut-off date may obtain 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.
5. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on aforesaid cut-off date only shall be entitled to avail the facility of remote e-Voting as well as e-Voting on the day of AGM. A person who is not a Member (not holding shares of the Company) as on aforesaid cut-off date should treat this Notice for information purposes only.
6. 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 16617, CP No. 17024) Partners of M/s V. Sreedharan and Associates, Company Secretaries, have been appointed as the Scrutinizers to scrutinize remote e-Voting and e-Voting on the day of AGM in a fair and transparent manner.
7. The Scrutinizer shall after the conclusion of voting at the AGM, will unblock the votes cast through e-Voting (remote e-Voting as well as e-Voting on the day of AGM) and shall submit, within 2 working days from 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.
8. Results declared along with the report of the Scrutinizer shall be placed on the Company's website at 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 Directors in terms of Regulation 36 of Listing Regulations and SS-2

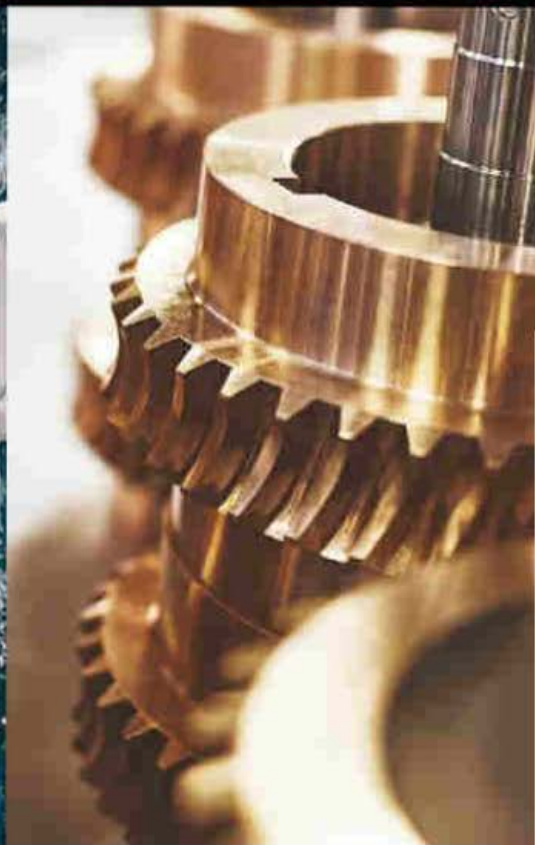
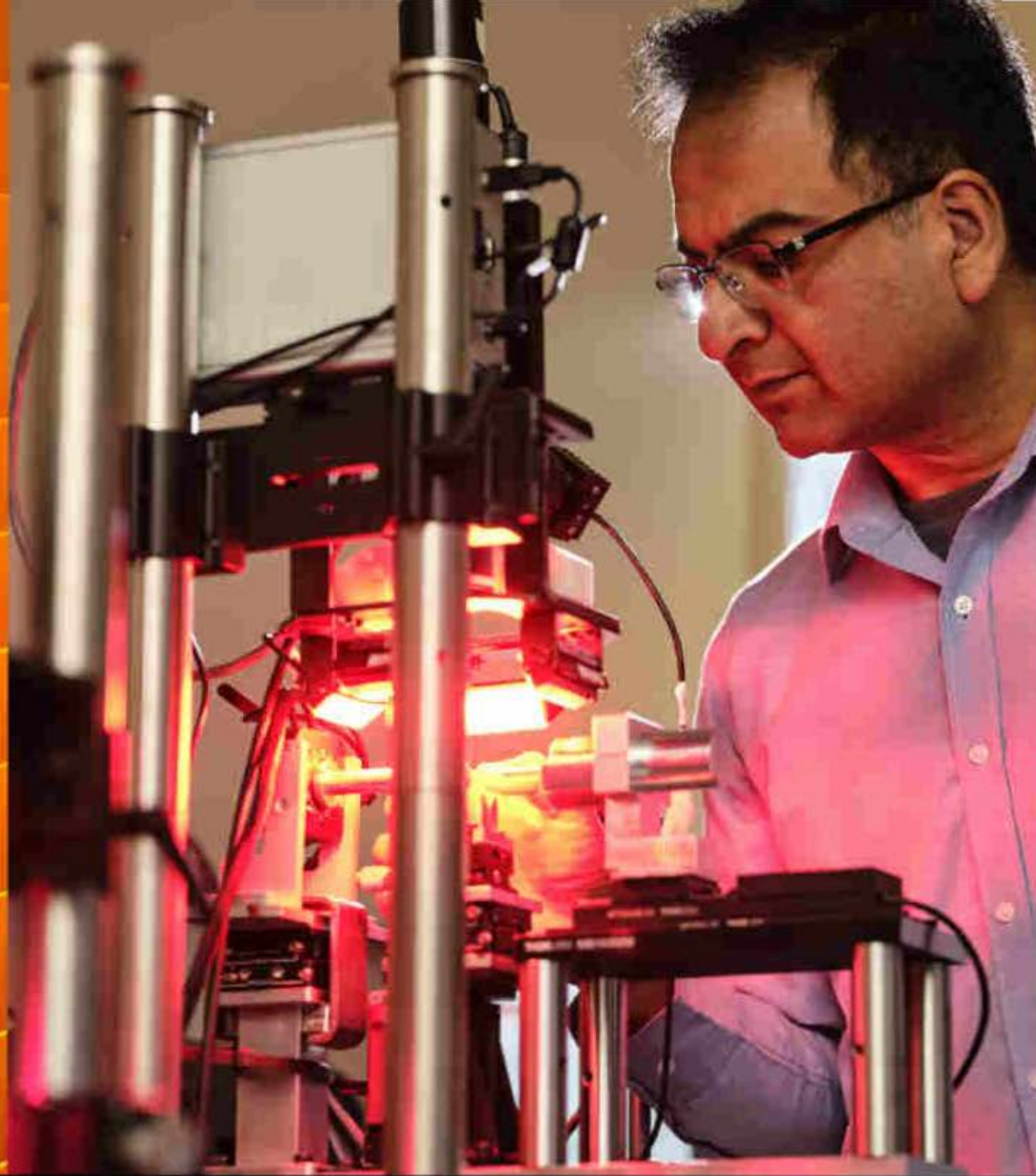
Name of Director	Mr. Sanjay Koul	Mr. George J Ollapally
Brief resume of the Director	<p>Mr. Sanjay Koul is currently serving as Chairman & Managing Director of the Company. He is responsible for business and manufacturing operations, financial performance and acceleration of growth in the markets in India.</p> <p>Mr. Koul joined Timken in 1990 as a Production Engineer in Jamshedpur plant in India. Since then, he has served in leadership positions within the rail and supply chain organizations. In 2007, he was named General Manager and site lead of the Jamshedpur Plant. Two years later, he was named General Manager of supply chain operations in Asia working out of Wuxi, China, and in 2011, he was named Director of manufacturing and supply chain management for Asia.</p> <p>Before joining Timken, Mr. Koul served with Union Carbide India Ltd. as a production supervisor and also as an engineer with an urban environmental agency in India.</p>	<p>Mr. George J Ollapally is currently consulting as an Independent HR Assessor with Ernst & Young, Regenerate, Talent Metrix, 5Eserpraise and with large corporates in defense, healthcare, banking, organized retail, FMCG, automobile, manufacturing, software, large scale plantation sector and construction.</p> <p>In past, Mr. Ollapally served as a Member of Board of Directors and Country Head of DTSIS, Bangalore, and Qualiscribe Pvt Ltd. He also served as a Director & General Manager of Standard Rubber Group. He has extensive exposure to different industries over many decades which has given him insights into how teams can successfully be built and organizations can be operated for business and society.</p>
Date of Birth/Age	20 December, 1964/ 58 years	1 February, 1953/69 years
Date of first appointment	26 October, 2012	1 June, 2022
Expertise in specific functional areas	<ul style="list-style-type: none"> ● Manufacturing ● Sales & Marketing ● Supply Chain & Quality <p>(For more details, please refer to Corporate Governance Report attached as Annexure 1 to the Board's Report)</p>	<ul style="list-style-type: none"> ● Human Resource Management ● Business Management
Qualifications	<ul style="list-style-type: none"> ● Bachelor's Degree in Mechanical Engineering, Birla Institute of Technology and Science, Pilani ● Master's Degree in Business Administration, Xavier Labour Relations Institute, Jamshedpur, ● EDGE Executive, Development Program Darden School of Business, University of Virginia 	<ul style="list-style-type: none"> ● BA (HONS) Economics - St. Joseph's College, Bangalore ● PGDBM Xavier Institute, Jamshedpur,
List of listed companies in which Directorship/ Committee position as on 31 March, 2022 (other than Company)	Nil	Nil
Listed entities from which resigned in the past three years	Nil	Nil
Chairman / Member of the Committees of the Board of the listed Companies on which he is a Director as on 31 March, 2022	<p>Timken India Limited :</p> <ul style="list-style-type: none"> ● Member - Audit Committee ● Chairman - Risk Management Committee ● Chairman - Corporate Social Responsibility Committee ● Member - Stakeholders Relationship Committee 	Nil
Shareholding in the Company including beneficial ownership	Nil	Nil
Relationship with other Directors/KMP	No relationship with other Directors/KMP	No relationship with other Directors/KMP
No. of Board Meetings attended in FY 2021-22	6	NA
Terms of Appointment/re-appointment	5 Years w.e.f. 26 October, 2022. For details, please refer explanatory statement.	2 Years w.e.f. 1 June, 2022
Remuneration paid in FY 2021-22 (Rs.)	Please refer Corporate Governance Report attached as Annexure 1 to the Board's Report.	NA
Remuneration sought to be paid	Please refer explanatory statement attached to this Notice.	Sitting fees as approved by the Board of Directors will be paid.

Details of Directors in terms of Regulation 36 of Listing Regulations and SS-2

Name of Director	Mr. Veerappan V	Mr. Hansal Patel
Brief resume of the Director	Mr. Veerappan V has rich experience of more than 33 years in the field of Electronics and telecommunication. He is Co-founder of Tessolve Semiconductor and TAPP Semiconductor. He is also Co-founder of India Semiconductor Association. He serves as executive member of CII - Country Hardware Council, FICCI, Manufacturing Council and Tamilnadu Government Electronics Advisory Council. Before Tessolve, he was associated with BPL Telecom as their Head of Operations & Business Development. He has worked with reputed organizations in past like Sterling Electronics, DCM Data Products, Wipro Technologies, Motorola.	Mr. Hansal Patel currently an executive officer of The Timken Company is serving as Vice President, General Counsel and Secretary. Mr. Patel is a trusted legal advisor to senior leadership and oversees Timken's worldwide legal affairs, including securities, mergers and acquisitions, corporate counseling, litigation, ethics, compliance, and government affairs. As Corporate Secretary, Mr. Patel leads Timken's corporate social responsibility and corporate governance initiatives. He has been instrumental in Timken's acquisition strategy to expand its power transmission product offering.
Date of Birth/Age	18 May, 1960/ 62 years	3 May, 1980/42 years
Date of first appointment	1 June, 2022	1 June, 2022
Expertise in specific functional areas	<ul style="list-style-type: none"> ● Business Management & Strategy ● Technology ● Sales and Marketing 	<ul style="list-style-type: none"> ● Legal & Corporate Secretarial ● Mergers and acquisitions ● Corporate Governance
Qualifications	Bachelor's Degree in Engineering from Annamalai University	<ul style="list-style-type: none"> ● Bachelor's degree from The Ohio State University ● Juris Doctor from Case Western Reserve University
List of listed companies in which Directorship/ Committee position as on 31 March, 2022 (other than Company)	Nil	Nil
Listed entities from which resigned in the past three years	Nil	Nil
Chairman / Member of the Committees of the Board of the listed Companies on which he is a Director as on 31 March, 2022	Nil	Nil
Shareholding in the Company including beneficial ownership	Nil	Nil
Relationship with other Directors/KMP	No relationship with other Directors/KMP	No relationship with other Directors/KMP
No of Board Meetings attended in FY 2021-22	NA	NA
Terms of Appointment/re-appointment	2 years w.e.f. 1 June, 2022	Liable to retire by rotation
Remuneration paid in FY 2021-22 (Rs.)	NA	NA
Remuneration sought to be paid	Sitting fees as approved by the Board of Directors of the Company.	Nil

Timken India Limited

35th Annual Report
2021-22




CORPORATE INFORMATION
BOARD OF DIRECTORS

(As on 1 July, 2022)

Mr. Sanjay Koul

Chairman & Managing Director

Mr. P S Dasgupta

Independent Director

Mr. Bushen Lal Raina

Independent Director

Mrs. N S Rama

Independent Director

Mr. George J Ollapally

Additional & Independent Director

Mr. Veerappan V

Additional & Independent Director

Mr. Douglas Smith

Director

Mr. Hansal Patel

Additional Director

Mr. Avishrant Keshava

CFO & Whole-time Director

**COMPANY SECRETARY &
CHIEF-COMPLIANCE**

Mr. Mandar Vasmatkar

COMMITTEES OF THE BOARD**AUDIT COMMITTEE****Chairman**

Mr. P S Dasgupta

Members

Mr. Sanjay Koul

Mr. Bushen Lal Raina

Mrs. N S Rama

**STAKEHOLDERS RELATIONSHIP
COMMITTEE****Chairperson**

Mrs. N S Rama

Members

Mr. Sanjay Koul

Mr. Douglas Smith

**NOMINATION AND REMUNERATION
COMMITTEE****Chairperson**

Mrs. N S Rama

Members

Mr. P S Dasgupta

Mr. Bushen Lal Raina

Mr. Douglas Smith

**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. Bushen Lal Raina

Mr. Avishrant Keshava

STATUTORY AUDITORS

Deloitte Haskins & Sells LLP
Partner: Mr. Sathya P Koushik

INTERNAL AUDITORS

KPMG Assurance and Consulting Services LLP
Partner: Mr. Vineet Dhawan

COST AUDITORS

Shome and Banerjee
Partner: Mr. Kunal Banerjee

SECRETARIAL AUDITOR

Mr. Nagarjun Y G

BANKERS

HDFC Bank
Bank of America
Standard Chartered Bank
State Bank of India
JP Morgan Chase

INDEX

Chairman's Statement	1-2
Board's report	3-9
Annexures to Board's Report	10-58
Independent Auditors' Report	59-67
Balance Sheet	68
Statement of Profit & Loss	69
Statement of Changes in Equity	70
Statement of Cash Flows	71-72
Notes to Financial Statements	73-125
Five years at a Glance	126
Graphs	127

REGISTERED OFFICE

Timken India Limited
39-42, Electronic City, Phase II,
Hosur Road, Bengaluru 560 100

Tel. No. 080 - 41362000

Fax No. 080 - 41362010

✉ E-mail: tilinvestor@timken.com

🌐 Website: www.timken.com/en-in/

CIN: L29130KA1996PLC048230

BSE Code: 522113

NSE Symbol: TIMKEN

INVESTOR RELATIONS CORRESPONDENCE

Company Secretary & Chief-Compliance
Timken India Limited
39-42, Electronic City, Phase II,
Hosur Road, Bengaluru 560 100

Tel. No. 080 - 41362000

✉ E-mail: tilinvestor@timken.com

Tax on dividend queries: TIL.TDS@timken.com

REGISTRAR AND SHARE TRANSFER AGENT

CB Management Services Private Limited
P-22, Bondel Road, Kolkata 700 019

✉ Email: rta@cbmsl.com

Tel. No. 033-40116700

Chairman's Statement

Dear Shareholders,

I trust this letter finds you safe and in good health!

I am happy to present your company's Annual Report for FY 2021-22. While the operating environment continued to be highly dynamic, your company successfully navigated the volatility and delivered record results. Though the pandemic eased to a great extent, its effects from the previous year continued to affect business, primarily due to disruptions in supply chains. However, consumer outlook remained positive and industrial markets remained strong, despite inflationary pressures.

We ended the year on a high note with the highest-ever revenue for the company and improved on gross margins and year-over-year EBIT. Our performance in the year is a true reflection of our resilience and demand for Timken products and technology. Your company continued to invest in the business to drive future growth and generate strong returns for its shareholders.

These results would not have been possible without the efforts of our dedicated associates and the direction of our experienced leadership team. We took several decisive actions to improve efficiencies and better position ourselves for the current operating environment. Notably, we worked to mitigate supply chain constraints and related inefficiencies, with further productivity gains expected in 2022.

Your company has a robust book of business and all our manufacturing facilities worked at full capacity to meet customer demand. Our facilities achieved record output aided by continued expansion, enhanced manufacturing efficiencies, and operational excellence achieved through numerous continuous improvement and lean initiatives. We invested in Jamshedpur Plant to enhance the capacity and further equipped it to produce bearings for high-speed rail applications. We have also invested in automation and robotics in critical manufacturing processes to support the increased capacities.

Sustainability is at the core of our products, right from the design stage. We design with greater efficiency, better materials, reduced waste, and less downtime in mind which ultimately helps us reduce our carbon footprint. Being a responsible corporate citizen is a company-wide priority and we remain focused on where we can make the greatest real-world impact while consistently creating shareholder value.

As part of our global commitment to promote sustainable growth, our plants made solid headway in the areas of energy conservation, emission reduction, and use of renewable sources of energy aimed at reducing our carbon footprint, thereby minimizing the environmental impact of our manufacturing activities.

We have begun the new financial year with a full pipeline of outgrowth initiatives, and we anticipate that industrial markets and customer demand will remain strong. We are well-positioned to meet the demand and do so more efficiently. Going forward, our continued success depends on advancing our people, product portfolio, market leadership and our role as a corporate citizen so we can fully capitalize on future opportunities.

The world is changing rapidly, and as a global industrial leader, we are changing with it. We will accelerate our customer-centric innovation pipeline based on our leadership in application engineering. Our global team of world-class problem solvers and engineers coupled with the enduring demand for our products and technology position us for another record performance in 2022. As the

preferred partner for our customers, we will continue to serve their current needs while investing in the technologies and products of the future. We will continue to maintain our leadership in our core end market sectors, including renewable energy, aerospace, rail, and construction, as they are critical to sustainable growth.

We continued to make a positive impact on society through our role as a responsible company. Our CSR efforts in the year were aimed at providing education, skill development and medical care to the underprivileged. We stepped up our efforts during the second COVID-19 wave by providing medical oxygen at a time when it was scarce. As a global organization, we are committed to engineering sustainable solutions for the next generation and advancing environmental sustainability through product innovation, operational excellence, and technology.

In closing, I would like to thank the Board of Directors for their unabating guidance and wisdom in helping the company achieve record results even in this dynamic operating environment. I would like to thank all our stakeholders for their enduring trust, confidence, and support. I would also like to thank our associates, partners, and all stakeholders for their unflinching commitment and support as the company continues its journey to keep industries in motion while generating value for its stakeholders.

Sincerely,

Sd/-

Sanjay Koul

Chairman & Managing Director

DIN: 05159352

Board's Report

To the Members,

The Board of Directors has pleasure in presenting 35th Annual Report of the Company for the year ended 31 March, 2022.

Financial Summary

(₹ in million)

Particulars	Financial Year ended 31 March, 2022	Financial Year ended 31 March, 2021
Revenue from Operations	22,032.44	14,105.20
Add: Other Income	142.89	196.04
Total Income	22,175.33	14,301.24
Less: Total Expenses	17,793.49	12,350.61
Profit before tax (PBT)	4,381.84	1,950.63
Less: Tax expenses	1110.79	518.84
Net Profit after tax (PAT)	3,271.05	1,431.79
Add: Other Comprehensive Income	(23.92)	(3.11)
Total Comprehensive Income	3,247.13	1,428.68

During FY 2021-22, the Company's revenue was up by 56% Y-o-Y, as operations of the Company were back to normal as compared to the previous year, which were impacted by COVID-19 pandemic driven lockdown and the Company also shown strong growth in the business throughout the year. Total expenses increased by 44% during the same period. The PBT is ₹ 4,381.84 million for FY 2021-22 as against ₹ 1,950.63 million in FY 2020-21. Increase in PBT can be attributed to increase in sales due to increased business volume.

The Financial Statements for FY 2021-22 have been prepared in accordance with Indian Accounting Standards ("Ind-AS").

Financial Position

The Company continues to remain debt free and generated adequate cash flow to meet its working capital needs. Trade receivables increased by ₹ 1,674.27 million in line with the increased revenue during the FY 2021-22 compared to FY 2020-21. Cash and cash equivalents and investments in mutual funds as at March 31, 2022 were ₹ 1137.46 million as compared to ₹ 1,704.04 million as at March 31, 2021. For more details on financial position and business review, please refer Management Discussion and Analysis.

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

Post Balance sheet event

There is no reportable event comprising material changes and commitments between the date of financial year end and the date of this report affecting the financial position of the Company.

Reserves

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

Dividend

The Board of Directors, subject to approval of Members at ensuing Annual General Meeting ('AGM'), has recommended dividend of Rs. 1.5/- per equity share of Rs. 10/- each fully paid up (15%) for the year ended 31 March, 2022. Dividend Distribution Policy is available on the website of the Company and can be accessed at <https://www.timken.com/en-in/investors/policies/>.

Corporate Governance

Company'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. The Company strongly believes that it can become a strong leader only by way of maintaining good and sound Corporate Governance structures. Good Corporate Governance practices followed by the Company *inter-alia* include strong and independent Board, transparency and accountability, robust policies and regulatory compliance framework, strong internal controls and monitoring of such controls, empowerment of employees/various stakeholders and timely disclosures. The Company continuously monitors market trends and reviews changing legal requirements and wherever required fine-tunes its procedures, structures, systems so as to comply with applicable legal and regulatory requirements. Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), Corporate Governance Report along with Compliance Certificate from Practicing Company Secretary is attached as **Annexure - I**.

Directors and Key Managerial Personnel

During the FY 2021-22, the Board comprised 6 Directors out of which 3 were Independent, 2 were Executive and one was Non -Executive Director. During the year under review, re-appointment of Mrs. N S Rama (DIN:06720033) as an Independent Director was approved by the members at 34th AGM of the Company.

Based on recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company has approved:

- Appointment of Mr. George J Ollapally (DIN: 09607523) as an Additional & Independent Director of the Company w.e.f. 1 June, 2022 for a period of 2 years subject to approval of the members of the Company.
- Appointment of Mr. Veerappan V (DIN: 01593254) as an Additional & Independent Director of the Company w.e.f. 1 June, 2022 for a period of 2 years subject to approval of the members of the Company.
- Re-appointment of Mr. Sanjay Koul (DIN:05159352) as a Managing Director of the Company for a further period of 5 years w.e.f. 26 October, 2022 subject to approval of the members of the Company.
- Appointment of Mr. Hansal Patel (DIN: 09607506) as an Additional Director of the Company w.e.f. 1 June, 2022.

In the opinion of the Board, aforesaid persons possess requisite expertise, skills, integrity and experience and their association and leadership will be beneficial to the Company. Hence, the Board recommended their appointment/re-appointment at 35th AGM.

The Company is in receipt of Notices under Section 160 of the Companies Act, 2013 (the 'Act') in respect of proposed appointment/re-appointment of Mr. Ollapally, Mr. Veerappan, Mr. Koul & Mr. Patel as mentioned above at ensuing AGM.

Mr. Avishrant Keshava (DIN: 07292484), Director will retire by rotation at 35th AGM and being eligible, offers himself for re-appointment.

Pursuant to Section 203 of the Act, Mr. Sanjay Koul as Managing Director, Mr. Avishrant Keshava as Chief Financial Officer and Mr. Mandar Vasmatkar as Company Secretary serve as whole-time Key Managerial Personnel ('KMP'). During the year under review, there has been no change in KMP.

Directors' Responsibility Statement

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

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) they have 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) they have prepared the annual accounts on a going concern basis;
- e) they have 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) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Annual Declarations from Independent Directors

The Company has received necessary declarations from all Independent Directors of the Company confirming that each of them has met with criteria of independence laid down in Section 149 of the Act and Regulation 16 of Listing Regulations. Independent Directors' details have been included in the databank of Independent Directors maintained by Indian Institute of Corporate Affairs ('IICA').

Meetings of the Board and its Committees

The Board has met six times and Audit Committee has met five times in FY 2021-22. The gap between two consecutive Board Meetings and two consecutive Audit Committee Meetings was within prescribed timelines under the Act and Listing Regulations. The Board of Directors of the Company has accepted all recommendations put forward to it by the Audit Committee. The Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee met once while the Risk Management Committee met three times during FY 2021-22. Details relating to composition of the Board and its Committees along with its meetings held during FY 2021-22 are given in Corporate Governance Report which is attached as **Annexure - I**.

Independent Directors Meeting

One meeting of the Independent Directors was held on 21 February, 2022 which was attended by all the Independent Directors without participation of Non-Independent Directors and members of management.

Nomination and Remuneration Policy

Based on recommendation of the Nomination and Remuneration Committee, the Board has laid down a Policy for remuneration of Directors, KMPs and other employees. During the year under review, changes were made in the Nomination and Remuneration Policy mainly to comply with amendments in Listing Regulations. Changes mainly cover amendment in definition of material related party transactions and concept of material modification in related party transactions. Updated Policy is disclosed on the Company's website at <https://www.timken.com/en-in/investors/policies/>.

The salient features of the Policy are as follows:

- It covers role of the Nomination and Remuneration Committee in line with Section 178 of the Act and Listing Regulations.
- It lays down factors and personal specifications that need to be considered for appointment of a Director.
- It specifies terms and conditions that need to be considered for appointment of Directors, KMPs and Senior Management Personnel including tenure of appointment, removal and retirement.
- It also lays down parameters for payment of remuneration to Executive Directors, Non- Executive/ Independent Directors, KMPs and Senior Management Personnel.

Ratio of Remuneration

Pursuant to Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, applicable details are given in specified format which is attached as **Annexure - II**.

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, this Report and the Financial Statements are being sent to the shareholders of the Company excluding 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 AGM.

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

The Board has carried out performance evaluation of the Board of Directors as a whole, various Committees of the Board and individual Directors based on performance evaluation criteria. Each Director has provided feedback in writing to Chairman about the Board as a whole, various Committees and individual Directors. Further, Independent Directors in their separate meeting held on 21 February, 2022 have evaluated performance of Non- Independent Directors, Chairman and the Board as a whole.

Risk Management

The Board of Directors of the Company has constituted Risk Management Committee which *inter-alia* is responsible for assessment of risks, establishment of framework for monitoring risks and developing strategy for mitigation of various risks. During FY 2021-22, the Company was certified for ISO 31000:2018 Standards.

Enterprise Risk Management ('ERM') is the process of identifying and addressing methodically the potential events that represent risks to achievement of strategic objectives, or to opportunities to gain competitive advantage. Risk management is an essential element of the strategic management of the Company and the same is embedded in the ongoing activities of the business. The Company has adopted

ISO 31000:2018 as a reference and developed its enterprise risk management policy & system around framework and principles of ISO 31000:2018. The fundamental elements of ERM as developed at the Company includes assessment of significant risks and implementation of suitable risk responses. Risk responses include acceptance or tolerance of a risk; avoidance or termination of a risk and reduction or mitigation of risk via internal control procedures or other risk prevention activities. Other important elements of aforesaid ERM are risk philosophy or risk strategy, risk culture and risk appetite. These are expressions of attitude to risk in the Company, and the amount of risk that the Company is willing to take. In March 2022, the Company completed its process of risk management certification through third party Auditing agency thereby demonstrating its capability to adapt framework and structure of ISO 31000:2018 and to continually improve risk and opportunity management at enterprise level.

Vigil Mechanism

The Whistle Blower Policy of the Company is disclosed on the Company's website at <https://www.timken.com/en-in/investors/policies/>. The Company feels that turning ethics into action is everyone's responsibility. To help protect Company's values and reputation, associates and business partners are encouraged to speak up if something just doesn't seem right or when they have a question. It enables the Company to better uphold its values and fulfill commitments towards shareholders, customers, suppliers and the community. The Company has adopted a Whistle Blower Policy in terms of which associates, business partners of the Company are provided with mechanism to raise and resolve their concern or question. Open door policy of the Company supports an environment that encourages associates to ask questions and report concerns. When associates have a question or concern, they can speak with a supervisor or manager with whom they feel comfortable. If associates are not comfortable disclosing their identity, they may choose to submit concern or question to "Timken Helpline", a toll free phone number and choose not to disclose their identity. The Company investigates all reports promptly, thoroughly and fairly, and takes actions when appropriate. The Company expects to participate in investigations if required but safeguards confidentiality both during and after the investigation. The Company does not tolerate acts of retaliation against anyone who makes report in good faith.

Corporate Social Responsibility

The Corporate Social Responsibility ('CSR') Committee of the Board is responsible for evaluation and implementation of CSR Projects. Based on recommendation of the CSR Committee, the Board has spent Rs. 5,20,53,075/- on CSR activities during FY 2021-22 in line with CSR Policy of the Company. During the year under review, changes were made in CSR policy to comply with changes in the Act and Rules made thereunder and updated CSR Policy is available on the Company's website at <https://www.timken.com/en-in/investors/policies/>. Details about CSR Projects carried out in FY 2021-22 are also available on Company's website at <https://www.timken.com/en-in/investors/statutory-compliances/#other>

Salient features of the CSR Policy are as follows:

- It lays down CSR Philosophy, Vision and Commitment of the Company.
- It specifies guidelines for implementation of CSR Projects through CSR Partners including eligibility criteria for CSR Partners.
- It also lays down roles and responsibilities of the CSR Committee.

Annual Report on CSR Activities is attached to this Report as **Annexure - III**.

Statutory Audit

Current term of Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/ W-100018) as Statutory Auditors will come to an end at 35th AGM of the Company. Pursuant to Section 139 of the Act, it is proposed to re-appoint Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) as the Statutory Auditors of the Company for a further period of 5 years from conclusion of 35th AGM till 40th AGM. The Statutory Auditors have confirmed that they are eligible for re-appointment and are not disqualified.

The Independent Auditor's Report for FY 2021-22 do not contain any qualification or adverse remark. During the year under review, there were no frauds reported by the Statutory Auditors to the Audit Committee/ Board under Section 143(12) of the Act.

Secretarial Audit

Pursuant to Section 204 of the Act, Mr. Nagarjun Y G, (ACS: 52406 & CP No: 19301), Company Secretary in Practice, has submitted the Secretarial Audit Report which is attached as **Annexure - IV**. There are no qualifications or adverse remark made by the Secretarial Auditor. The Company has complied with norms of applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

Cost Audit

In terms of Section 148 of the Act, the Company is required to maintain cost records and have its records audited by Cost Accountant. The Company has maintained the cost records for FY 2021-22 as required under Section 148 of the Act.

The Board of Directors, on recommendation of the Audit Committee, has re-appointed M/s Shome and Banerjee (Firm Registration No. 000001) as Cost Auditors for FY 2022-23. In terms of Section 148 of the Act read with Rules made thereunder, remuneration payable to Cost Auditors is required to be ratified by Members of the Company. Accordingly, appropriate resolution for ratification of remuneration payable to Cost Auditors for FY 2022-23 has been inserted in the Notice convening 35th AGM. The Board requests members to approve/ratify remuneration of Rs. 6,00,000/- (Rupees six lakhs only) plus applicable taxes and out of pocket expenses payable to Cost Auditors for FY 2022-23.

The Cost Audit Report of the Company for FY 2020-21 was filed on 5 October, 2021 (within the stipulated due date).

Internal Audit

KPMG Assurance and Consulting Services LLP acted as Internal Auditors for FY 2021-22. They conducted periodical audits and submitted their reports to the Audit Committee. Their reports have been reviewed by the Audit Committee.

Internal Financial Controls

The Company has a system of internal controls commensurate with the nature of its business and the size and complexity of its operations. The Company has adequately documented policies, procedures and authorization matrix aligned with the level of responsibility which is designed to provide reasonable assurance on recording of transactions, effectiveness, and efficiency of operations, providing reliable financial information and safeguarding of assets. The Company has developed and implemented a framework for ensuring internal controls over financial reporting. The Company has carried out evaluation of design and effectiveness of these controls and noted no significant material weaknesses or deficiencies which can impact financial reporting.

Related Party Transactions

In terms of Section 134 of the Act read with Rule 8 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 - V**.

The Company has adopted Related Party Transactions Policy and all its transactions in ordinary course of business are entered in accordance with the said Policy. Related Party Transactions Policy is available on the website of the Company at <https://www.timken.com/en-in/investors/policies/>. All related party transactions entered into by the Company during FY 2021-22 are disclosed in the Financial Statements for the year ended 31 March, 2022.

Listing with Stock Exchanges

The Company confirms that it has paid Annual Listing Fees for FY 2022-23 to National Stock Exchange of India Limited and BSE Limited, where the Company's shares are listed.

Annual Return

A copy of Annual Return as on 31 March, 2021 is placed on the Company's website at www.timken.com/en-in. Draft Annual Return as on 31 March, 2022 is available on the website of the Company at www.timken.com/en-in.

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

Details relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are attached to this Report marked as **Annexure - VI**.

Investor Education and Protection Fund

Pursuant to Section 124 of the Act and Rules made thereunder:

- (i) the Company has transferred following unclaimed dividend amounts to Investor Education and Protection Fund ('IEPF') during FY 2021-22:

Particulars	Amount (in ₹)
Dividend paid by erstwhile ABC Bearings Limited (amalgamated with the Company) for FY 2013-14	3,12,788/-
Interim dividend paid by the Company for FY 2014-15	36,12,621/-
Dividend paid by the Company for FY 2020-21 against shares already transferred to IEPF	13,09,696/-

- (ii) During FY 2021-22, the Company also transferred 60,742 equity shares to IEPF.
- (iii) Unpaid dividend for FY 2014-15 relating to ABC Bearings Limited (amalgamated) is due for transfer to IEPF in the month of September, 2022.

Financial Performance of any Subsidiary/ Associate/ Joint Venture Company

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

Deposits

The Company has not accepted Deposits as defined in the Act and Rules framed thereunder.

Particulars of Loans, Guarantees or Investments

Particulars about investments made by the Company during the year are disclosed in the Financial Statements. During the year under review, the Company did not give any loans except to its employees as part of the conditions of service. Also, the Company did not give 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 going concern status and the Company's operations in future.

Other Reports/Annexures

Pursuant to the Act and Listing Regulations, following reports form part of this report:

1. Management Discussion and Analysis - **Annexure - VII**
2. Declaration regarding compliance with Code of Conduct - **Annexure - VIII**
3. Business Responsibility and Sustainability Report - **Annexure - IX**

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

The Company does not tolerate discrimination, sexual harassment or any other harassment whether engaged in by management or associates or other individual with whom associates come into contact during work. The Company has adopted Anti-Sexual Harassment Policy in line with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has constituted Internal Complaints Committee to redress complaints received regarding sexual harassment as required by aforesaid Act. During the year under review, the Company has not received any sexual harassment complaint.

Other Disclosures

Sweat Equity Share	The Company has not issued any Sweat Equity Share and therefore, disclosure norms are not applicable to the Company.
Shares with differential Rights	The Company has not issued any Share with differential rights and therefore, 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, disclosure norms are not applicable to the Company.
Buy Back of Shares	The Company has not bought back any Equity Share and therefore, disclosure norms are not applicable to the Company.
Demat Suspense/Unclaimed Suspense Account	Not applicable.
Settlement with Banks/Financial Institutions	Not applicable.
Proceedings pending under Insolvency and Bankruptcy Code, 2016	Not applicable.

Acknowledgment

We wish to place on record sincere thanks to employees, customers, shareholders and suppliers. Each one of you are vital to the Company's continuous success. The Company is in a great position to deliver new level of performance in FY 2022-23 while remaining committed to long term strategy and growing as global leader.

For and on behalf of the Board of Directors

Sd/-

Sanjay Koul

Chairman & Managing Director

DIN: 05159352

Date : 1 July, 2022

Place : Bengaluru

Corporate Governance Report

CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance philosophy of the Company is based on core value of ethics and integrity. The Company has long-standing reputation as an ethical company. The Company's Code of Conduct, the Standards of Business Ethics Policy is an important tool in conducting business in a way that is consistent with its values and reinforces its commitments to one another, its customers, its suppliers and in the communities where the Company operates. Code of Conduct is a framework for Turning Ethics into Action. This means that each Associate, Director, our Suppliers and everyone with whom Company deals with must uphold four principles namely Honesty, Respect, Fairness and Responsibility, which define our core value of ethics and integrity. The foundation of core value of ethics and integrity is the expectation to do what is right, regardless of whether or not a specific situation is covered in the Standard of Business Ethics Policy.

BOARD OF DIRECTORS

Details relating to composition of the Board during FY 2021-22 and attendance of Directors at Board Meetings and at the Annual General Meeting ('AGM') and other relevant details are given below:

Name of Director	Category	No. of Board Meetings attended during FY 2021-22	Whether attended AGM held on 23 August, 2021	No. of Directorships in other companies*	No. of Committee positions held in other companies**	
					Chairman/Chairperson	Member
Mr. Sanjay Koul (DIN: 05159352)	Executive, Non-Independent	6	Yes	-	-	-
Mr. P S Dasgupta (DIN: 00012552)	Non-Executive, Independent	5	Yes	15	2	2
Mrs. N S Rama (DIN: 06720033)	Non-Executive, Independent	6	Yes	1	1	1
Mr. Bushen Lal Raina (DIN:00182160)	Non-Executive, Independent	6	Yes	-	-	-
Mr. Douglas Smith (DIN: 02454618)	Non-Executive, Non-Independent	6	No	-	-	-
Mr. Avishrant Keshava (DIN: 07292484)	Executive, Non-Independent	6	Yes	-	-	-

* Includes private companies and Section 8 companies as per the Companies Act, 2013. ('the Act')

** As per Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

Mrs. N S Rama is also an Independent Director of Xchanging Solutions Limited and Mr. P S Dasgupta is also an Independent Director of five listed companies namely Cummins India Limited, Vindhya Telelinks Limited, Maral Overseas Limited, RSWM Limited and Ester Industries Limited.

During the financial year ended 31 March, 2022, six Board Meetings were held on 9 June, 2021, 18 June, 2021, 9 August, 2021, 10 November, 2021, 2 February, 2022 and 25 February, 2022 respectively and gap between two consecutive meetings did not exceed 120 days. Information as required under PART-A of Schedule II of Listing Regulations has been made available to the Board. During FY 2021-22, the Board of Directors accepted all the recommendations made by the Committees of the Board.

One meeting of the Independent Directors without participation of Non-Independent Directors and any management personnel was also held on 21 February, 2022. The Company has received necessary declaration from all Independent Directors of the Company confirming that each of them has met with criteria of independence laid down in Section 149 of the Act and Regulation 16 of Listing Regulations. Tenure of Independent Directors of the Company is within the time limit as prescribed under the Act. It is hereby confirmed that in the opinion of the Board, Independent Directors fulfil the conditions specified in Section 149 of the Act and Regulation 16 of Listing Regulations and are independent of the management. The Company has disclosed terms and conditions of appointment of Independent Directors on its website at <https://www.timken.com/en-in/investors/statutory-compliances/>. 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 companies. No Director of the Company is a member of more than ten committees or acts as Chairman/Chairperson of more than five committees across all companies in which he/she is a Director. Necessary disclosures regarding committee positions have been made by all the Directors.

The Board has identified core skills/expertise/competencies required in the context of business of the Company. Details regarding Directors who possess such skills/expertise/competencies are provided in the table below:

Core skills/ expertise/ competencies	Availability with Board	Sanjay Koul	P S Dasgupta	Bushen Lal Raina	N S Rama	Douglas Smith	Avishrant Keshava
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	√	√	√	√	√	√

DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTORS INTER-SE

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

DIRECTORS' SHAREHOLDING

Mr. P S Dasgupta holds 1 equity share, Mr. Avishrant Keshava holds 2 equity shares and Mr. Bushen Lal Raina holds 150 equity shares of the Company. Other Directors do not hold any share of the Company. The Company has not issued any convertible instrument.

FAMILIARIZATION PROGRAM

The Company conducted a Familiarization Program during FY 2021-22 relating to "Timken India HR Policies and Procedures" which was attended by all Independent Directors. Familiarization programmes conducted for Independent Directors so far have been disclosed on the Company's website and can be seen at <https://www.timken.com/en-in/investors/statutory-compliances/>.

AUDIT COMMITTEE

The Board has constituted Audit Committee comprising 4 Directors out of which 3 are Independent Directors. Mr. P S Dasgupta, Independent Director acted as the Chairman of the Audit Committee during the year ended 31 March, 2022 and he was present at 34th AGM of the Company held on 23 August, 2021.

During the financial year ended 31 March, 2022, five Audit Committee Meetings were held on 9 June, 2021, 18 June, 2021, 9 August, 2021, 10 November, 2021 and 2 February, 2022 respectively. Relevant details regarding Audit Committee Meetings held during FY 2021-22 are given below:

Name of the Director	Designation	Category	No. of Meetings attended
Mr. P S Dasgupta	Chairman	Non-Executive, Independent	5
Mr. Sanjay Koul	Member	Executive, Non-Independent	5
Mr. Bushen Lal Raina	Member	Non-Executive, Independent	5
Mrs. N S Rama	Member	Non-Executive, Independent	5

Audit Committee Meetings were also attended by the representatives of Internal Auditors and Statutory Auditors. The Audit Committee enjoys all the powers as mentioned in Regulation 18 of Listing Regulations. 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 Act and Rules framed thereunder. The Audit Committee mandatorily reviewed the information prescribed in Schedule II, Part C (B) of Listing Regulations.

NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted Nomination and Remuneration Committee comprising 4 Directors out of which 3 are Independent Directors. Mrs. N S Rama, Independent Director acted as the Chairperson of the Nomination and Remuneration Committee during the year ended 31 March, 2022 and she was present at 34th AGM of the Company held on 23 August, 2021. During the year ended 31 March, 2022, one meeting of the Nomination and Remuneration Committee was held on 24 May, 2021. Relevant details regarding Nomination and Remuneration Committee Meeting held during FY 2021-22 are given below:

Name of the Director	Designation	Category	Attendance (24 May, 2021)
Mrs. N S Rama	Chairperson	Non-Executive, Independent	Yes
Mr. P S Dasgupta	Member	Non-Executive, Independent	Yes
Mr. Bushen Lal Raina	Member	Non-Executive, Independent	Yes
Mr. Douglas Smith	Member	Non-Executive, Non -Independent	Yes

The role of Nomination and Remuneration Committee is as per what is described in Part D (A) of Schedule II of the Listing Regulations and Section 178 of the Act.

PERFORMANCE EVALUATION CRITERIA

The Nomination and Remuneration Committee of the Board has laid down 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 or professional fees paid to firm where Independent Director is Partner, 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 & allowances, perquisites (fixed components) and performance incentive (variable component) to the Chairman & Managing Director and Whole-time Director being executive directors on the Board of Directors of the Company, after obtaining requisite approvals. Performance incentives (variable component) were based on performance criteria laid down at beginning of the year broadly taking into account EBIT and free cash flow targets set for the year.

Criteria for making payment to the Directors are disclosed in the Nomination and Remuneration Policy, which is available on the Company's website at <https://www.timken.com/en-in/investors/policies/>.

REMUNERATION OF DIRECTORS FOR FY 2021-22*Non-Executive Directors*

Name of the Director	Sitting Fees (₹)
Mr. P S Dasgupta	5,40,000
Mr. Bushen Lal Raina	7,10,000
Mrs. N S Rama	6,30,000
Mr. Douglas Smith	Nil

Executive Directors (In Rupees)

Name of the Director	Salary & Allowances	Perquisites	Performance Incentive
Mr. Sanjay Koul	2,01,74,155	1,16,68,775	54,66,553
Mr. Avishrant Keshava	67,49,161	15,07,492	10,46,296

The Company does not have Stock Options Scheme. Mr. Koul and Mr. Keshava are entitled to receive stock options of ultimate Parent Company, cost of which is included in Perquisites. Terms of appointment of the Executive Directors are governed by applicable provisions of 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. As per terms of appointment, none of the Executive Director is entitled to receive any severance fees.

RISK MANAGEMENT COMMITTEE

The Board of Directors of the Company has constituted Risk Management Committee comprising 3 Directors out of which 1 is Independent Director.

During the year ended 31 March, 2022, three meetings of Risk Management Committee were held on 3 May, 2021, 20 October, 2021 and 16 March, 2022 respectively. Relevant details regarding Risk Management Committee Meetings held during FY 2021-22 are given below:

Name of Member	Designation	Category	No. of Meetings attended
Mr. Sanjay Koul	Chairman	Executive, Non-Independent	2
Mr. Avishrant Keshava	Member	Executive, Non-Independent	3
Mr. Sudharsan G ¹	Member	-	1
Mr. Bushen Lal Raina ²	Member	Non-Executive, Independent	2

¹ Mr. Sudharsan G ceased to be Member of the Committee w.e.f. 9 June, 2021.

² Mr. Bushen Lal Raina was appointed as Member of the Committee w.e.f. 9 June, 2021.

The Role of Risk Management Committee includes Roles described in Part D(C) of the Schedule II of the Listing Regulations.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of Directors of the Company has constituted Corporate Social Responsibility Committee comprising 3 Directors out of which 1 is Independent Director.

During the year ended 31 March, 2022, one meeting of the Corporate Social Responsibility Committee was held on 23 April, 2021. Relevant details regarding Corporate Social Responsibility Committee Meeting held during FY 2021-22 are given below:

Name of Member	Designation	Category	Attendance (23 April, 2021)
Mr. Sanjay Koul	Chairman	Executive, Non-Independent	Yes
Mr. Avishrant Keshava	Member	Executive, Non-Independent	Yes
Mr. Bushen Lal Raina	Member	Non-Executive, Independent	Yes

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board has constituted Stakeholders Relationship Committee comprising 3 Directors out of which 2 are Non-executive Directors. Mrs. N S Rama, Independent Director acted as the Chairperson of the Stakeholders Relationship Committee during the year ended 31 March, 2022 and she was present at 34th AGM of the Company held on 23 August, 2021.

The Stakeholders Relationship Committee is *inter-alia* entrusted with the responsibility to consider and resolve grievances of shareholders including complaints relating to transmission of shares, non-receipt of annual report, non-receipt of declared dividend, loss of share certificates, etc.

During the year ended 31 March, 2022, one meeting of the Stakeholders Relationship Committee was held on 26 October, 2021. Generally, approval of the members of the Stakeholders Relationship Committee is obtained through resolutions by circulation for effecting registration of transmission of shares in physical form, issue of duplicate/new certificates and other issues involving investor services.

Relevant details regarding Stakeholders Relationship Committee Meeting held during FY 2021-22 are given below:

Name of the Director	Designation	Category	Attendance (26 October, 2021)
Mrs. N S Rama	Chairperson	Non-Executive, Independent	Yes
Mr. Sanjay Koul	Member	Executive, Non-Independent	Yes
Mr. Douglas Smith	Member	Non-Executive, Non-Independent	Yes

Mr. Mandar Vasmatkar acted as Compliance Officer during the year under review.

Status on investors' queries/complaints during FY ended on 31 March, 2022 is given below:

Sl. No.	Particulars	Q1	Q2	Q3	Q4	Total
1.	Number of shareholders' queries/complaints received	395	435	442	454	1726
2.	Number of queries/complaints not solved to the satisfaction of shareholders	0	0	0	0	0
3.	Number of pending queries/complaints	0	0	0	0	0

GENERAL BODY MEETINGS

Location, date and time of last three AGMs:

Financial Year	Location	Date	Day	Time	No. of Special Resolutions
2018-19	Tangerine Conference Hall Lemon Tree Hotel, Plot No. 54B/55A, Hosur Main Road, Electronic City, Phase I, Bangalore - 560 100	12 August, 2019	Monday	10.00 am	-
2019-20	Timken India Limited, 39-42, Electronic City, Phase II, Hosur Road, Bangalore - 560 100. (through VC/OAVM)	20 August, 2020	Thursday	03.00 pm	-
2020-21	Timken India Limited, 39-42, Electronic City, Phase II, Hosur Road, Bangalore - 560 100. (through VC/OAVM)	23 August, 2021	Monday	03.00 pm	1

Notes: (a) No special resolution was required to be passed in FY 2021-22 through Postal Ballot.

(b) One special resolution was passed for re-appointment of Mrs. N S Rama as an Independent Director of the Company in FY 2021-22.

MEANS OF COMMUNICATION

Quarterly financial results of the Company were communicated through newspaper insertions and intimation to the Stock Exchanges and are also displayed on Company's website at <https://www.timken.com/en-in/investors/financial-report/>. Quarterly financial results were published in Financial Express (English) and Prajavani (Kannada). During FY 2021-22, no presentation was made to Institutional Investors/analyst.

GENERAL SHAREHOLDERS INFORMATION

1	AGM	23 August, 2022 through VC/OAVM						
2	Financial Year	1 April, 2021 to 31 March, 2022						
3	Dividend Payment Date	Within 30 days from declaration at the AGM						
4	Stock Exchanges where Shares are listed and Listing Fees	Equity Shares of the Company are presently listed on the following Stock Exchanges:						
		The National Stock Exchange of India Limited "Exchange Plaza" Bandra Kurla Complex Bandra (E), Mumbai - 400 051			BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400 001			
		The Company has paid annual listing fees to the above Stock Exchanges for FY 2022-23.						
5	Compliance Officer	Mr. Mandar Vasmatkar						
6	Registrar & Share Transfer Agent	CB Management Services Private Limited SEBI Registration Number : INR000003324						
7	Investor Relations Correspondence	Company Secretary & Chief - Compliance Timken India Limited 39-42, Electronic City, Phase II, Hosur Road, Bengaluru - 560 100 Tel. No. 080 - 41362000 e-mail: tilinvestor@timken.com			Registrar & Share Transfer Agent CB Management Services Private Limited P-22, Bondel Road Kolkata - 700 019 Tel. No. 033 - 40116700 e-mail: rta@cbmsl.com			
8	Stock Code/Symbol	522113 (BSE), TIMKEN (NSE) , ISIN : INE325A01013						
9	Promoter / Non-promoter shareholding as on 31 March, 2022	Promoter : Timken Singapore Pte Limited : 67.80% Non-promoter Public Shareholding : 32.20% Detailed shareholding pattern for every quarter is available on the website of the Company at https://www.timken.com/en-in/investors/statutory-compliances/ .						
10	Market Price Data/ Stock Performance	Month	BSE High (Rs.)	BSE Low (Rs.)	NSE High (Rs.)	NSE Low (Rs.)	BSE Sensex (Close)	Nifty 50 (Close)
		Apr-21	1442.90	1280.00	1444.00	1276.70	48782.36	14631.10
		May-21	1415.20	1226.00	1415.05	1225.20	51937.44	15582.80
		Jun-21	1567.55	1299.65	1566.00	1303.00	52482.71	15721.50
		Jul-21	1665.00	1450.00	1667.00	1450.00	52586.84	15763.05
		Aug-21	1735.00	1480.20	1737.00	1480.00	57552.39	17132.20
		Sep-21	1867.00	1635.80	1859.90	1635.00	59126.36	17618.15
		Oct-21	1916.00	1622.45	1917.00	1621.00	59306.93	17671.65
		Nov-21	2081.25	1744.00	2080.55	1761.00	57064.87	16983.20
		Dec-21	2174.55	1750.30	2156.70	1780.15	58253.82	17354.05
		Jan-22	2136.50	1862.00	2140.00	1863.75	58014.17	17339.85
		Feb-22	2108.05	1852.50	2118.00	1850.70	56247.28	16793.90
		Mar-22	2301.65	1908.30	2305.00	1906.00	58568.51	17464.75

11	Distribution of shareholding	The distribution of shareholding as on 31 March, 2022 is given below:				
		Range (Shares)	No. of Shares	No. of Folios	% (Shares)	% (Folios)
		1 - 500	4188886	54683	5.58	97.21
		501 - 1000	601360	807	0.78	1.43
		1001 - 2000	543233	374	0.72	0.67
		2001 - 3000	255294	100	0.34	0.18
		3001 - 4000	207328	59	0.28	0.10
		4001 - 5000	138658	30	0.18	0.05
		5001 - 10000	423342	56	0.56	0.10
		10001 and above	68860633	145	91.56	0.26
			75218734	56254	100.00	100.00
12	Securities are suspended from trading	Not Applicable				
13	Share Transfer System	It may please be noted that transfer of shares held in physical form has been discontinued as per SEBI guidelines. Requests for registration of transmission of shares, name deletion, issuance of duplicate share certificates for shares held in physical form were processed periodically. The Stakeholders Relationship Committee is delegated with power to approve these requests. As per SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25 January, 2022, the Company is issuing "Letter of Confirmation" in lieu of physical share certificates corresponding to requests received from shareholders pertaining to transmission, transposition, issue of duplicate securities certificates etc.				
14	Dematerialisation of Shares and liquidity	The Company has arrangements with National Securities Depositories Limited ('NSDL') as well the Central Depository Services (India) Limited ('CDSL') for Demat facility. As on 31 March, 2022, 98.56% of the Company's Equity Share Capital is dematerialized.				
15	Outstanding GDRs/ ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity	Not applicable				
16	Commodity price risk or foreign exchange risk and hedging activities	<p>The Risk Management Committee of the Board oversees various risks which may impact business of the Company which <i>inter-alia</i> includes Financial Risk, Cyber Security Risk, etc. During FY 2021-22, the Company has adopted ISO 31000:2018 as a reference and developed its enterprise risk management system around framework and principles of ISO 31000:2018.</p> <p>For detailed comments on Commodity Price Risk and Foreign Exchange Risk, please refer Note No. 39A to Financial Statements.</p>				
17	Plant locations	<p>The Company's Plants are located at :</p> <p>Jharkhand : Bara, P.O. Agrico, Jamshedpur - 831 009.</p> <p>Gujarat : Plot no 109A, 109B, 1 -B- C, Narmadanagar, Bharuch - 392015</p>				

DISCLOSURES :**Related Party Transactions**

There was no materially significant related party transaction that may have potential conflict with the interest of the Company at large during FY 2021-22. Senior management personnel have declared that during the year ended 31 March, 2022, the Company did not enter into transaction in which they had personal interest. Details of all material related party transactions are disclosed separately in the Annual Report (Refer Annexure V to Board's Report). 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/>.

Non-compliance details

There have been no instances of non-compliance of Rules and Regulations applicable to the Company and no penalty or strictures has been imposed on the Company by Stock Exchanges and SEBI or any other Statutory Authorities during the last three years.

Whistle Blower Policy

The Whistle Blower Policy of the Company is disclosed on the Company's website at <https://www.timken.com/en-in/investors/policies/>. The Company feels that turning Ethics into Action is everyone's responsibility. To help protect Company's values and reputation, associates, business partners are encouraged to speak up if something just doesn't seem right or when they have a question. It enables the Company to better uphold its values and fulfill commitments towards shareholders, customers, suppliers and the community. The Company has adopted a Whistle Blower Policy in terms of which associates, business partners of the Company are provided with mechanism to raise and resolve their concern or question. Open door policy of the Company supports an environment that encourages associates to ask questions and report concerns. When associates have a question or concern, they can speak with a supervisor or manager with whom they feel comfortable. If associates are not comfortable disclosing their identity, they may choose to submit concern or question to "Timken Helpline", a toll free phone number and choose not to disclose his identity. The Company investigates all reports promptly, thoroughly and fairly, and take action when appropriate. The Company expects to participate in investigations if required but safeguards confidentiality both during and after the investigation. The Company does not tolerate acts of retaliation against anyone who makes report in good faith.

Certificate from Company Secretary in Practice

The Company has received a Certificate from Practicing Company Secretary certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/Ministry of Corporate Affairs and same is available on the Company's website at <https://www.timken.com/en-in/investors/statutory-compliances/>.

Sexual Harassment Complaints

The Company does not tolerate any discrimination, sexual harassment or any other harassment whether engaged in by management or associates or other individual with whom associates come into contact during work. The Company has adopted Anti-Sexual Harassment Policy in line with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has constituted Internal Complaints Committee to redress complaints received regarding sexual harassment as required by aforesaid Act. During the year under review, the Company has not received any sexual harassment complaint.

Credit Rating

During the year under review, no credit rating was required to be obtained by the Company.

Utilization of Funds

Disclosure requirements regarding utilization of fund were not applicable as the Company has not received any fund through Preferential Allotment or Qualified Institutional Placements.

Auditors Fees

Total Fees paid to Statutory Auditors during the year is disclosed in the Annual Report separately (Refer note no. 32 to Financial Statements).

Material Subsidiary

The Company does not have any subsidiary Company and therefore, policy for determining material subsidiaries is not applicable.

Disclosure relating to loans and advances

During the FY 2021-22, the Company has not given loans and advances to firms/companies in which any Directors of the Company are interested.

Compliance Requirement of Corporate Governance Report

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:

- Chairman of the Board of Directors is an Executive Director under the designation Chairman & Managing Director.
- Quarterly/Half-yearly Financial Results 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.
- The Independent Auditor's Report on the Company's Financial Statements for FY 2021-22 does not contain any qualification.
- KPMG Assurance and Consulting Services LLP acted as the Internal Auditors for FY 2021-22 and during the tenure, they reported to the Audit Committee of the Board.

During the FY 2021-22, 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

Date: 1 July, 2022

Place: Bengaluru

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Corporate Identity No : L29130KA1996PLC048230

Nominal Capital : Rs. 113,00,00,000/-

To

The Members of Timken India Limited,

We have examined all the relevant records of **Timken India Limited** for the purpose of certifying compliance of the conditions of the Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2022, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. Our 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 our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the mandatory conditions of Corporate Governance as stipulated in the said Regulations. As regards Discretionary Requirements specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has complied with items C and E.

NOTE: Due to Covid-19 pandemic situation, we have conducted online verification and examination of records, as facilitated by the Company for the purpose of issuing this Certificate.

For **V. Sreedharan & Associates**
Company Secretaries

Sd/-

(Pradeep B. Kulkarni)

Partner

F.C.S.7260; C.P.No.7835

Place: Bengaluru

Date: 27 May, 2022

UDIN : F007260D000404459

Peer Review Certificate No. 589/2019

Ratio of Remuneration

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

(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 : 1:23.7 Employee to WTD* Ratio : 1:7.7
(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;	10% - 14%
(iii) the percentage increase in the median remuneration of employees in the financial year;	7.9%
(iv) the number of permanent employees on the rolls of company;	1,256 as on 31 st March 2022 (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;	8.7% There have been no exceptions made, all hikes were made as per the Company's Remuneration Policy.
(vi) Affirmation that the remuneration is as per the remuneration policy of the company.	Yes

*CMD : Chairman & Managing Director

*WTD : Whole-time Director

For and on behalf of the Board of Directors

Sd/-

Sanjay Koul

Chairman & Managing Director

DIN: 05159352

Date: 1 July, 2022

Place: Bengaluru

Annual Report on CSR activities for the financial year 2021-22

1.	Brief outline on CSR Policy of the Company	<p>Timken makes the world a better place through a combination of volunteer efforts, community leadership and financial support. The Company's CSR vision includes (i) Consult with local communities to identify needs (ii) Partnering with organizations of repute including NGOs, educational institutions and (iii) Continuously endeavor to find out ways to bring a stronger community.</p> <p>The Company wishes to focus 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, the Company is willing to take any activity covered under Schedule VII of the Act for CSR expenditure. However, the Company focuses primarily on two broad areas namely promotion of education including enhancing vocational skills and preventive healthcare.</p>			
2.	Composition of CSR Committee as on as on 31 March, 2022:				
	Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
	1.	Mr. Sanjay Koul	Chairman/ Managing Director	1	1
	2.	Mr. Bushen Lal Raina	Member/ Independent Director	1	1
	3.	Mr. Avishrant Keshava	Member/ Whole-time Director	1	1
3.	Web-links where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company.		<p>CSR Committee Composition: https://www.timken.com/en-in/investors/ CSR Policy: https://www.timken.com/en-in/investors/policies/ CSR Projects approved by the Board https://www.timken.com/en-in/investors/statutory-compliances/</p>		
4.	Details of impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).		Not Applicable		
5.	Details of amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.		Rs 56,025/-		
6.	Average net profit of the Company as per section 135(5)		Rs. 2,41,87,94,864/-		
7.	(a)	Two percent of average net profit of the Company as per Section 135(5)a	Rs. 4,83,75,897/-		
	(b)	Surplus arising out of the CSR Projects or Programmes or Activities of the previous financial years	Nil		
	(c)	Amount required to be set off for the financial year, if any	Rs 56,025/-		
	Total CSR obligation for the financial year (7a+7b-7c)		Rs. 4,83,19,872/-		

8.	(a)	CSR amount spent or unspent for the financial year:								
		Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)							
			Total amount transferred to Unspent CSR Account as per Section 135(6)				Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)			
			Amount	Date of transfer	Amount	Date of transfer				
		5,20,53,075/-	Nil				Nil			
	(b)	Details of CSR amount spent against ongoing projects for the financial year:						Nil		
	(c)	Details of CSR amount spent against other than ongoing projects for the financial year:								
(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)		
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project.		Amount spent for the project (in Rs.)	Mode of Implementation -Direct (Yes/No)	Mode of Implementation - through Implementing Agency		
				State	District			Name	CSR Registration number	
1.	Covid Relief Measures mainly setting up medical oxygen generation and storage plants	Preventive Healthcare	Yes	Karnataka, Tamilnadu, Jammu & Kashmir	Bangalore, Tumkur, Chikkaballapur, Chennai, Jammu	3,64,84,515/-	Yes	NA	NA	
2.	Financial support for upgradation of school infrastructure	Promoting Education	Yes	Jharkhand	East Singhbhum	91,00,000/-	No	Torang Trust	CSR00012646	
3.	Scholarship grants to students pursuing higher education	Promoting education	No	Pan India	Pan India	53,18,354/-	No	Tata Institute of Social Sciences	CSR00003475	
4.	Financial support for upskilling technicians	Employment enhancing vocational skills	No	West Bengal, Uttar Pradesh, Assam	24-North Paraganas, Etawah, Cachar	10,64,832/-	No	Automotive Skills Development Council	CSR00004533	
	TOTAL					5,19,67,701/-				
	(d)	Amount spent in Administrative Overheads					Rs 85,374/-			
	(e)	Amount spent on Impact Assessment, if applicable					Nil			
	(f)	Total amount spent for the Financial Year (8b+8c+8d+8e)					Rs. 5,20,53,075/-			
	(g)	Excess amount for set off, if any					Rs 37,33,203/-			
9.	(a)	Details of Unspent CSR amount for the preceding three financial years						Nil		
	(b)	Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s)						Nil		
10.	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)						Not Applicable			
11.	Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5)						Not Applicable			

For and on behalf of the Board of Directors

Sd/-

Sanjay Koul

Chairman & Managing Director
(Chairman – CSR Committee)
DIN: 05159352

Date: 1 July, 2022
Place: Bengaluru

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED: MARCH 31, 2022

[Pursuant to Sub Section (1) of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial 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** (hereinafter called 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 financial year ended on March 31, 2022 (the audit period) 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 during the audit period according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. The Company has not made any Overseas Direct Investment and External Commercial Borrowings during the audit period;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; - Not applicable to the Company during the audit period.
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - Not applicable to the Company during the audit period.
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - Not applicable to the Company during the audit period.
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable to the Company during the audit period.
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable to the Company during the audit period.
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable to the Company during the audit period.
 - i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR); and
 - j. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

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) Economic and Commercial Laws; (v) Legal Metrology Act, 2009 and (vi) 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.

I have not examined compliance with applicable Financial Laws, like Direct and Indirect Tax Laws, since the same have been subject to review by statutory financial audit and other designated professionals.

I FURTHER REPORT THAT:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of Board of Directors of the Company during the financial year 2021-2022.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and in some cases at shorter notice, 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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that based on the review of the compliance mechanism adopted by the Company and the presentations made by the concerned departments' heads at the Board Meetings, regarding compliance with the applicable laws and its adherence, 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 there were no specific events / actions like i.e., Public/Right/Preferential issue of shares / debentures/sweat Equity, etc., Redemption / buy-back of securities, Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013, Merger / amalgamation / reconstruction, etc. and Foreign technical collaborations, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Date: 27 May, 2022
Place: Bengaluru
UDIN: A052406D000408124

Sd/-
Nagarjun Y G
Practicing Company Secretary
Membership No: A52406
CP: 19301
PR: 1466/2021

Note: This report (i.e., Form MR-3) is to be read with our letter of even date which is annexed as Annexure-1 and forms an integral part of this report.

Annexure -1

To,
The Members
TIMKEN INDIA LIMITED

Our 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 the 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 that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management 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 is 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.
7. Due to Covid-19 pandemic situation, I have conducted online verification and examination of records, as facilitated by the Company for the purpose of issuing Secretarial Audit Report (Form No. MR-3).

Date: 27 May, 2022
Place: Bengaluru
UDIN: A052406D000408124

Sd/-
Nagarjun Y G
Practicing Company Secretary
Membership No: A52406
CP: 19301
PR: 1466/2021

Annexure – V

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, 2022, 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 or transactions including the value, if any	Dates) of approval by the Board/ Shareholders, if any	Amount paid as advances, if any
The Timken Corporation (Fellow Subsidiary)	Purchase of Goods	- 961.17	All these transactions are ongoing in nature.	Based on Transfer Pricing guidelines/ market rates	Not applicable
	Sale of Goods	- 3,488.04			
	Purchase of Property, Plant & Equipment	- 114.46			
	Agency Commission (Income)- Expense Receivable	11.20 - 26.70			
The Timken Company (Ultimate Holding Company)	Purchase of Goods	- 497.74		By Shareholders at 29 th AGM held on 10 August, 2016	Not applicable
	Sale of Goods	- 1,412.80			
	Expense Receivable	- 0.88			
	Expense Payable	- 196.71			
	Agency Commission (Income)- Purchase of Property, Plant & Equipment	3.76 - 0.25			
	Royalty	- 491.67			
Timken Engineering and Research-India Pvt. Ltd (Fellow Subsidiary)	Expense Receivable	- 30.54		By Shareholders at 29 th AGM held on 10 August, 2016	Not applicable
	Expense Payable	- 90.68			
	Purchase of Goods	- 998.30			
	Sale of Goods	- 253.24			
	Purchase of Property, Plant & Equipment	- 0.23			
Purchase of export Licenses	- 50.81				
Timken Wuxi Bearings Co. Ltd. (Fellow Subsidiary)	Purchase of Goods	- 2,044.22		By Shareholders at 31 st AGM held on 10 August, 2018	Not applicable
	Sale of Goods	- 16.89			
	Expense Receivable	- 0.92			

*Note : transaction with a related party is considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual turnover of the Company as per the last audited financial statements of the Company.

For and on behalf of the Board of Directors

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

Date: 1 July, 2022
Place: Bengaluru

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**A. Conservation of Energy**

Over past few years, the Company has taken up and successfully completed several Energy Conservation projects to significantly reduce carbon footprints. Both Plants at Jamshedpur and Bharuch have taken up energy conservation measures at various stages of manufacturing. Also, steps are being taken continuously to migrate from conventional energy sources towards renewable energy sources to promote sustainability. Details of efforts made by the Company in this area during FY 2021-22 are given below.

1. The steps taken / impact on conservation of energy

Both Plants at Jamshedpur and Bharuch are following ISO 50001 (Energy Management Systems) and below are few energy conservation initiatives taken at Jamshedpur and Bharuch Plants:

JAMSHEDPUR

- Capacity enhancement of RHF3 (450 to 575Kg/hr) by providing thyristor in place of transformer.
- Interlocking of cooling tower pumps & fans with temperature for HVAC system.
- Pressure actuated VFD control for centralized HVAC.
- Integrate Raptor (Roller) and RBS Compressed air lines.
- Thyristor installation in all BIQ furnaces in place of transformers at Heat Treat.
- LED lights installation at DEE building.
- As the energy billing system was changed from KWH to KVAH rating, special focus was given to maintain unity power factor to maintain KVAH as low as possible. Thyristorised PF controller were installed to enable smooth PF controller and enable it to operate at Unity Power Factor.
- Heat treat furnaces refractory insulation was revamped in planned way to minimize heat losses ultimately yielding electrical energy saving.

BHARUCH

- Replaced old motors by IE3 energy efficient motors in grinding line machines.
- Replaced old package AC units & old ductable AC units with 5 star rated package & split AC units.
- Avoided idle running of motors by interlocking with PLC and modification of logic.
- Ceramic coating to outer body of RSMB furnace.
- Replaced old pumps by new pumps in G1 coolant area.
- Reduced compressed air waste by installing solenoid valves with on/off switches.
- Modified pipelines in G2 coolant area.
- Maintain power factor above 0.998 for reduction in energy bills.

2. Steps taken by the Company for utilizing alternate sources of energy**JAMSHEDPUR**

Jamshedpur plant is fully utilising its roof top solar panels with a capacity of 1267 kWp and there are further plans to enhance solar power panels to double the capacity in near future.

GUJARAT

The Company operates windmills in the State of Gujarat. Energy generated from windmills is passed on to the Distribution Company and the Company gets credit for such energy generated and supplied to Distribution Company.

3. The capital investment on energy conservation equipments

The Company has invested ₹ 19.85 Lakhs during FY 2021-22 on energy conservation projects.

B. Technology Absorption**1. The efforts made towards technology absorption of the company:** Following efforts were made for technology absorption:

- o New age dressers are being installed for making technically superior profiles.
- o CBN grinding wheels and CVD technology to dress the wheels.
- o Vision system for defect detention installed.
- o Automated roller packaging system installed.
- o New state of art sealed salt quench furnace installed.

2. Benefits derived from technology absorption: Technology absorption has helped the Company to develop new part numbers and also to manufacture products in time efficient manner.**3. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year): 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 thereof:**

The Timken Company, ultimate Parent Company of your Company, conducts research and development activities and focuses on development of new products and technologies. The Timken Company passes on newly developed products and technologies to all its group companies in the world from time to time.

Your Company has received technology from The Timken Company from time to time starting from FY 1991 -92 mainly in the areas of machining, heat treatment and finishing to make further improvements in the manufacturing process, product quality and production output and related activities for manufacturing of bearings and components. This is continuous process.

4. Expenditure incurred on Research and Development : Nil**B. Foreign exchange earnings and Outgo**

Particulars	FY 2021-22 (Rs./million)	FY 2020-21 (Rs./million)
Foreign Exchange Earnings	5,370	3,171
Foreign Exchange Outgo	5,967	3,140

For and on behalf of the Board of Directors

Sd/-

Sanjay Koul

Chairman & Managing Director

DIN: 05159352

Date: 1 July, 2022

Place: Bengaluru

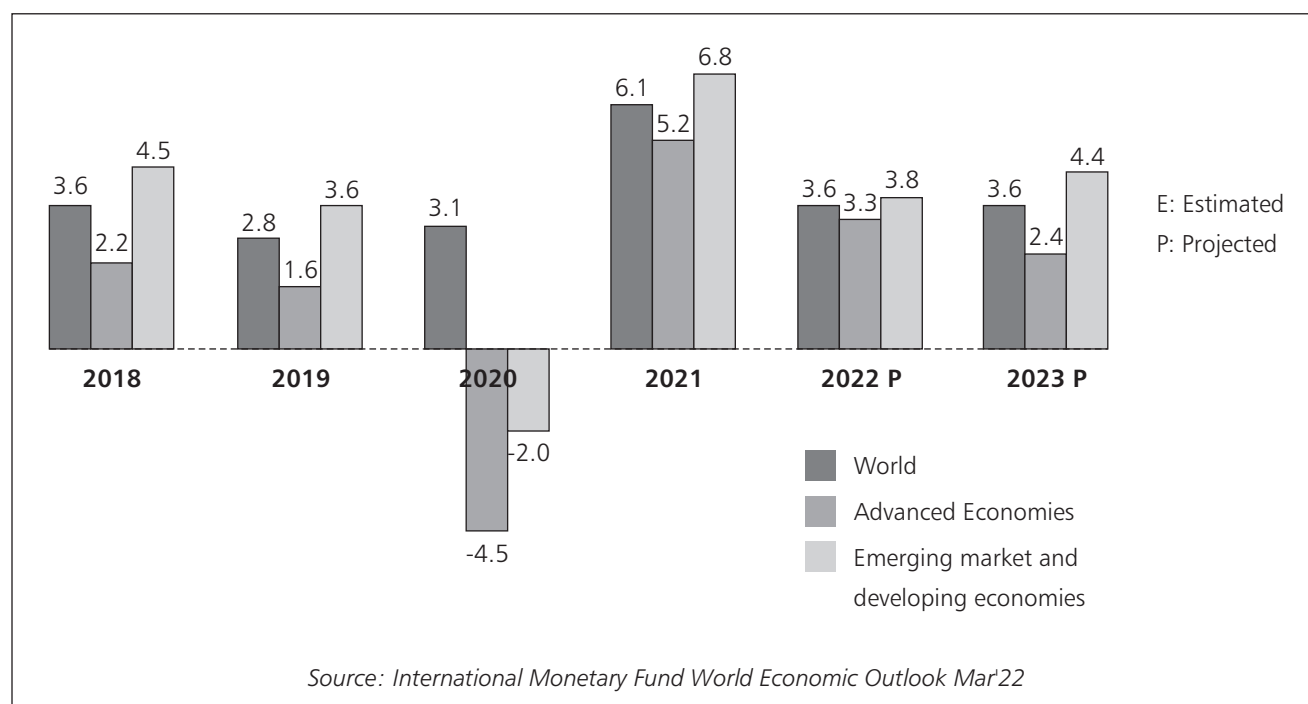
Management Discussion & Analysis

Global Economic Overview

o Current Global Scenario

The International Monetary Fund (IMF) has averred that the global economy is entering the upcoming financial year from a position of weakness and is projected to close at 3.6% in 2022 from 6.1% in 2021 (Source: *International Monetary Fund World Economic Outlook Mar'22*), largely as a consequence of the conflict in Ukraine and intermittent lockdowns to tackle the spread of newer variants of COVID-19. Energy price inflation, stiffening of monetary policies by central banks and surging interest rates have resulted in substantial inflation than predicted, majorly in the United States and many other emerging and developing markets. The ongoing imposition of sanctions have curtailed financial and trade linkages between Russia and the world that have had repercussions on food and fuel thereby limiting growth prospects.

Global Growth (%)



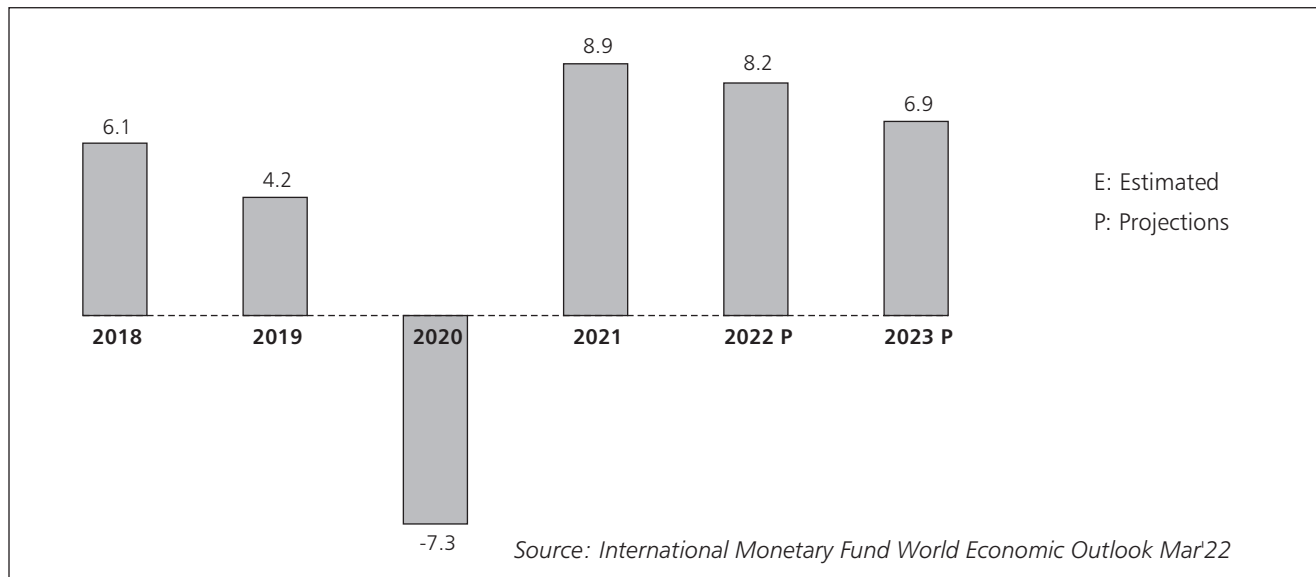
o Global Outlook

The global economy is projected to deteriorate to 3.6% in 2022-23 which is a 0.8 and 0.2 percentage point drop for 2022 and 2023 than the predicted in the January 2022 World Economic Outlook (WEO). This estimate factors in the humanitarian crisis that is the on-going conflict between Ukraine and Russia, the sanctions imposed on the latter and the on-going climate crisis. Few principal forces that could shape the global outlook are the aftermath of the war in Ukraine, the financial market volatility and the spread of the pandemic and access to healthcare.

India Economic Overview

o Current Scenario

India is a frontrunner amongst the developing economies of the world. As per International Monetary Fund World Economic Outlook Mar'22 report, the economy has closed at 8.9% in FY21 and is estimated to drop to 8.2%. Despite tough economic conditions, aforementioned marginal drop can be credited to the enhanced performance in the mining, manufacturing and farming sectors. India's focus on policies that facilitate growth and infrastructure will continue in 2023, thereby projecting it as a strong contender amongst alternate investment destinations.

India's Growth (%)

o **Outlook**

India is an emerging economy with a strong emphasis on boosting the manufacturing sector. This vision is backed by government incentives such as lower taxes and rising service exports. The Government's pledge for an Atmanirbhar Bharat and budget allocation in infrastructure has encouraged the bearing manufacturers to ramp-up local manufacturing capability. Strong underlying economic fundamentals of India despite the short-term turbulence, the impact on the long-term outlook will be marginal and will likely help India avoid the long-term impacts of the ongoing conflict in Ukraine.

The country's manufacturing sector activity has been on a predominant rise. The upward revision is a reflection of an ever-improving outlook on private investment in manufacturing sectors. Sectors have benefitted from the Production Linked Incentive (PLI) Scheme and an upsurge in investments in infrastructure. Purchasing Managers' Index (PMI), progressed marginally to 54.9 in Feb'22 from a four-month low of 54.0 but fell back to 54 in Mar'22 owing to slower expansions in factory orders and production as well as decline in new export orders, inflation which is on the rise can cause a significant slow-down if continues to grow. (Source: IHS Markit India Manufacturing). Further, relaxation of regulations and business opportunities have solidified the GDP at 8.9% in FY21 (Source: International Monetary Fund World Economic Outlook Mar'22). Moreover, the robust construction and mining equipment market In India is estimated to facilitate growth.

Bearing Market and Future Development

The global bearing market is projected to register a CAGR of 9.1% between 2014 and 2025 (Source: Grand View Research, Inc., Report). As per the market research, global bearing market has touched an ~USD 60 Billion in FY21 with India contributing to ~3% of the overall global bearing market. Bearings being an integral component of all equipment, and the ever so rising demand is a derivative of its diversified application in the global manufacturing sector mainly the automotive and industrial sector.

o **Indian Automotive Industry**

The Automotive sector, a major sector for consumption of Bearings is approximately valued at ~ USD 750 Million in FY21. The industry witnessed an overall slump in the market due to COVID restrictions and country wide pandemic induced lockdowns which concluded in an approximately - 14% drop in growth YoY (FY21 v/s FY20). However, with the enhanced conditions in 2021 with gradual upliftment of restrictions and subsequent increase in production activities, overall automotive bearing market is expected to witness an approximate 10% growth and reach pre-pandemic levels and is expected to approximately touch ~ USD 810 Million in FY22. The Vocal for Local movement has encouraged auto-ancillary manufacturers enhance their capabilities to decrease dependencies on imports.

The Commercial Vehicle sector will soon be a witness to India's emergence as a segment leader with government's scrappage policy which aims to phase out CVs older than 15 years and certified unfit for usage. With the progressing government's focus on Make in India, bearing localization will be a key for growth for major manufacturers to reduce dependency on imports and have more control on overall supply chain.

o **Commercial Vehicles (LCV and M&HCV) and Tractor Sales**

The automotive industry, which is the largest consumer of bearing among all the other industries, witnessed a substantial reduction in vehicle production in FY21 primarily owing to the supply chain disruptions and restrictions on the movement of people but witnessed a steep growth of 26% uptick in sales in FY22 compared to FY21 but CAGR stable at 0% from FY20 to FY22, as per flash figures published by Society of Indian Automobile Manufacturers (SIAM). Also, government’s stern focus on implementing Electric Vehicles for Public Transport will aid a sustainable growth in automotive sector.

(In Thousands)

Sales	FY20	FY21	FY22
Commercial Vehicles	718	569	717
Tractors	705	899	842

Source: SIAM Mar’22 Flash Report (Domestic Sales)
Tractor Manufacturers Association (Domestic Sales)

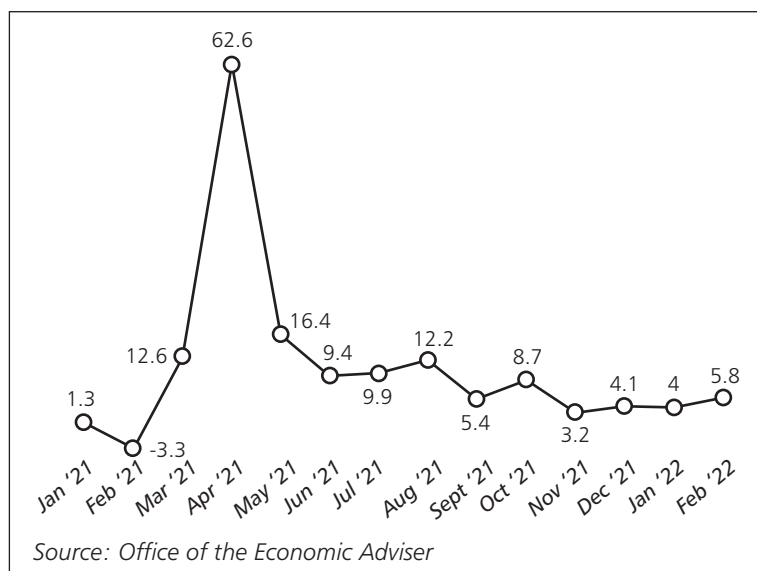
India Agriculture Tractor Market is expected to grow significantly at a CAGR of 5.8% by volume during 2021-2028 with the increased adoption of precision farming. Amongst the same, 41-60 HP segment is betted to be the market leader and sustain the position and is expected to grow at a CAGR of 5.7% by Volume during the same period.

o **Indian Industrial Industry**

The key indicator to a country’s economic advancement is the growth of its industrial sector. The Government intends to solidify its Make in India foundation to energize manufacturing and increase the contribution to GDP. India’s Index of Industrial Production (IIP) experienced a varied trend in 2020 owing to the COVID-19 based fluctuations in the Indian Economy. In Apr’21, the IIP Y-o-Y growth % saw a steep rise to 62.6% fell to 16.4% at the peak of the second wave of pandemic. The witnessed uptick in the recovery period can be attributed to measured lockdown relaxations, rebound in construction activity as well as improvement in consumer demand. (Source: Report released by Office of the Economic Adviser)

o **Growth Rates (on Y-o-Y basis in per cent)**

The Government of India continues to provide higher thrust to the manufacturing and mining sector in India. With the focused approach, mining sector grew by an average YoY of 14.2% and manufacturing sector grew by 14.3% in the period of Apr’21 – Jan’22 (MOSPI). To sustain the high growth rate, the government has earmarked a massive budgetary outlay of Rs 7.50 lakh crore for 2022-2023 (A whopping 35.4% increase from previous Rs 5.54 lakh crore). This is likely to have a multiplier effect on the core sector industries like steel and cement and with renewed focus on the affordable housing segment leading to an uptick in demand in infrastructure, realty, cement, steel and other commodity-focused businesses. Multiple nation-wide projects and initiatives such as development of industrial corridors, smart cities and ‘Make in India’, among others, are likely to aid performance of the industrial sector over the next few years.



Additionally, a host of measures are underway to strengthen India’s railway infrastructure. This includes upgradation of railway stations, building and expanding metro stations and replacing older coaches. Union Budget 2022 has allocated INR 1.40 lakh crore with the focus on manufacturing of 400 new-generation Vande - Bharat Trains with better energy efficiency in the next three years made of light-weight aluminum consuming much less energy than their steel counterparts and target of 100% broad-gauge route electrification completion December 2023.

● **Business Review**

Your Company's active operations are in anti-friction bearings, mechanical power transmission products and related services business. Our parent organization, The Timken Company is a 120-year-old US-based organization with operations in 41 countries around the world keeping industries in motion. The journey started when Henry Timken, founder of the Timken Company, designed and patented world's first tapered roller bearing. Today, Timken is synonymous with innovation, cutting-edge technology, and

quality. Your Company was recipient to several awards and recognitions in the year including Golden Peacock Business Excellence Award, CII National Lean, Kaizen, and Poka-Yoke Competitions, BM Munjal Award for Learning and Development for Business Excellence, The Machinist Super Shopfloor Awards, and the Economic Times Promising Plants Award. Your Company also achieved the distinction of becoming one of the few companies in India to receive ISO 31000:2018 certification for Risk Management.

Your Company caters to an entire gamut of bearings including Tapered Roller Bearings, Cylindrical Roller Bearings, Spherical Roller Bearings and Slewing Bearings with focus on localized manufacturing having facilities in Jamshedpur and Bharuch. Your Company's dedicated focus has been towards providing technical value and customer experience with an unbeatable and unquestioned quality standard. With the strong supplier network and localized manufacturing facilities, your Company aims at providing state-of-the-art products and services in India with means of a solid workforce and world-class manufacturing facilities. Your Company stands tall with the 'Make in India' concept by not only localizing finished goods but also raw material sourcing, reducing the dependency on imports. ABC Bearings Division of the Company, acquired in 2018, has only upgraded since then with systems and processes to bring it up to Timken quality standards. The facility is certified and is now successfully manufacturing parts adhering to Timken quality standards which are entrusted by top OEMs of Indian Automotive market. Your Company's expertise in the domains of metallurgy, tribology and mechanical systems enable collaboration with OEMs to customize solutions based on customer's requirements and diverse applications with an in-house design and development. With strong footprint of channel partners across India, your Company reaches out to end-markets for its product & services and assists customers in improving the reliability and efficiency of equipment, machinery, and vehicles. Your Company, with its visionary leadership, product portfolio and world-class manufacturing facilities, aims to leverage these growing opportunities in the market and deliver value as we surge forward.

In FY 2021-22, your Company made significant headway in service business with MillTec adding five new sites and achieving a business growth of approx. 50% in the year. This was achieved by penetrating new segments including public sector and non-ferrous rolling. Your Company grew progressively in the industrial distribution, Indian Railways and Renewable Energy Segment. India's economic fundamentals have improved substantially with a rapid economic recovery in key industrial nations and with strong trade ties have aided in strong export growth, strong FDI in 2020 and continued momentum in 2021. Your Company believes in being a strategic technology partner, leverage value selling with technical superiority with customers, explore new markets and products while leveraging global acquisitions made by The Timken Company in order to launch these products in the Indian market.

- **Financial Statement Analysis**

The Company achieved revenue of ₹ 22,032.44 million as compared to ₹ 14,105.20 million in the previous year, a increase of 56%. The increase was primarily due to higher volumes of sales during FY 2021-22. The operations of the Company were back to normal as compared to the previous year, which were impacted by COVID-19 pandemic driven lockdown and the Company has shown strong growth in the business throughout the year. The total expenses increased by 44% (Cost of Raw materials 52% increase, employee benefit expenses 18% increase, other expenses 41% increase) compared to previous year. Effective tax rate is 25% in FY 2021-22 as compared to 27% in FY 2020-21. Profit after tax (PAT) stands at ₹ 3,271.05 million as compared to ₹ 1,431.79 million in the previous year. Increase in profit is attributed to increase in sales, absorption of fixed overheads and better leverage of variable overheads.

Earnings per share for the year FY 2021-22 was ₹ 43.49 as against ₹ 19.03 for the previous year. During the year, the Company has generated ₹ 328.94 million cash surplus from its operations as against ₹ 1,887.08 million during previous year primarily driven by increase in inventory.

Increase in property plant and equipment net of depreciation ₹ 489.95 million compared to previous year primarily driven by the addition of plant & equipment and expansion of buildings. Right of use assets as at March ended 2022 stands at ₹ 1,040.51 million as compared to ₹ 1,066.05 million in previous year. Capital work in progress has reduced by ₹ 479.30 million largely driven by capitalisation of projects which were in progress in the previous year end. Capital work in progress stands at ₹ 495.43 million for March ended 2022. These projects follow the project management process and are being monitored by the project management team to ensure timely completion. These projects will be capitalised as and when these assets are ready for its intended use.

Inventories for the year ended March 2022 were increased by ₹ 1,897.72 million compared to the previous year in line with the volume increase during last quarter. Inventories are maintained at optimum levels supplemented with continuous improvement ideas.

Trade receivables increased by ₹ 1,674.27 in line with the increased revenue during the year FY 2021-22. Cash and cash equivalents and investments in mutual funds as at March 31, 2022 were ₹ 1137.46 million as compared to ₹ 1,704.04 million as at March 31, 2021 primarily reduced on account of dividend payout. The cash balances were managed at appropriate levels as depicted in the statement of cash flow.

Borrowings represent discounted bill of exchange with respect to trade receivables. Decrease of ₹ 29.09 million compared to previous year was primarily on account of volume decrease of bills discounted. Trade payables were ₹ 3,285.39 million as at March 31, 2022 as compared to ₹ 3,354.52 million as at March 31, 2021. This is commensurate with the business volume and expenses during the year.

Key Financial Ratios

Parameter	For Year Ended March 31, 2022	For Year Ended March 31, 2021	Remarks
Debtors Turnover (times)	*	*	—
Inventory Turnover (times)	*	*	—
Interest coverage Ratio (times)	215	188	—
Current Ratio (times)	*	*	—
Debt Equity Ratio (%)	*	*	—
Operating Profit Margin (%)	20%	14%	Increase is primarily on account of sales volume increase and better absorption of fixed overheads and leverage of variable expenses.
Net Profit Margin (%)	*	*	—
Return on Net Worth (%)	20%	11%	On account of increase in net profit and operating profit as explained above.

* Refer Note No. 41 to Financial Statements

• Strengths, Opportunities, Threats and Outlook

Strengths	Opportunities
<ul style="list-style-type: none"> ➤ Strong base of Tapered Roller Bearings. ➤ Flag bearer of localization with dedicated focus on localized finished goods and indigenously sourced steel requirements. ➤ Technologies and R&D capabilities of Timken Group with significant design and process innovation capability. ➤ Custom application knowledge, and proactive service and engineering engagement with customer to provide energy and cost-effective solutions. ➤ De-risked revenue stream with cross industry presence. 	<ul style="list-style-type: none"> ➤ Leveraging the capabilities of various Acquisitions ➤ providing complete offering in mechanical drive train like belts, industrial chains, couplings, clutches, lubrication systems and housed units. ➤ Product portfolio expansion with electrification of Indian Railways. ➤ Channel footprint strengthening to penetrate General MRO market and address regional gaps with value added services.
Threats	Outlook
<ul style="list-style-type: none"> ➤ Continued contraction created in the Indian Economy due to the world-wide pandemic. ➤ Unforeseen and sudden currency volatility and raw material prices & availability. ➤ Any adverse modifications in the industrial environment or government policymaking affecting our customers' demand. ➤ Safety and operational risks posed by low quality counterfeit or spurious products. 	<ul style="list-style-type: none"> ➤ Focus on localization and improvement in indigenous components sourcing in the on-coming years. ➤ Value proposition of all Timken Associated Brands. ➤ Risk mitigation by educating customers on importance of using genuine high-quality bearings procured from authorized channel partner.

● Internal Control

The Company's internal control systems are commensurate with the nature of its business and the size, scale, and complexity of Company's operations. The Company has documented policies and procedures covering all financial and operating functions to provide reasonable assurance on:

- Effectiveness and efficiency of its operations
- executing transactions with proper authorisation
- Reliability of financial reporting
- Compliance with applicable laws and regulations
- Prevention and detection of frauds and errors
- Safeguarding its assets

The Company tracks all amendments to Accounting Standards and applicable statutes and makes timely changes to underlying systems, processes and financial controls to ensure adherence to the same. The Company believes in conducting business in a fair and ethical manner.

The risk-based internal audit plan is approved by the Audit Committee of the Board. Significant audit observations and follow-up actions thereon are reported to the Audit Committee. The Company has obtained Bureau Veritas Certification for maintaining the management system as per ISO 31000:2018 which provides principles, a framework and a process for managing risk.

The adequacy and effectiveness of Internal controls are continuously examined by the independent Internal Auditor appointed by the Company and findings of these audits including its recommended improvements are reported to the Audit Committee of the Board. The adequacy of internal controls is examined by Statutory Auditors as well and the Company has not received any adverse comments from them on adequacy of the internal control system.

The Audit Committee periodically reviews significant audit finding, adequacy of internal controls and takes update on implementation of audit recommendations.

The Company has developed and implemented a framework for ensuring internal controls over financial reporting. This framework includes entity-level policies, process controls, IT General Controls and Standard Operating Procedures (SOP). These internal controls are reviewed and tested by Internal Auditors every year. The results are presented to the Audit Committee. Based on the periodical testing, the framework is strengthened, from time to time, to ensure adequacy and effectiveness of Internal Financial Controls. The Company uses Global SAP ERP and allied IT tools as an integral part of internal control system. Emphasis is placed on automated controls within the processes wherever possible to minimise deviations and exceptions. The Company has carried out evaluation of design and effectiveness of these controls and no significant material weaknesses or deficiencies were observed.

● HR Front

Performance Management System

Company's Performance Management System ensures that individual goals are aligned to Company goals and our system encourages continuous feedback module. This helps Managers and Associates to actively discuss, update achievements throughout the year. The continuous feedback module helps the Company to stay focused on the future, to be agile and flexible.

Company's Performance Management System gives equal weightage to Goals and Competencies. Every associate is expected to have a development goal which helps them get better in their existing role or prepare for the next role. Organization wide initiatives like Diversity and Inclusion, Engaged Leadership are driven through the development goal, which is auto assigned to all the Managers and they are accountable for the success of these initiatives.

The year end discussions actively engage all the Managers to provide inputs about the performance of their team members and evaluate them against their peers. There is a distribution that is achieved based on which the merit and variable pay is allocated. The whole process is extremely transparent and fair.

Total Rewards

The robust performance management system drives the complete rewards process. The philosophy of Pay for Performance is backed up by detailed market studies and benchmarking conducted every year. This helps Timken to position in a better way. Company's rewards system is designed in such a way that it is aligned to our performance management system which is directly linked to our company goals. The Company offers competitive benefits and long term incentive plans to Senior Management.

The Company also offers an array of wellness programs under the umbrella of Corporate Wellness initiatives to all associates. This offers non-monetary benefits to associates and helps them have a healthy and active life. Health related sessions are offered by industry experts. Apart from this, the Company also have paid health check facility for associates.

Continued Learning

Continuous learning is one of the key objectives of the Company. In spite of the pandemic and hybrid working conditions, a lot of emphasis was given to Training and Development. Most of the trainings conducted were virtual, some of the important topics covered were CRM related, Risk Management training etc. The virtual onboarding & orientation for all new joiners continued through the year.

One of the key programs of this year was the Level 1 foundations training, the program covers in-depth product and application related topics. This training primarily is extended to sales, services and application engineers of the Company. The program covers all technical, commercial aspects of our products and introduces participants to some of the soft skills like negotiation, presentation & social styles.

The emphasis is still to use online learning platform Timken University which offers an array of courses for the professional development of our associates. Associates can take up these courses at leisure.

Associate Resource Groups

WIN (Women's International Network) and YPN (Young Professionals Network) are the 2 active Associate Resource Groups (ARGs) functioning in India. The ideology and concept of these ARGs are on similar lines of what the Global teams offer. Both the ARGs have a common objective of fostering professional development of associates.

Both the ARGs engage associates on different events aligned to their objectives. The Core Leadership team of each ARG is responsible for executing the events for the year. Every year WIN starts off their calendar of events with the International Women's Day celebration and focusses on providing opportunities for associates to attend sessions on topics related to Financial wellbeing, Ergonomics and other health related topics. Networking is another key objective of both the ARGs and they consciously drive events which encourage networking like Ignite, Air Crash, Impromptu speech competitions etc. Both the ARGs collaborate on common events like CSR.

- **Cautionary Statement**

Certain statements made in this Report describing 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

Sd/-

Sanjay Koul

Chairman & Managing Director

DIN: 05159352

Date: 1 July, 2022

Place: Bengaluru

Declaration in terms of Schedule V (D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (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 Members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ended 31 March, 2022.

For the purpose of this declaration, Senior Management Personnel means Senior Management as defined under Listing Regulations.

For and on behalf of the Board of Directors

Date: 1 July, 2022
Place: Bengaluru

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

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT**SECTION A: GENERAL DISCLOSURES**

I. Details of Company		
1.	Corporate Identity Number (CIN) of Company	L29130KA1996PLC048230
2.	Name of the Company	Timken India Limited
3.	Year of incorporation	1987
4.	Registered office address	39-42, Electronic City, Phase II, Hosur Road, Bengaluru 560100
5.	Corporate address	39-42, Electronic City, Phase II, Hosur Road, Bengaluru 560100
6.	E-mail	tilinvestor@timken.com
7.	Telephone	080-4136200
8.	Website	https://www.timken.com/en-in
9.	Financial year for which reporting is being done	2021-22
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11.	Paid-up Capital	INR 75.21 Million
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Avishrant Keshava, Business Controller - India, CFO & Whole-time Director Email: avishrant.keshava@timken.com Phone : 080-41362000
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis or on a consolidated basis	Standalone basis for Timken India Limited (hereinafter referred to as Timken or Company).

II. PRODUCTS/SERVICES				
14. Details of Business Activities (accounting for 90% of the entity's Turnover):				
	S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
	1	Manufacturing	C7-Metal & Metal Products - Manufacturing of bearings and components	92%
15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover)				
	S. No.	Product/Service	NIC Code (2008)	% of total Turnover contributed
	1	Bearings and its components	2814	92%

III.	OPERATIONS			
16.	Number of locations where plants and/or operations/offices of the entity are situated:			
	Location	Number of plants	Number of offices	Total
	National	2	4	6
	International	-	-	-
17.	Markets served by the entity:			
a.	Number of locations			
	Locations	Number		
	National (No. of States)	PAN India		
	International (No. of Countries)	Timken serves customers across the world through its group companies.		
b.	What is the contribution of exports as a percentage of the total turnover of the entity?	30%		
c.	A brief on types of customers	Timken serves (i) Automobile Industry mainly commercial / off highway vehicle manufactures & Original Equipment Manufacturers for (ii) Rail (iii) Process Industry such as manufacturers of cement, steel etc.		

IV.	EMPLOYEES						
18.	Details as at the end of Financial Year:						
a.	Employees and workers (including differently abled):						
	S. No.	Particulars	Total (A)	Male		Female	
				No. (B)	%(B/A)	No. (C)	%(C/A)
	EMPLOYEES						
	1.	Permanent (D)	441	425	96%	16	4%
	2.	Other than Permanent (E)	90	82	91%	8	9%
	3.	Total employees (D + E)	531	507	95%	24	5%
	WORKERS						
	4.	Permanent (F)	815	804	99%	11	1%
	5.	Other than Permanent (G)	156	148	95%	8	5%
	6.	Total workers (F + G)	971	952	98%	19	2%
b.	Differently abled Employees and workers:						
	DIFFERENTLY ABLED EMPLOYEES						
	1.	Permanent (D)	3	3	100%	-	-
	2.	Other than Permanent (E)	0	0	0	-	-
	3.	Total differently abled employees (D + E)	3	3	100%	-	-
	DIFFERENTLY ABLED WORKERS						
	4.	Permanent (F)	1	1	100%	-	-
	5.	Other than permanent (G)	4	4	100%	-	-
	6.	Total differently abled workers (F + G)	5	5	100%	-	-

19.	Participation/Inclusion/Representation of women									
		Total (A)			No. and percentage of Females					
					No. (B)		% (B / A)			
	Board of Directors	6			1		16.66			
	Key Management Personnel	3			0		-			
20.	Turnover rate for permanent employees and workers:									
		FY 2021-22			FY 2020-21			FY 2019-20		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
	Permanent Employees	9%	13%	9%	5%	6%	5%	3%	6%	3%
	Permanent Workers	7%	0%	7%	3%	0%	3%	3%	0%	3%
V.	Holding, Subsidiary and Associate Companies (including Joint Venture)									
21.	(a) Names of holding / subsidiary / associate companies / joint ventures:									
	S. No.	Name of the holding/ subsidiary/ associate companies/joint ventures (A)		Indicate whether holding/ Subsidiary/ Associate/ Joint Venture		% of shares held by listed entity		Does the entity indicated at column A, participate in the Business Responsibility initiatives of Company? (Yes/No)		
	1	Timken Singapore Pte Ltd		Holding Company		67.80%		No		
VI.	CSR DETAILS									
22.	(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)							Yes		
	(ii) Turnover (INRM)							22,032.44		
	(iii) Net worth (INRM)							16,569.49		
VII.	TRANSPARENCY AND DISCLOSURES COMPLIANCES									
23.	Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:									
	Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No)		FY 2021-22			FY 2020-21			
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks		
	Communities	-	-	-		-	-	-		
	Investors (other than shareholders)	-	-	-		-	-	-		
	Shareholders	Shareholders do raise queries /grievance mainly about their securities. Details of such queries/ complaints received from shareholders are filed with Stock Exchanges on quarterly basis.								
	Employees and workers	1	0	Complaint received was investigated and closed since no merit was found.		2	1	One pending issue was resolved in FY 21-22		
	Customers	-	-	-		-	-	-		
	Value Chain Partners	-	-	-		-	-	-		
		Note: The Company has Quality Issue Management System (QIM) wherein Customers of the Company can lodge issues/complaints about quality and related issues. These issues are resolved by Customer Service Team from time to time. For reporting above, issues/complaints raised by Customers in QIM are not considered as these are not directly related with Principle 1 to 9.								
		-	-	-		-	-	-		
Notes : For reporting hereinabove, complaints received through Vigil Mechanism of the Company are only considered. Suppliers, Customers, other stakeholders may have raised issues/concerns/complaints which may indirectly cover Principle 1 to 9 above with associates of Timken in course of their business dealings. Timken and its associates take utmost care to resolve such issues, complaints.										

24. Overview of the entity's material responsible business conduct issues					
Material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications :					
Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Carbon neutral supply chain	Risk as well as Opportunity	Most of the countries are taking positive steps towards carbon neutrality and companies are also willingly joining efforts in this direction globally. Corporates are willing to pay some extra price for products coming from carbon neutral supply chain. Timken operates in mechanical power transmission products mainly bearings and in this space, many global companies operate including with base in India. If Timken's supply chain is carbon neutral, it will give competitive advantage in long run. This is an opportunity. If other players achieve carbon neutral supply chain and Timken does not, then it will present risk to business.	Timken has been aiming for carbon neutrality and efforts are being made towards this which include (i) increased usage of clean energy (ii) preference to engagement with suppliers who are working towards carbon neutrality.	Timken expects that Product costs will go up slightly to achieve carbon neutral supply chain however, it will also yield some premium in price as well as in volume of products which should benefit in long run.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes										
1.a.	Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b.	Has the policy been approved by the Board? (Yes/No)	The Board of Directors of the Company has approved these Policies. Mr. Keshava has been specifically authorized by the Board to adopt and review Polices relating to this Report and Principles covered herein. Mr. Keshava has reported to the Board about such Polices and the Board has taken note of the same & approved it.								
c.	Web Link of the Policies, if available	https://www.timken.com/en-in/investors/policies/								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/ No)	Timken expects its value chain partners to adhere to these Policies.								
4.	Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 14001 & ISO 50001, ISO 45001, ISO 9001, IRIS Certification, IATF 16949 certification, M-1003 Certification.								

Disclosure Questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9								
Policy and management processes																		
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	-	-	-	-	-	-	-	-	-								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	-	-	-	-	-	-	-	-	-								
Governance, leadership and oversight																		
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.	<p>Globally, sustainability has been at the core of all Timken products and processes for more than 120 years and we extend the same leadership to our operations in India. As a socially responsible citizen, Timken makes every possible effort to reduce the carbon footprint of its operations in India. Sustainable growth has been ingrained in our value system and percolates to every aspect of our processes – from design to engineering and to the shipping of Timken final product.</p> <p>At Timken, we’re always looking for ways to operate in a more efficient and environmentally friendly manner. In continuous drive to make our manufacturing operations more sustainable, we have reduced our energy consumption by more than 12 per cent and energy cost by more than 21 per cent in 2021. We could achieve this feat primarily by increasing our productivity, adopting low-energy-consumption technologies, and using renewable sources of energy. We also reduced the hazardous waste disposal by more than 28 per cent in the year, thereby helping to protect the environment from pollutants.</p> <p>I thank all the stakeholders for their contributions in taking us one step closer to our goals in our journey to engineer a more sustainable future.</p>																
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Avishrant Keshava, Business Controller – India, CFO & Whole-time Director Email: avishrant.keshava@timken.com Phone : 080-41362000																
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. Mr. Avishrant Keshava, Business Controller – India, CFO & Whole-time Director is made responsible for decision making on sustainability related issues.																
10. Details of Review of NGRBCs by the Company:																		
Subject for review	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Business Sustainability Policies : Adoption and Review	By Mr. Avishrant Keshava : Whole-time Director									Annually								
Timken India HR Policies and Procedures : Overview	By Board of Directors									Annually								
Corporate Social Responsibility Initiatives	By Sanjay Koul, Chairman and Managing Director and Avishrant Keshava, Whole-time Director									Half Yearly								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No).										P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
										No								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

1.	Percentage coverage by training and awareness programmes on any of the Principles during the financial year:				
	Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes	
	Board of Directors	One	Timken India HR Policies and Procedures : Overview	100%	
	Key Managerial Personnel	At least one	Online training on regular basis is provided to employees in the areas such as IT Security, POSH, Ethical behavior etc. based on their role and work profile.	100%	
	Employees other than BoD and KMPs				
	Workers	At least one	POSH Training	100%	
2.	Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors/ KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year				
	Monetary				
		NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case preferred? (Yes/No)
	Penalty/ Fine	Not applicable			
	Settlement				
	Compounding fee				
	Non-Monetary				
		NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case preferred? (Yes/No)
	Imprisonment	Not Applicable			
	Punishment				
3.	Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.				
	Case Details		Name of the regulatory/ enforcement agencies/ judicial institutions		
	Not applicable				
4.	Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.		Yes. Anti -corruption principles are covered in Company's Code of Conduct. https://www.timken.com/en-in/investors/policies/		
5.	Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:				
		FY 2021-22		FY 2020-21	
	Directors	Nil		Nil	
	KMPs	Nil		Nil	
	Employees	Nil		Nil	
	Workers	Nil		Nil	

6.	Details of complaints with regard to conflict of interest:				
		FY 2021-22		FY 2020-21	
		Number	Remarks	Number	Remarks
	Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
	Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA
7.	Corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.			Not Applicable	
Leadership Indicators					
1.	Awareness programmes conducted for value chain partners on any of the Principles during the financial year:				
	Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes		
	No Program was conducted for value chain partners during FY 21-22.				
2.	Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.		The Company has a process to check conflict of interest in transactions involving Members of the Board. Members of the Board at start of the year disclose their interests in other entities. The Company prefers not to enter into transaction with such entities where Directors have interests. When the Company has to enter into transaction with entities where Directors are interested, non interested Directors take decisions on such transactions based on recommendation or evaluation of department heads. It is ensured that such transactions are entered on arm's length price.		

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators		
1.	Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.	R&D Expenditure : Nil Capex Expenditure : less than 1%
2.	a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) b. If yes, what percentage of inputs were sourced sustainably?	Timken has a defined supplier code of conduct available at link https://1ja0pa1tvpl63v04fj2l0oby-wpengine.netdna-ssl.com/wp-content/uploads/2020/09/Timken-Supplier-Code-of-Conduct-ENGLISH.pdf The Timken Supplier code of conduct covers aspects of Sustainable sourcing such as EHS, compliances, child and forced labor prohibition, non-discrimination, conflict material usage etc along with a process to compliance monitoring and reporting in case of violations. All Timken direct material suppliers are expected to abide with this code of conduct.

Essential Indicators	
	<p>Additionally, Timken works very closely with suppliers and develop them on EHS Systems. Presently, 38 suppliers (31%) are certified to ISO 14001 (Environment mgmt. systems) and 22 Supplier (18%) are certified to ISO 45001 on safety management systems. Timken India plans to work aggressively with its direct material suppliers to improve this percentage in coming times.</p> <p>Timken is also working with suppliers to develop systems and processes on energy management systems in line to ISO 50001 to keep our sustainable sourcing drive to a next level in coming times.</p>
3.	<p>Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.</p> <p>The Company has put in place procedure for reusing, recycling and disposing of hazardous waste, e-waste and plastic waste. Hazardous waste and e-waste generated is handed over to Agency authorized by Pollution Control Board for treatment and safe disposal. Product waste is melted and reused in steel making process. Grinding Sludge is recycled in cement kilns. Wood waste is recycled to alternate applications including new pallet making. Further, Jamshedpur and Bharuch plants of the Company are zero liquid discharge plants. The Company mandates its suppliers of plastic packaging items for collection (buy back), treatment and disposal of plastic packaging items.</p>
4.	<p>Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes/ No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.</p> <p>The Company uses plastic packaging items for wrapping of products and hence to that extent, Extended Producer Responsibility would be applicable to the Company. The Company has been using plastic items of more than 51 micron and recyclable plastic. Further, the plastic packaging contains details of manufacturer of plastic, registration number with pollution control board and buy back price. The Company relies on its suppliers of plastic packaging items for collection, treatment and disposal of plastic packaging items.</p>
<p>Note : Information for Leadership Indicators under this Principle is not provided being voluntary in nature.</p>	

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential Indicators												
1.	a. Details of measures for the well-being of employees:											
	Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
			Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
	Permanent employees											
	Male	425	425	100%	425	100%	-	-	425	100%	-	-
	Female	16	16	100%	16	100%	16	100%	-	-	-	-
	Total	441	441	100%	441	100%	16	100%	425	100%	-	-
	Other than Permanent employees											
	Male	82	82	100%	82	100%	-	-	-	-	-	-
	Female	8	8	100%	8	100%	8	100%	-	-	-	-
	Total	90	90	100%	90	100%	8	100%	-	-	-	-

b. Details of measures for the well-being of workers:												
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities		
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)	
Permanent workers												
Male	804	804	100%	804	100%	-	-	-	-	-	-	
Female	11	11	100%	11	100%	11	100%	-	-	-	-	
Total	815	815	100%	815	100%	11	100%	-	-	-	-	
Other than Permanent workers												
Male	148	148	100%	148	100%	-	-	-	-	-	-	
Female	8	8	100%	8	100%	8	100%	-	-	-	-	
Total	156	156	100%	156	100%	8	100%	-	-	-	-	
2.	Details of retirement benefits, for Current FY and Previous FY											
Benefits		FY 2021-22			FY 2020-21							
		No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)					
PF		100%	100%	Y	100%	100%	Y					
Gratuity		100%	100%	Y	100%	100%	Y					
ESI		7%	19%	Y	4%	39%	Y					
Superannuation		100%	100%	Y	100%	100%	Y					
3.	Accessibility of workplaces											
Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.						Registered office : yes						
4.	Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.						Yes. This is part of Code of Conduct which can be accessed at https://www.timken.com/en-in/investors/policies/ .					
5.	Return to work and Retention rates of permanent employees and workers that took parental leave.											
Gender		Return to work rate	Retention rate	Return to work rate		Retention rate						
Male		100%	100%	100%		100%						
Female		100%	100%	100%		100%						
Total		100%	100%	100%		100%						
6.	Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.											
Permanent Workers						Please refer Vigil Mechanism section under the Board's Report and Section A-VII (23) of this Report.						
Other than Permanent Workers												
Permanent Employees												
Other than Permanent Employees												

7.	Membership of employees and workers in association(s) or Unions recognised by Company:										
	Category	FY 2021-22				FY 2020-21					
		Total employees / workers in respective category (A)	No. of employees / Workers in respective category, who are part of association(s) or Union (B)		% (B/ A)	Total Employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)		% (D/C)		
	Total Permanent Employees	441	0		0%	414	0		0%		
	- Male	425	0		0%	400	0		0%		
	- Female	16	0		0%	14	0		0%		
	Total Permanent Workers	815	211		26%	814	224		28%		
	- Male	804	211		26%	804	224		28%		
	- Female	11	0		0%	10	0		0%		
8.	Details of training given to employees and workers:										
		FY 2021-22				FY 2020-21					
		Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
			No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
	Employees										
	Male	425	15	4%	66	16%	400	41	10%	52	13%
	Female	16	1	6%	2	13%	14	2	14%	1	7%
	Total	441	16	4%	68	15%	414	43	10%	53	13%
	Workers										
	Male	804	289	36%	606	75%	804	307	38%	585	73%
	Female	11	7	64%	11	100%	10	6	60%	10	100%
	Total	815	296	36%	617	76%	814	313	38%	595	73%
9.	Details of performance and career development reviews of employees and workers:										
		FY 2021-22			FY 2020-21						
		Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)				
	Employees										
	Male	425	425	100%	400	400	100%				
	Female	16	16	100%	14	14	100%				
	Total	441	441	100%	414	414	100%				
	Workers										
	Male	804	804	100%	804	804	100%				
	Female	11	11	100%	10	10	100%				
	Total	815	815	100%	814	814	100%				

10.	Health and safety management system:						
	a.	Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?	Yes. The Company has adopted ISO 45001.				
	b.	What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	The Company uses (i) HIRA : Hazard Identification and Risk Assessment (ii) JBRA : Job based risk assessment and GEMBA walk by the management team/leadership team to identify work-related hazards and assess risks.				
	c.	Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)	Yes. Any worker who has grievance can report to Safety Committee of particular location. Safety Committee is entrusted with powers to resolve such issues.				
	d.	Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Yes				
11.	Details of safety related incidents:						
	Safety Incident/Number	Category	FY 2021-22	FY 2020-21			
	Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0			
		Workers	0	0			
	Total recordable work-related injuries	Employees	0	0			
		Workers	0	0			
	No. of fatalities	Employees	0	0			
		Workers	0	0			
	High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0			
		Workers	0	0			
12.	Describe the measures taken by the entity to ensure a safe and healthy work place.		The Company has adopted ISO 45001 to ensure safe and healthy workplace. Associates are trained from time and again to follow documented work instructions related to safety. The Company provides to associates PPEs as per hazard identification and associates have to use PPEs while working in the premises.				
13.	Number of Complaints on the following made by employees and workers:						
		FY 2021-22			FY 2020-21		
		Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
	Working Conditions	0	0	0	0	0	0
	Health & Safety	0	0	0	0	0	0
14.	Assessments for the year:						
		% of your plants and offices that were assessed					
	Health and safety practices	100%					
	Working Conditions	100%					

15.	Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.	No significant risks/concerns were identified during assessment and hence, no corrective actions as such were required to be undertaken during FY 2021-22.		
Leadership Indicators				
1.	Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).	Mostly Yes for employees and workers.		
2.	Measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.	The Company ensures that contract labours working at company premises are paid statutory dues by their employers. The Company either on its own or through third party conducts audit, on sample basis, of records of contractors to ensure compliance in this area.		
3.	Number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:			
	Total no. of affected employees/ workers	No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment		
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
	Employees	0	0	0
	Workers	0	0	0
4.	Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)	The Company may provide transition assistance program to certain employees on case to case basis.		
5.	Details on assessment of value chain partners:	% of value chain partners that were assessed		
	Health and safety practices	For contractors working at company premises : 100%. We encourage our suppliers to achieve ISO 45001.		
	Working Conditions	For contractors working at company premises : 100%. We encourage our suppliers to achieve ISO 45001.		
6.	Details of any corrective actions taken or underway to address significant risks/ concerns arising from assessments of health and safety practices and working conditions of value chain partners	No significant risks/concerns were identified during assessment of contractors working at Company premises and hence, no corrective actions as such were required to be undertaken during FY 2021-22. For suppliers, the Company may take actions, if required, on case to case basis.		

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators				
1.	Describe the processes for identifying key stakeholder groups of the entity.	Mr. Avishrant Keshava, Business Controller – India, CFO & Whole-time Director has been entrusted with overall responsibility for this report. Mr. Keshava had detailed discussion with senior management personnel and heads of various departments and after deliberation, identified key stakeholders group.		

2.	List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.				
	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication	Frequency of engagement (Annually / Half yearly / Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
	Shareholders - Investors	No	Email, newspaper advertisement, conferences, meeting, website notifications	Quarterly	Company communicates important developments, updates, financial results
	Value Chain Partners - Forging/heat treatment/steel suppliers	No	Conferences/ Meetings/ General Communication through mails	on need basis	Update about Company policies, procedures, business plans, expectation from value chain partners
	Customers : OEs & Distributors	No	Conferences/ Meetings/ General Communication through mails	on need basis	Update about Company policies, procedures, business plans
	Employees and workers	Overall : No Note : Disabled / women employees are identified as vulnerable group.	General HR Communication / Women's International Network (WIN), POSH Trainings / awareness programs	less than month.	Update about Company policies, procedures, major updates, initiatives for employees
	Communities nearby where we operate	Overall : No Note : Tribal Community around JSR Plant : Yes	Newspaper advertisements, CSR initiatives, website	on need basis	Update about Company initiatives, performance, knowing requirements / expectations from members of Community
Leadership Indicators					
1.	Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.			Stakeholders are encouraged to give their feedback to respective department heads. For example, Suppliers are encouraged to give feedback to General Manager – Supply Chain. Respective department head has responsibility to communicate to Mr. Keshava who has been entrusted with responsibility of Business Responsibility and Sustainability. Mr. Keshava would in turn inform relevant feedback and action taken thereon to the Board.	
2.	Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/ No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.			Timken does consult with stakeholders for identification and management of environmental, and social topics. Timken is aiming to increase consumption of clean energy over a period of time and for the same, is consulting with generators/suppliers of clean energy. Inputs given by these stakeholders have been taken into consideration while setting up roof top solar or availing clean energy from other sources. Also, Timken is specifically focusing on usage of recyclable packaging materials instead of plastic packaging. We are not only increasing usage of recyclable packaging materials but also encouraging our suppliers to do so. SCM & SQD team of Timken has been consulting, advising, guiding suppliers to take steps in this direction.	

3.	Details of instances of engagement with, and actions taken to, address the concerns of vulnerable / marginalized stakeholder groups.	For Women employees: Women International Network platform has been provided wherein women employees discuss their concerns on periodical basis and take it with Management if required. Further, Anti Sexual Harassment Committee and Vigil Mechanism adopted by the Company are additional measure available to the raise their concerns. Business HR Partners are entrusted with responsibility to look into and resolve issues of disabled employees. The Company has been over the years focusing in taking certain projects under its CSR initiatives and also otherwise for the benefit of tribal community in and around Jamshedpur.
----	--	---

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators										
1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity										
Category	FY 2021-22					FY 2020-21				
	Total (A)	No. of employees / workers covered (B)		% (B / A)		Total (C)	No. of Employees / workers covered (D)		% (D / C)	
Employees										
Permanent	441	441		100%		414	414		100%	
Other than permanent	90	90		100%		59	59		100%	
Total Employees	531	531		100%		473	473		100%	
Workers										
Permanent	815	815		100%		814	814		100%	
Other than permanent	156	156		100%		78	78		100%	
Total Workers	971	971		100%		892	892		100%	
2. Details of minimum wages paid to employees and workers:										
Category	FY 2021-22					FY 2020-21				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	441	-	-	441	100%	414	-	-	414	100%
Male	425	-	-	425	100%	400	-	-	400	100%
Female	16	-	-	16	100%	14	-	-	14	100%
Other than Permanent	90	-	-	90	100%	59	-	-	59	100%
Male	82	-	-	82	100%	53	-	-	53	100%
Female	8	-	-	8	100%	6	-	-	6	100%
Workers										
Permanent	815	-	-	815	100%	814	-	-	814	100%
Male	804	-	-	804	100%	804	-	-	804	100%
Female	11	-	-	11	100%	10	-	-	10	100%
Other than Permanent	156	-	-	156	100%	78	-	-	78	100%
Male	148	-	-	148	100%	70	-	-	70	100%
Female	8	-	-	8	100%	8	-	-	8	100%

3.	Details of remuneration/salary/wages:						
		Male		Female			
		Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category		
	Board of Directors (BoD) (sitting fees excluded)	2	14,344,902				
	Key Managerial Personnel	3	7,007,604				
	Employees other than BoD and KMP	422	1,152,894	16	926,868		
	Workers	804	387,384	11	270,084		
4.	Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)		Yes				
5.	Describe the internal mechanisms in place to redress grievances related to human rights issues.		Refer vigil mechanism section under Board's Report and Section VII (23) of this Report.				
6.	Number of Complaints on the following made by employees and workers:						
		FY 2021-22			FY 2020-21		
		Received	Resolved	Pending	Received	Resolved	Pending
	Sexual Harassment	0	0	0	0	0	0
	Discrimination at workplace	0	0	0	0	0	0
	Child Labour	0	0	0	0	0	0
	Forced Labour/ Involuntary Labour	0	0	0	0	0	0
	Wages	0	0	0	1	1	0
	Other human rights related issues	0	0	0	1	0	1
7.	Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.		Complainant has a choice to make anonymous complaint by calling dedicated toll free number. The Company does not ask for details of complainant for anonymous complaint. Further, details of complainant are not disclosed unless necessary. The Company follows Non retaliation Policy and adequately safeguards against victimization of reporting person. The Company does not tolerate acts of retaliation against anyone who makes report in good faith.				
8.	Do human rights requirements form part of your business agreements and contracts? (Yes/No)		This requirement forms part of Code of Conduct which is expected to be followed by business partners.				
9.	Assessments for the year:						
		% of your plants and offices that were assessed (by entity or statutory authorities or third parties)					
	Child labour	100% by the Company					
	Forced/involuntary labour	100% by the Company					
	Sexual harassment	100% by the Company					
	Discrimination at workplace	100% by the Company					
	Wages	100% by the Company plus external agency on sample basis.					
10	Details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above		Since no significant risks were identified, corrective actions were not required during FY 2021-22.				

Leadership Indicators		
1.	Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.	There was no requirement to modify business process during FY 2021-22.
2.	Details of the scope and coverage of any Human rights due-diligence conducted.	The Company did not conduct any human rights due diligence in FY 2021-22.
3.	Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?	Registered office : Yes.
4.	Details on assessment of value chain partners:	
		% of value chain partners (by value of business done with such partners) that were assessed
	Sexual Harassment	100% for contractors working on Company premises
	Discrimination at workplace	100% for contractors working on Company premises
	Child Labour	100% for contractors working on Company premises
	Forced Labour/Involuntary Labour	100% for contractors working on Company premises
5.	Wages	100% for contractors working on Company premises
	Details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.	No corrective actions were required to be taken during FY 2021-22.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators			
1.	Details of total energy consumption (in Joules or multiples) and energy intensity:		
	Parameter	FY 2021-22	FY 2020-21
	Total electricity consumption (A)	198678.96	146643.29
	Total fuel consumption (B)	68435.48	40575
	Energy consumption through other sources (C)	4745.45	4795.86
	Total energy consumption (A+B+C)	271859.89	192014.15
	Energy intensity per rupee of turnover (<i>Total energy consumption/ turnover in rupees</i>)	0.000012GJ/INR	0.0000136GJ/INR
2.	Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.		
Not applicable			
3.	Details related to water:		
	Parameter	FY 2021-22	FY 2020-21
	Water withdrawal by source (in kilolitres)	0	0
	(i) Surface water	0	0
	(ii) Groundwater	56200	52700
	(iii) Third party water	141702	103532
	(iv) Seawater / desalinated water	0	0
	(v) Others	0	0
	Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	197902	156232
	Total volume of water consumption (in kilolitres)	197902	156232
	Water intensity per rupee of turnover (Water consumed / turnover)	0.0000088KL/INR	0.000011KL/INR
	Water intensity (optional) – the relevant metric may be selected by the entity	–	–

4.	Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.	Yes. Both Jamshedpur and Baruch Plants are zero liquid discharge plants. ETPs have been setup at plants to treat effluents coming from heat treatment, grind operations. Domestic effluents are sent outside to permitted agencies for treatment.		
5.	Details of air emissions (other than GHG emissions):			
	Parameter	Please specify unit	FY 2021-22	FY 2020-21
	NOx	µg/m ³	37.3	16.6
	SOx	µg/m ³	23.9	16.7
	Particulate matter (PM) 10 /2.5	µg/m ³	76.6 / 38.1	67.4 / 35.3
	Persistent organic pollutants (POP)	-	-	-
	Volatile organic compounds (VOC)	-	-	-
	Hazardous air pollutants (HAP)	-	-	-
	O ₃	µg/m ³	DL:5	<10
	Lead	µg/m ³	0.01	0.02
	Carbon monoxide	µg/m ³	1.2	DL:2
	Ammonia	µg/m ³	DL:20	DL:20
	Benzene	µg/m ³	<2.0	<2.0
	Benzo	µg/m ³	<0.2	<0.2
	Arsenic	µg/m ³	<2.0	<2.0
	Nickel	µg/m ³	<2.0	9.16
6.	Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:			
	Parameter	Unit	FY 2021-22	FY 2020-21
	Total Scope 1 emissions	Metric tonnes of CO ₂ equivalent	6486.6	3067.8
	Total Scope 2 emissions	Metric tonnes of CO ₂ equivalent	39072.76	29832.2
	Total Scope 1 and Scope 2 emissions per rupee of turnover		0.00000204MT/INR	0.00000233MT/INR
7.	Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.	Yes. The Company has a focused energy Reduction programs that aims at reducing the energy consumption. At the end the Company could achieve improved Co ₂ emissions.		
8.	Details related to waste management by the entity:			
	Parameter	FY 2021-22	FY 2020-21	
	Total Waste generated (in metric tonnes)			
	Plastic waste (A)	140.7	94.45	
	E-waste (B)	15.0	7.097	
	Bio-medical waste (C)	0.006	0.0103	
	Construction and demolition waste (D)	0	0	
	Battery waste (E)	0	2.78	
	Radioactive waste (F)	0	0	
	Other Hazardous waste. Please specify, if any. (G)	2125.3	1708.67	
	Other Non-hazardous waste generated (H). <i>Please specify, if any.</i> (Break-up by composition i.e. by materials relevant to the sector)	2319.9	1433.65	
	Total (A+B + C + D + E + F + G + H)	4600.9	3246.66	

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)			
Parameter		FY 2021-22	FY 2020-21
Category of waste			
(i) Recycled		3905.576	2901.3
(ii) Re-used		0	0
(iii) Other recovery operations		0	2.78
Total		3905.576	2904.1
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)			
Category of waste			
(i) Incineration		0.0058	0.0103
(ii) Landfilling		696.05	343.26
(iii) Other disposal operations		0	0
Total		696.0558	343.27
9.	Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.		Wastes are segregated and collected at source of generation, accumulated in designated area and disposed to authorized recycler / coprocessing. Reduce - Reuse - Recycle are the principles followed in reducing the waste.
10.	If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details:		
	S. No.	Location of operations/offices	Type of operations
			Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
	Not Applicable		
11.	Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the :		
	Name and brief details of project	EIA Notification No.	Date
			Whether Conducted by independent external agency (Yes / No)
			Results communicated in public domain (Yes / No)
			Relevant Web link
	Not Applicable		
12.	Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N) : Yes		
Leadership Indicators			
1.	Break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources:		
	Parameter	FY 2021-22	FY 2020-21
	From renewable sources		
	Total electricity consumption (A)	4745.46	4795.86
	Total fuel consumption (B)	0	0
	Energy consumption through other sources (C)	0	0
	Total energy consumed from renewable sources (A+B+C)	4745.46	4795.86
	From non-renewable sources		
	Total electricity consumption (D)	198678.96	146643.29
	Total fuel consumption (E)	68435.48	40575
	Energy consumption through other sources (F)	0	0
	Total energy consumed from non-renewable sources (D+E+F)	267114.44	187218.29

2.	Details related to water discharged:			
	Parameter		FY 2021-22	FY 2020-21
	Water discharge by destination and level of treatment (in kilolitres)			
	(i) To Surface water			
	– No treatment		0	0
	– With treatment		0	0
	(ii) To Groundwater			
	– No treatment		0	0
	– With treatment		0	0
	(iii) To Seawater			
	– No treatment		0	0
	– With treatment		0	0
	(iv) Sent to third-parties			
	– No treatment		0	0
	– With treatment		0	0
	(v) Others			
	– No treatment		0	0
	– With treatment – ETP		10645 - KL	8955 – KL
	Total water discharged (in kilolitres)		10645 - KL	8955 – KL
3	Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): Not applicable			
4.	Details of total Scope 3 emissions & its intensity:			
	Parameter	Unit	FY 2021-22	FY 2020-21
	Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	<i>Metric tonnes of CO₂ equivalent</i>	The Company at this stage is unable to provide details.	
	Total Scope 3 emissions per rupee of turnover			
	Total Scope 3 emission intensity (<i>optional</i>) – the relevant metric may be selected by the entity			
5.	With respect to the ecologically sensitive areas reported at Question10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.		Not applicable	
6.	If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:			
	Sr. No	Initiative undertaken	Details of the initiative (<i>Web-link, if any, may be provided along-with summary</i>)	Outcome of the initiative
	The Company at this stage is unable to provide details.			

7	Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.	The Company has Disaster recovery Plan that outlines each level of disaster and recommended / planned mitigation plan to remove or reduce the impact on Customer performance. This is reviewed by ERT members as part of annual review and then modified as required.
8.	Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.	The Company is not aware of any adverse impact arising from the value chain of the Company.
9.	Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.	The Company did not carry out any assessment of value chain partners for environmental impact in FY 2021-22.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators						
1.	a. Number of affiliations with trade and industry chambers/ associations. b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.					
	S. No.	Name of the trade and industry chambers/ associations		Reach of trade and industry chambers/ associations (State/National)		
	1	Confederation of Indian Industries		National		
	2	American Chamber of Commerce in India		National		
	3	Heavy Duty Manufacturers Association		National		
	4	Engineering Export Promotion Council		National		
2.	Details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.					
	Name of authority	Brief of the case		Corrective action taken		
	Not applicable					
Leadership Indicators						
1.	Details of public policy positions advocated by the entity:					
	Sl. No.	Public Policy Advocated	Method resorted for such advocacy	Whether information available in public domain ? (Yes/No.)	Frequency of Review by Board (Annually / Half yearly / Quarterly / other (Please Specify))	Web link, if available
	The Company has not exclusively advocated any Public Policy during the financial year 2021-22. The Company as a member of aforementioned bodies participates in meeting of such bodies regularly and also gives suggestions, inputs for improvement of public good mainly in the area of corporate social responsibility, environment health and safety, quality etc. Various employees as part of their work function give suggestions, raise issues with Government bodies for improvement of their systems and to bring ease into day to day operations.					

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators						
1.	Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the .					
	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
	The Company is not required to carry out Social Impact Assessments of CSR Projects undertaken during FY 2021-22.					
2.	Information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:					
	S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R
	Not applicable					
3.	Describe the mechanisms to receive and redress grievances of the community.			<p>The Company operates at various locations in India. Members of community where the Company operates often request for help for betterment of society. The Company appropriately considers needs of the society and selects various projects for overall betterment of people. The Company works with many implementing agencies across India to implement CSR Projects. The Company also undertakes various projects over and above mandatory CSR requirement as part of its Global initiatives and policies.</p> <p>The Company follows open door Policy. Any stakeholder or member of Community having problem with projects or its implementation can lodge their grievance through vigil mechanism details provided on the website of the Company.</p>		
4.	Percentage of input material (inputs to total inputs by value) sourced from suppliers:					
				FY 2021-22	FY 2020-21	
	Directly sourced from MSMEs/ small producers			20% from MSME and balance 80% NON MSME	16% from MSME and balance 84% NON MSME	
	Sourced directly from within the district and neighbouring districts			41% from within local districts 59% Outside local districts	43% from within local districts, 57% Outside local districts	
Leadership Indicators						
1.	Details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):					
	Details of negative social impact identified Corrective action taken					
	Not applicable					
2.	Information on CSR projects undertaken by Company in designated aspirational districts as identified by government bodies:					
	S. No.	State	Aspirational District		Amount spent (In INR)	
	1	Jharkhand	East Singhbhum		91,00,000/-	

3.	(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? No			
	(b) From which marginalized / vulnerable groups do you procure? Not applicable			
	(c) What percentage of total procurement (by value) does it constitute? Not applicable			
4.	Details of the benefits derived and shared from the intellectual properties owned or acquired by Company in financial year based on traditional knowledge:			
	S. No.	Intellectual Property based on traditional knowledge	Owned / Acquired (Yes/No)	Benefit shared (Yes / No)
	Not applicable			
5.	Details of beneficiaries of CSR Projects:			
	Name of authority	Brief of the Case	Corrective action taken	
	For details, please refer Annexure III of the Board's report and refer https://www.timken.com/en-in/investors/statutory-compliances/			

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators						
1.	Describe the mechanisms in place to receive and respond to consumer complaints and feedback.		The Company has dedicated Customer Service team, Service Engineering team, Quality team which are responsible to look into consumer complaints and feedback. Contact Details of Customer Service Team are provided on Product Packaging. Details about Service Engineering, Quality and Warranty team executives are provided to OE, Institutional Customers on case to case basis. Customer Service Team regularly interacts with OE, Industrial, Institutional Consumers to resolve their queries and also takes their feedback to improve our systems.			
2.	Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:		As a percentage to total turnover			
	Environmental and social parameters relevant to the product		The Company provides the information about safe and responsible usage along with almost all products. Such information is also provided to customers in form of products maintenance manuals. Most of Products manufactured and sold by the Company as such don't require information about environmental and social usage and recycling. However, wherever applicable, the Company does attempt to provide such information.			
	Safe and responsible usage					
	Recycling and/or safe disposal					
3.	Number of consumer complaints in respect of the following:					
	FY 2021-22		Remarks	FY 2020-21		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
	Data privacy	-	-	-	-	-
	Advertising	-	-	-	-	-
	Cyber-security	-	-	-	-	-
	Delivery of essential services	-	-	-	-	-
	Restrictive Trade Practices	-	-	-	-	-
	Unfair Trade Practices	-	-	-	-	-
	Others – Quality issues	14	2	11	0	-

4.	Details of instances of product recalls on account of safety issues:		
		Number	Reasons for recall
	Voluntary recalls	0	0
	Forced recalls	0	0
5.	Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.	The Company being subsidiary of The Timken Company has adopted a global policy for cyber security and risks related to data privacy. This Policy is available at https://www.timken.com/timken-global-data-privacy-policy-training/ .	
6.	Details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.	The Company during FY 21-22 did not encounter any issue relating to cyber security and data privacy of customers, product recalls and no penalty has been levied by regulatory authority in relation to safety of Products.	
Leadership Indicators			
1.	Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).	https://www.timken.com/portfolio/	
2.	Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.	Product related safety information (if any) are published in the product catalog. MSDS sheet are published wherever applicable. Additionally, product safety and safe practices are explained in product seminars and training sessions to customers.	
3.	Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.	Not applicable.	
4.	Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)	The Company provides information on products as required under the Legal Metrology (Packaged Commodities) Rules, 2011. The Company also provides information such as product usage, safety precautions, features of product on certain product packaging. The Company did not carry out any survey for end consumer satisfaction in FY 2021-22. A survey for Industrial Distributors was carried out identifying the areas of improvement.	
5.	Provide the following information relating to data breaches:		
	a. Number of instances of data breaches along-with impact	Nil	
	b. Percentage of data breaches involving personally identifiable information of customers	Not applicable	

For and on behalf of the Board of Directors

Sd/-

Sanjay Koul

Chairman & Managing Director

DIN: 05159352

Date: 1 July, 2022

Place: Bengaluru

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, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity 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, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity 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.

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 matter described below to be the key audit matter to be communicated in our report.

Sl. No.	Key Audit Matter	Auditor's Response
1.	<p>Capital work-in-progress/ Property, Plant and Equipment (PPE)</p> <p>The Company had embarked on capacity augmentation / expansion projects at its multiple plant locations in line with approved business plans. Assets acquired under these projects which were yet to be capitalized amounted to ₹ 495.43 million and additions to Property, plant and equipment (PPE) during the year amounted to ₹ 1,257.29 million.</p> <p>Given the nature and size of the aforesaid expansion projects, the underlying assets acquired require substantial time to meet the criteria for capitalization. The assets are capitalized and depreciated once the assets are ready for use as intended by the management. Inappropriate timing of capitalization of the project and/or inappropriate classification as PPE could result in material misstatement of capital work-in-progress/ PPE balances with a consequential impact on depreciation charge and results for the year.</p> <p>Accordingly, we have considered this as a key audit matter</p> <p>Refer note 2.7.1 for the accounting policy.</p>	<p>Principal audit procedures performed:</p> <p>We tested the design, implementation and operating effectiveness of controls in respect of review of capital work in progress, particularly in respect of timing of the capitalization and recording of additions to items of PPE with source documentation.</p> <p>We tested details of the assets capitalized under PPE during the year and those classified as capital work in progress on a sample basis to source documentation to determine whether the expenditure is of a capital nature and has been appropriately approved.</p> <p>Our tests included validating the appropriateness of the cut-off date considered for project capitalization based on discussions with the project personnel and corroborative evidences obtained during the audit.</p> <p>We reviewed operating expenses to determine whether any assets have been inappropriately expensed.</p>

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 Board's report, including the Annexures to the Board's report, Management Discussion & Analysis, Business Responsibility Report and Corporate Governance Report 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, cash flows and changes in equity of the Company 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 standalone 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 Statement of Cash Flows 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, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, 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;

- iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

As stated in Note 16 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.

2. As required by the Companies (Auditor's Report) Order, 2020 ("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)

Place: Bengaluru
Date: May 27, 2022

Sd/-
Sathya P. Koushik
Partner
(Membership No. 206920)
(UDIN: 22206920AJTWGD3125)

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, 2022, 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 the 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, 2022, 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)

Place: Bengaluru
Date: May 27, 2022

Sd/-
Sathya P. Koushik
Partner
(Membership No. 206920)
(UDIN: 22206920AJTWGD3125)

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)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress, investment properties and relevant details of right-of-use assets.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has a program of verification of property, plant and equipment, capital work-in-progress, investment properties and right-of-use assets so to cover all the items once every 3 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 property, plant and equipment were due for verification during the year and 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) Based on our examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, capital work-in-progress and investment property are held in the name of the Company as at the balance sheet date.
 - (d) The Company has not revalued any of its property, plant and equipment (including right of use assets) and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.
- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.
- (iv) The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under 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 books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) In respect of statutory dues:
 - (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2022, for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022, 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	Commissioner of Income Tax (Appeals)	FY 2002-03, 2016-17, 2017-18	135.29	135.29
Various state Tax Acts	Various Sales Tax	Various Appellate Authorities	2005-06, 2008-09, 2013-14, 2014-15 and 2015-16	13.03	12.55
Various state Tax Acts	Various Sales Tax	Deputy Commissioner Appeals	2009-10 to 2015-16	20.81	13.61
Finance Act, 1994	Service Tax	Central Excise and Service Tax Appellate Tribunal	2013-14, 2015-16	10.96	10.26
		Commissioner Appeals	2016-17	1.29	1.19

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report) and provided to us, when performing our audit.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
(b) We have considered, the internal audit reports issued to the Company during the year and the draft of the internal audit reports issued after the balance sheet date for the period under audit.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of its holding company, subsidiary company, associate company or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
(b) The Group does not have any core investment company as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

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

Sd/-
Sathya P. Koushik
Partner

(Membership No. 206920)
(UDIN: 22206920AJTWGD3125)

Place: Bengaluru
Date: May 27, 2022

Balance Sheet

₹ in million

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	5,094.97	4,605.02
Right of use assets	4	1,040.51	1,066.05
Capital work-in-progress	5	495.43	974.73
Investment Property	6	102.80	104.99
Goodwill	7	1,813.11	1,813.11
Other Intangible assets	8	550.22	594.05
Financial assets			
Investments	9 A	0.30	0.30
Loans	10 A	23.00	0.65
Other financial assets	11 A	80.95	101.45
Non-current tax assets (net)		81.35	81.35
Other non-current assets	12 A	55.53	93.24
I. Total non-current assets		9,338.17	9,434.94
Current assets			
Inventories	13	5,584.85	3,687.13
Financial assets			
Investments	9 B	989.59	-
Trade receivables	14	5,387.55	3,713.28
Cash and cash equivalents	15 A	147.87	1,704.04
Bank balances other than cash & cash equivalents mentioned above	15 B	34.03	38.09
Loans	10 B	31.15	1.27
Other financial assets	11 B	89.35	32.07
Other current assets	12 B	335.37	274.07
II. Total current assets		12,599.76	9,449.95
III. Total Assets (I+II)		21,937.93	18,884.89
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	752.19	752.19
Other equity	17	15,817.23	12,682.93
IV. Total Equity		16,569.42	13,435.12
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	18	9.54	17.10
Other financial liabilities	24 A	2.40	-
Provisions	19 A	524.50	503.78
Deferred tax liabilities (Net)	20 A	280.06	322.94
Other non-current liabilities	21 A	194.27	233.26
V. Total non-current liabilities		1,010.77	1,077.08
Current Liabilities			
Financial liabilities			
Borrowings	22	297.77	326.86
Lease liabilities	18	10.02	9.54
Trade payables	23		
Total outstanding dues of micro and small enterprises		269.09	216.50
Total outstanding dues of creditors other than micro and small enterprises		3,016.30	3,138.02
Other financial liabilities	24 B	124.22	161.88
Other current liabilities	21 B	195.66	109.15
Provisions	19 B	77.18	57.18
Current tax liabilities (Net)	25	367.50	353.56
VI. Total current liabilities		4,357.74	4,372.69
VII. Total Liabilities (V+VI)		5,368.51	5,449.77
VIII. Total Equity and Liabilities (IV+VII)		21,937.93	18,884.89

See accompanying notes to the Financial Statements

As per our report of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants

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

Sd/-

Sathya P. Koushik

Partner

Membership No. 206920

Bengaluru, May 27, 2022

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

Sd/-

Sanjay Koul

Chairman & Managing Director

DIN: 05159352

Sd/-

Avishrant Keshava

Business Controller - India,

CFO & Whole-time Director

DIN: 07292484

Sd/-

Mandar Vasmatkar

Company Secretary & Chief - Compliance

Bengaluru, May 27, 2022

Statement of Profit and Loss

₹ in million

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from Operations	26	22,032.44	14,105.20
Other Income	27	142.89	196.04
I. Total Income		22,175.33	14,301.24
Expenses			
Cost of Materials Consumed		7,343.04	4,490.13
Purchase of Stock-in-trade		5,856.36	4,020.94
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	28	(1,258.86)	(652.92)
Employee Benefits Expenses	29	1,405.59	1,193.31
Finance costs	30	24.47	14.41
Depreciation and amortisation expense	31	843.37	748.79
Other Expenses	32	3,579.52	2,535.95
II. Total Expenses		17,793.49	12,350.61
III. Profit before tax (I-II)		4,381.84	1,950.63
Tax expense:			
(i) Current tax {includes reversal of ₹ 16.15 million (March 31, 2021 - net charge of ₹ 8.10 million) relating to earlier years}		1,153.67	572.94
(ii) Deferred tax		(42.88)	(54.10)
IV. Total Tax Expenses	20 B	1,110.79	518.84
V. Profit for the year (III - IV)		3,271.05	1,431.79
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		(31.77)	(4.15)
(ii) Income tax (losses)/gains effect on above		7.85	1.04
VI. Other comprehensive income for the year, net of tax		(23.92)	(3.11)
VII. Total Comprehensive Income for the year (V + VI)		3,247.13	1,428.68
VIII. Earnings per equity share (₹ 10 each) in INR: Basic & Diluted	33	43.49	19.03

See accompanying notes to the Financial Statements

As per our report of even date

For Deloitte Haskins & Sells LLPChartered Accountants
(Firm's Registration No. 117366W/W – 100018)

Sd/-

Sathya P. Koushik

Partner

Membership No. 206920

Bengaluru, May 27, 2022

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

Sd/-

Sanjay Koul

Chairman & Managing Director

DIN: 05159352

Sd/-

Avishrant Keshava

Business Controller - India,

CFO & Whole-time Director

DIN: 07292484

Sd/-

Mandar Vasmatkar

Company Secretary & Chief - Compliance

Bengaluru, May 27, 2022

Statement of Changes in Equity

A) Equity Share Capital (Refer note 16)

	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 April 1, 2020	75,195,534	751.96	23,200	0.12	752.08
Changes in equity share capital during the year	-	-	-	-	-
Receipt of call in arrears	23,200	0.23	(23,200)	(0.12)	0.11
As at March 31, 2021	75,218,734	752.19	-	-	752.19
Changes in equity share capital during the year	-	-	-	-	-
As at March 31, 2022	75,218,734	752.19	-	-	752.19

B) Other Equity (Refer note 17)

₹ in million

	Reserves and Surplus			Total
	Capital Redemption Reserve	Securities Premium	Retained earnings	
Balance as at April 1, 2020 (a)	260.00	5,348.67	9,405.98	15,014.65
Profit for the year (b)	-	-	1,431.79	1,431.79
Other comprehensive income/ (loss) for the year, net of tax (c)	-	-	(3.11)	(3.11)
Total comprehensive income (d) = (b+c)	-	-	1,428.68	1,428.68
Equity dividend paid for the year 2019-20 (e)	-	-	(3,760.40)	(3,760.40)
Balance as at March 31, 2021 (f) = (a+d+e)	260.00	5,348.67	7,074.26	12,682.93
Profit for the year (g)	-	-	3,271.05	3,271.05
Other comprehensive income/ (loss) for the year, net of tax (h)	-	-	(23.92)	(23.92)
Total comprehensive income (i) = (g+h)	-	-	3,247.13	3,247.13
Equity dividend paid for the year 2020-21 (j)	-	-	(112.83)	(112.83)
Balance as at March 31, 2022 (k) = (f+i+j)	260.00	5,348.67	10,208.56	15,817.23

See accompanying notes to the Financial Statements

As per our report of even date

For Deloitte Haskins & Sells LLP

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

Sd/-

Sathya P. Koushik

Partner
Membership No. 206920
Bengaluru, May 27, 2022

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

Sd/-

Sanjay Koul

Chairman & Managing Director
DIN: 05159352

Sd/-

Mandar Vasmatkar

Company Secretary & Chief - Compliance
Bengaluru, May 27, 2022

Sd/-

Avishrant Keshava

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

Statement of Cash Flows

₹ in million

	Year ended March 31, 2022		Year ended March 31, 2021	
A. Cash Flow from Operating Activities :				
Profit for the year		3,271.05		1,431.79
Adjustments to reconcile profit for the year to net cash flows :				
Income tax expense recognised in profit or loss	1,110.79		518.84	
Depreciation and amortisation expense	843.37		748.79	
Interest income	(27.89)		(87.24)	
Finance costs	24.47		14.41	
Dividend Income	(10.49)		(0.45)	
Loss on disposal of Property, Plant & Equipment (Net)	1.72		0.95	
Provision for doubtful debts, deposits & advance	7.29		14.31	
Provision no longer required written back	(15.65)		(60.11)	
Deferred government grants	(42.87)		(35.86)	
Unrealised foreign exchange loss / (gain)	(11.44)		37.55	
		1,879.30		1,151.19
Operating cash flows before working capital changes		5,150.35		2,582.98
Changes in working capital				
(Increase) / Decrease in Trade receivable	(1,689.03)		(815.36)	
(Increase) / Decrease in Loans & other financial assets and other assets	(245.49)		21.10	
(Increase) / Decrease in Inventories	(1,897.72)		(772.98)	
Increase / (Decrease) in Trade payable	(62.86)		1,157.18	
Increase / (Decrease) of short term borrowings	(29.09)		127.29	
Increase/(Decrease) in Other financial liabilities, other liabilities & provisions	243.26		37.46	
		(3,680.93)		(245.31)
Cash Generated from Operations		1,469.42		2,337.67
Direct Taxes paid (net of refund)		(1,140.48)		(450.60)
Net Cash from Operating Activities (A)		328.94		1,887.07
B. Cash Flow from Investing Activities :				
Purchase of Property, Plant & Equipment including capital work in progress and capital advances		(803.49)		(782.76)
Proceeds from disposal of property, plant & equipment		4.06		7.68
Dividend received		10.49		0.45
Interest received		27.89		87.24
Redemption/ maturity of bank deposits (net) (having original maturity of more than three months)		0.04		-
Net Cash (used in) Investing Activities (B)		(761.01)		(687.39)

Statement of Cash Flows

(Contd.)

₹ in million

	Year ended March 31, 2022		Year ended March 31, 2021	
C. Cash Flow from Financing Activities :				
Interest paid		(24.47)		(14.41)
Repayment of lease liabilities		(9.78)		(12.66)
Dividend paid		(112.83)		(3,760.40)
Net Cash (used in) Financing Activities (C)		(147.08)		(3,787.47)
Net Increase in Cash and Cash equivalents (A + B + C)		(579.15)		(2,587.79)
Cash and Cash equivalents - Opening Balance		1,704.04		4,278.18
Effect of exchange differences on restatement of foreign currency cash and cash equivalents		12.57		13.65
Cash and Cash equivalents - Closing Balance		1,137.46		1,704.04

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 statement of cash flows comprises the following balance sheet amounts :

₹ in million

	As at March 31, 2022	As at March 31, 2021
Cash on hand and balances with banks (Refer. Note 15A)	147.87	1,704.04
Short term Investments (Refer Note 9B)	989.59	-
Cash & Cash equivalents	1,137.46	1,704.04

See accompanying notes to the Financial Statements

As per our report of even date

For Deloitte Haskins & Sells LLP

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

Sd/-

Sathya P. Koushik

Partner
Membership No. 206920
Bengaluru, May 27, 2022

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

Sd/-

Sanjay Koul

Chairman & Managing Director
DIN: 05159352

Sd/-

Avishrant Keshava

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

Sd/-

Mandar Vasmatkar

Company Secretary & Chief - Compliance
Bengaluru, May 27, 2022

Notes to financial statements as at and for the year ended March 31, 2022

1. CORPORATE INFORMATION

Timken India Limited ('the Company') is a public limited company incorporated on 15th June 1987 under the provisions of the erstwhile Companies Act, 1956. The Company's shares are listed in National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) 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 into manufacture, distribution and sale of anti-friction bearings primarily tapered roller bearings, other roller bearings, components, accessories, and mechanical power transmission products for diverse customer base. The Company also provides maintenance contract and refurbishment services. The Company's manufacturing plants are located at Jamshedpur in Jharkhand & Bharuch in Gujarat and distribution centers are located in various parts of the country.

These financial statements of the Company for the year ended March 31, 2022 were authorised for issue in accordance with the resolution of the Board of Directors on May 27, 2022.

2. BASIS OF PREPARATION AND PRESENTATION, SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The financial statements have been prepared in all material aspects in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time and other relevant provisions of the Act.

2.2 Basis of preparation and measurement

These financial statements have been prepared on going concern and accrual basis. The accounting policies have been followed consistently across all the periods in the financial statements. All assets and liabilities are classified as current or non-current as per Company's operating cycle and other criteria defined in the Schedule III of the Companies Act, 2013. The operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of business and the time between the asset acquisition and their conversion into cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of identification of current or non-current assets and liabilities.

These Ind-AS Financial Statements have been prepared on historical cost basis, except for certain financial instruments and defined benefit plans which have been measured at fair value or amortised cost at the end of each reporting period as explained in accounting policies below.

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.

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.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.3 Functional and Presentation currency

These financial statements are prepared in Indian Rupees (₹), the functional currency of the company, which is the currency of the primary economic environment in which the Company operates (the 'functional currency').

All amounts presented in the financial statements which also includes accompanying notes have been rounded off to the nearest million as per the requirement of Schedule III to the Companies Act, 2013, unless otherwise stated.

2.4 Cash flow statement

Statement of Cash flows is prepared using indirect method as set out in Ind-AS -7 ("Statement of Cash Flows").

Notes to financial statements as at and for the year ended March 31, 2022

2.5 Use of Estimates and Judgments:

The preparation of the Company's financial statements in conformity with IND AS requires management to make judgements, estimates and assumptions in application of accounting policies that affect the reported amounts of assets, liabilities, income, expenses and accompanying disclosures. Estimates and assumptions are reviewed on an ongoing basis, based on historical experience and other factors including the expectation of the future factors that are believed to be reasonable. Revisions to accounting estimates are recognised in the period in which the estimates are revised, and future periods affected.

Information about critical judgements, estimates and assumptions that have significant effect to the carrying amount of assets and liabilities in the financial statements are included in the following notes below:

Sl. No	Judgement, Estimates, Assumptions	Accounting Policy Reference	Note Reference
1	Estimation of useful life of tangible, intangible assets and investment property	2.7.1; 2.7.2 & 2.7.4	3,6 & 8
2	Measurement of Right -of- use assets and Lease liability	2.7.3	4 & 18
3	Measurement of defined benefit obligations and key actuarial assumptions	2.7.11	40
4	Recognition of current and deferred taxes	2.7.12	20 A, 25
5	Goodwill Impairment and future cashflow projection	2.7.6	7
6	Impairment of Trade receivables: Expected credit loss	2.7.9.1	14
7	Measurement and likelihood of occurrence of contingencies	2.7.13	34

Estimation of uncertainties related to COVID-19 impact

The spread of the COVID-19 pandemic severely impacted many economies around the globe including India and severely impacted economic activity during the first quarter of FY 2020-21. The Company's sales were also adversely affected during the Q1 of FY 2020-21 due to the lockdown restrictions owing to Covid-19 pandemic. The situation started recovering from Q2 onwards.

The uncertainties resurfaced with the emergence of a second wave of the COVID-19 pandemic during March 2021 in some parts of the country, which gradually spread across the country. This did not materially impact the Company's performance during the period. In early 2022, the country witnessed the outbreak of the third wave, however impact was much lower in comparison to earlier waves and did not materially impact company's business. The company continues to focus on people's health & safety, meeting the customer demand through effective supply chain channel, caring for the communities and protecting the business model.

The Company has considered the possible effects that may impact on carrying amount of various assets and liabilities based on internal and external information available such as future volume estimate from business, contract terms, financial strengths of partners etc. The Company has done a sensitivity analysis and having reviewed the underlying data and the related sensitivity analysis, the Company expects, the carrying amount of the assets will be recovered and there is no significant impact to liabilities accrued. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these statements and the Company will continue to closely monitor any material changes to future economic conditions.

2.6 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

a) Ind AS 103 Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Notes to financial statements as at and for the year ended March 31, 2022

b) Ind AS 16 Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any significant impact in its recognition of its property, plant and equipment in its financial statements.

c) Ind AS 37 Onerous Contracts - Costs of fulfilling a contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

d) Ind AS 109 Annual improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

The Company does not expect the amendment to have any significant impact in its financial statements.

2.7 SIGNIFICANT ACCOUNTING POLICIES

2.7.1 Property, Plant and equipment

- Property, Plant and Equipment held for use in the production and/or supply of goods or services or for administrative purposes, are stated in the Balance Sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Free hold Land is not depreciated. Property, Plant and Equipment acquired in a business combination are recognised at fair value at the acquisition date. Cost comprises the purchase price including import duties and non-refundable, purchase taxes (net of taxes credits wherever applicable), and erection / commissioning & any incidental 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 in note 2.7.10). Subsequent expenditure related to an item of property, plant & equipment is included in carrying amount of the asset or recognised as a separate asset, as appropriate, only if it is probable that the future economic benefits associated with the asset will flow to the Company and it is reliably measured. All other expenses on existing property plant and equipment, including day-to-day repair and maintenance expenditure, overhaul and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.
- Spares which meet the definition of property, plant and equipment are capitalised as on the date of acquisition. The corresponding old spares are de-capitalised on such date with consequent impact on the statement of Profit and Loss.
- Property, Plant and Equipment not ready for its intended use at the date of Balance Sheet are disclosed as "Capital Work in progress". Such items are classified to specific sections of the Property, Plant and equipment as and when ready for its intended use.
- Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under "Other non-current assets". An item of property, plant and equipment is de-recognised upon its disposal or when no future economic benefits are expected from its use. Gains or losses, if any, arising from de-recognition of property, plant & equipment (measured as the difference between the net disposal proceeds and the carrying amount of the asset) are recognised in the statement of profit and loss when the asset is de-recognised. 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 is charged so as to write off cost or value of assets over their estimated useful lives and are capitalised in the books of accounts, when the assets are ready for its intended use.
 - Depreciation for an item in property plant and equipment which are derecognised are provided on proportionate basis up to the date when the asset is derecognised from the financial statement.

Notes to financial statements as at and for the year ended March 31, 2022

- o Depreciation on items of property, plant & equipment (Other than free hold land) is calculated on a straight-line basis using the rates based on the useful lives estimated by the management.
- o 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.
- o The estimated useful life, residual value and the depreciation methods are reviewed at the end of each reporting period, with effect of any changes in estimate accounted on a prospective basis.
- o Estimated useful life of the assets are determined based on various technical parameters / assessments and aligned to the prescribed useful life specified under schedule II of the Companies Act, 2013. 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 estimated useful lives are as below:

Block of Assets	Useful life
Factory Buildings	5 -30 Years
Furniture & Fixtures	5 -10 Years
Plant & Equipment	5 -20 Years
Computers	3 - 6 Years
Vehicles	8 Years
Office Equipment	5 Years

2.7.2 Investment Property

- Investment property is held to earn rentals or for capital appreciation or both (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 requirements. Cost comprises the purchase price including purchase taxes (net of taxes credits wherever applicable), and erection / commissioning & any incidental expenses which are directly attributable in bringing the asset to its working condition for the intended use.
- Subsequent expenditure related to investment property is included in carrying amount of the asset, only if it is probable that the future economic benefits associated with the asset will flow to the Company and it is reliably measured. All other expenses on existing investment property, including day-to-day repair and maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.
- Depreciation on investment property is calculated on a straight-line basis using the rates based on the useful lives estimated by the management. Estimated useful life of Building classified as investment property is 7-30 years. Depreciation are determined based on various technical parameters / assessments and aligned to the prescribed useful life specified under schedule II of the Companies Act, 2013.
- Investment properties are de-recognised either upon disposal when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. On disposal of an investment property, the difference between its carrying amount and net disposal proceeds is recognised in the Statement of Profit and Loss in the period in which the property is derecognised.

2.7.3 Leases and Right of use assets

The Company has adopted Ind AS 116 Leases effective 1st April 2019, using the modified retrospective method. The Company has applied standard to its leases with cumulative impact recognised on the date of initial application (1st April 2019). Accordingly, previous period information has not been restated.

The Company lease asset classes primarily consist of leases for land, buildings, plant and machinery and motor vehicles. The Company, at the inception of a contract, assesses whether the contract is a lease or contain a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

Notes to financial statements as at and for the year ended March 31, 2022

At the date of commencement of lease, the Company recognises a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it's a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less accumulated depreciation and impairment losses if any. The ROU asset is depreciated using the straight-line method from the commencement date over the shorter of lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments that are not paid at the commencement date, discounted using the discount rate implicit in the lease, if not determinable, discounted with the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

Assets or liabilities recognised under IND AS 103 (Business Combinations), relating to favorable or unfavorable terms of an operating lease, acquired during business combination, the same is derecognised and appropriate ROU and lease liability is recognised on the date of transition.

ROU and lease liability are separately presented in the Balance Sheet and lease payments have been classified as financing cashflows. The Company does not have any financial leases at the end of the reporting period.

2.7.4 Intangible assets

- **Intangible assets acquired separately** are carried at cost less accumulated amortisation less accumulated impairment losses if any.
- **Internally generated intangible assets**, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in Profit and loss in the period in which the expenditure is incurred.
- **Intangible assets acquired in a business combination:**
 - Intangible assets acquired in a business combination are recognised at fair value at the acquisition date
 - Subsequent to initial recognition, the intangible assets are reported at cost less accumulated depreciation and accumulated impairment if any
- **Amortisation :**
 - For all finite life intangibles, amortisation is charged on straight line basis over their estimated useful economic lives.
 - The estimated useful economic life and the amortisation method are reviewed at the end of each reporting period, with effect of any changes in estimate accounted on a prospective basis.
 - The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss under the heading "Depreciation and amortisation expense"
 - Estimated useful economic life of Intangibles are as follows:

Intangibles	Useful economic life (years)
Computer Software	3-7
Tradename and Trademark	15
Developed Technology	15
Customer Relationship	20

Notes to financial statements as at and for the year ended March 31, 2022

- 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 initially recognised based on the accounting policies on business combinations refer note 2.7.5 and is tested annually for impairment.

2.7.5 Business Combinations and Goodwill

The Company accounts for its business combinations under acquisition method of accounting. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognised at their fair values at the acquisition cost.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised 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 recognised as capital reserve.

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.

Acquisition related costs are recognised in the statement of profit and loss as incurred.

2.7.6 Impairment of Non-Financial assets

- The carrying amount of tangible, intangible and other non-financial assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external or internal factors. If any such indication exists, the recoverable amount of the asset / Cash Generating Units (CGU) is estimated in order to determine the extent of impairment loss (if any).
- For Goodwill, an impairment test is performed as at each Balance Sheet date and whenever there is an indication that the asset may be impaired.
- An Impairment is recognised in the statement of Profit and loss to the extent the recoverable amount of an asset or CGU is estimated to be less than its carrying amount of the asset or CGU.
- Recoverable amount represents the higher of fair value less cost to sell and their 'value in use'. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money. and risks specific to the asset for which the estimates of future cash flows have not been adjusted.
- When an impairment loss subsequently reverses, the carrying amount of the asset or a CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised immediately in the statement of Profit and loss.

2.7.7 Inventories

Inventories are valued at the lower of cost and net realisable value after providing for obsolescence and slow-moving inventory as follows:

Inventory Types	Valuation methodology
Raw materials, components, stores and spares	These are valued at lower of cost and net realisable value. Cost includes cost of purchase including duties & taxes (other than the taxes, which can be taken as input tax credit) 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.

Notes to financial statements as at and for the year ended March 31, 2022

Inventory Types	Valuation methodology
Work-in-progress and finished goods	These are valued at lower of cost and net realisable value. Cost includes direct materials and labour and an allocated proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis.
Traded goods	Valued at lower of cost and net realisable value. Cost includes cost of purchase including duties & taxes (other than the taxes, which can be taken as input tax credit) and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realisable 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.

2.7.8 Cash & Cash Equivalents & Investments

- Cash and cash equivalents in the balance sheet comprise cash at banks and short-term deposits with an original maturity of three months or less
- Investments comprise of investments made in various liquid funds in mutual funds. These investments are valued at cost less impairment if any
- For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits and short-term liquid investments, as defined above.

2.7.9 Financial Instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

2.7.9.1 Financial Assets:

Company's financial assets broadly comprise the following:

- Current financial assets: Investments, trade receivables, cash and cash equivalents, loans and advances, other short-term receivables
- Non-current financial assets: Investments, other long-term receivables and deposits

2.7.9.1.1 Initial recognition and measurement:

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

2.7.9.1.2 Subsequent measurement:

For the purpose of subsequent measurement, financial assets are classified into following categories:

(a) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost, if both the below conditions are met:

1. These financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows
2. 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.

After initial recognition, these financial assets are subsequently measured using the effective interest rate (EIR) method, less impairment, if any. The amortisation of EIR and loss arising from impairment, if any, recognised in the statement of Profit and loss. This category generally applies to trade and other receivables. For the impairment policy on financial assets measured at amortised cost, refer note no 2.7.9.1.3

Notes to financial statements as at and for the year ended March 31, 2022

(b) Financial Assets at fair value through other comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if both the below conditions are met:

1. These financial assets are held within business model whose objective is achieved by both collecting contractual cash flows on specified dates and selling financial assets
2. These assets contractual cash flows represent solely payments of principal and interest on the principal amount outstanding

The Company does not own any financial asset classified at FVTOCI.

(c) Financial assets at fair value through Profit and loss (FVTPL)

This is a residual category. Any financial assets which do not fall under the category of financial assets measured at amortised cost or FVTOCI are classified as FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with gain or loss arising on remeasurement recognised in statement of Profit and loss incorporates any dividend or interest earned on the financial assets and is included in other Income line item.

The Company's investment as presented in note 9A and 9B are valued at FVTPL.

2.7.9.1.3 Impairment of Financial Assets

In accordance with Ind AS 109 "Financial Instruments", the Company applies Expected Credit Loss (ECL) model for measurement and recognition of loss allowance on the following and the basis of its measurement:

- Trade Receivable - For Trade receivable and other financial assets that results from transactions that are in scope of Ind AS 115, the Company applies the simplified approach required in Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.
- Financial assets measured at amortised cost (other than trade receivable) - In case of other than trade receivable, the Company determines, if there is any significant increase in credit risk of the financial asset since initial recognition. Below methods are followed based on the credit risk changes:
 - If there are no significant changes in credit risk since initial recognition, twelve months ECL is used to provide the impairment loss
 - If there is a significant change in credit risk, lifetime ECL is measured for making the impairment loss assessment. Subsequently if there is an improvement in credit risk, the Company reverts to recognition of impairment loss based on twelve months ECL.

To make the assessment whether there is any significant change in risk, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with a risk of default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increase in credit risk since its initial recognition.

Lifetime ECL are the expected credit losses resulting from all possible default events, over the expected life of a financial assets. 12 months ECL is a portion of lifetime ECL which result from default events that are possible within 12 months from the reporting period.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (EIR).

As a practical expedient and as permitted under Ind AS 109, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking information available. At each reporting date, the historically observed default rates and changes in the forward-looking information are updated.

ECL allowance recognised (or reversed) during the period is recognised as income or expense in the statement of profit and loss under the head 'Other Expenses'. If the reversal of ECL allowance related to prior financial year, these are accounted as part of other Income in the statement of profit and loss.

Notes to financial statements as at and for the year ended March 31, 2022

2.7.9.1.4 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 entity. 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.
- On derecognition of a financial assets other than entirely, (when the Company retains an option to repurchase part of a transferred asset), the Company allocates previous carried over amount of financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of transfer.
- The difference between the carrying amount allocated to the part that is no longer recognised and the sum of consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in Profit and loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair value of those parts.

2.7.9.2 Financial liabilities and Equity instruments issued by the Company:

2.7.9.2.1 Equity Instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

2.7.9.2.2 Financial liabilities:

Company's financial liabilities broadly comprises, Short term borrowings, Trade payables, Liabilities for capital expenditure and Other long term/ short term obligations

2.7.9.2.2.1 Initial recognition and measurement:

- Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.
- All financial liabilities are recognised initially at Fair value. In case of loans, borrowings and payables, net of directly attributable transaction costs.
- Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL or at amortised cost as appropriate.

2.7.9.2.2.2 Subsequent measurement:

- Financial Liabilities at amortised cost - The carrying amounts of financial liabilities that are subsequently measured at amortised cost using the effective interest method. All the financial liabilities of the Company fall under this category.
- 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.
- Financial Liabilities at FVTPL - Financial liabilities at fair value through Profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Profit and loss. The Company does not owe any financial liability which is classified at FVTPL

2.7.9.2.2.3 Derecognition of financial liabilities

The Company de-recognises 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 de-recognised and the consideration paid and payable is recognised in statement of profit and loss.

Notes to financial statements as at and for the year ended March 31, 2022

2.7.9.3 Offsetting financial asset and financial liability

The Company offsets a financial asset and a financial liability and report this as a net balance in the Balance sheet only when:

- There is a legally enforceable right to set off the recognised amounts and
- There is an intention to realise the asset and settle the liability simultaneously.

2.7.10 Government Grants

Government grants are recognised when there is a reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the statement of profit and 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 its amortisation re-recognised in the statement of profit and 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 the statement of profit and 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.

2.7.11 Employee benefits

2.7.11.1 Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits generally 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 recognised as an expense as the related service is rendered by employees.

2.7.11.2 Other than short term employee benefits:

2.7.11.2.1 Defined Contribution schemes:

Contributions to defined contribution scheme such as Employee state insurance, labour welfare fund, superannuation scheme (for specific employee group) are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a government administrated fund and charged as an expense to the statement of profit and loss. The above benefits are classified as Defined Contribution schemes as the Company has no further defined obligations beyond the monthly contribution.

2.7.11.2.2 Defined benefit schemes:

The Company operates the following schemes which are under defined benefit plans:

- 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.
- The liability on account of long-term compensated absences and death benefit scheme (in respect of certain employees) 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.
- In respect of certain employees, provident fund contributions are made to a trust administrated by the Company. The interest rate payable to the members of the trust shall not be lower than the rate declared by the Central Government under Employee's Provident Fund & Miscellaneous Provisions Act, 1952 and interest shortfall, if any, on Provident Fund, which is managed through a private trust, shall be made good by the Company. The liability in respect of shortfall is provided for based on year-end actuarial valuation on projected unit credit method.

Notes to financial statements as at and for the year ended March 31, 2022

- 2.7.11.2.3** 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 Statement of profit and loss in subsequent periods.
- 2.7.11.2.4** 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
- 2.7.11.2.5** The current and non-current classification of gratuity, compensated absences, death benefit scheme and provident fund liabilities is based on the independent actuarial valuation reports.

2.7.12 Income Taxes

Income tax expense comprises current tax and the net change in the deferred tax asset or liability during the year and includes any adjustments related to past periods in current and/or deferred tax adjustments that may become necessary due to certain developments or review during the relevant period. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income, in which case, the current and deferred tax are also recognised in other comprehensive income.

Current income taxes

Current tax is the expected tax payable/ receivable on the taxable income/ loss for the year using applicable tax rates for the relevant period, and any adjustment to taxes in respect of previous years in accordance with Income Tax Act, 1961 including the relevant transfer price regulations prescribed there under, read with applicable judicial precedents or interpretations wherever relevant.

Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in other income.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amount and there is an intention to settle the assets and liabilities on net basis.

Management periodically evaluates contingencies and position taken on uncertain tax positions in tax return with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit and loss at the time of the transaction.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantially enacted, by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting 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 income tax asset to be utilised.

Notes to financial statements as at and for the year ended March 31, 2022

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be realised or settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to income tax levied by the same taxation authority.

2.7.13 Provisions, contingent liabilities and contingent assets

2.7.13.1 Provisions

A provision is recognised when the Company 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. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

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.

2.7.13.2 Contingent liabilities and contingent assets

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 arises from a past event where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Such liabilities are disclosed in notes but are not recognised. Contingent assets are neither recognised nor disclosed in the financial statements.

2.7.14 Revenue Recognition

Revenue is recognised on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Sale of Goods

Revenue is recognised upon transfer of control of promised products to customers and when there are no longer any unfulfillment obligations. The performance obligations in our contracts are fulfilled either at the time of dispatch, delivery or upon formal customer acceptance dependent on customer terms agreed in the contract.

Revenue is measured based on the transaction price, which is the consideration received or receivable, adjusted of any discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue excludes taxes or duties collected from customers on behalf of Government. The revenue is recognised to the extent that it is highly probable a significant reversal will not occur. No element of financing is deemed present as the sales are made with credit term as per the contract terms agreed with the customers, which is consistent with market practice and the industry norms, that the Company operates.

Income from Services

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

Contract Balances

Trade Receivable: A trade receivable is recognised when the control is transferred and there is no unfulfilled obligation as this is the point in time that the consideration becomes unconditional because only a passage of time is required before the payment is due.

Contract Assets: 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. If the unbilled receivable and unbilled revenue are not material numbers, these numbers are included in revenue and trade receivable appropriately.

Notes to financial statements as at and for the year ended March 31, 2022

Contract Liabilities: Contract Liabilities, which is Company's obligation to transfer goods or services to customers for which the Company has already received the consideration. This relate mainly to advance payments from customers which are disclosed in note no 21. Contract liabilities are recognised as revenue when the Company performs under the contract.

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.

Export Incentive Income

Export incentives are recognised 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 realisation / utilisation of such incentives.

Dividends

Dividend income on investments is recognised when the right to receive dividend is established.

Insurance claims

Claim on insurance companies and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

Interest income

Interest income is recognised 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.

2.7.15 Foreign Currency Translations

In the financial statements of the Company, transactions in foreign currencies are translated into the functional currency at the exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the Statement of Profit and Loss at the time of settlement. Foreign currency denominated monetary assets and liabilities 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 the statement of profit and loss. Non-monetary items are measured at historical cost.

2.7.16 Earnings Per Share

Basic Earnings per share is calculated by dividing the net Profit and loss before OCI attributable to equity shareholders 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 and 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.

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 3 : PROPERTY, PLANT & EQUIPMENT

Refer Note 2.7.1 and 2.7.6 for accounting policy on Property, Plant and Equipment and Impairment of non-financial assets

₹ in million

Cost	Freehold Land	Buildings	Plant & Equipment	Office Equipment	Computers Equipment	Furniture & Fixtures	Vehicles	Total
Balance as at April 1, 2020	47.11	997.65	4,996.08	53.86	55.96	17.86	9.34	6,177.86
Additions	-	617.54	796.81	9.00	12.93	3.75	-	1,440.03
Disposals	-	(7.71)	(7.46)	(1.05)	(0.63)	(0.15)	(1.55)	(18.55)
Reclassification to Investment Property	(47.11)	(61.45)	-	-	-	-	-	(108.56)
Balance as at March 31, 2021	-	1,546.03	5,785.43	61.81	68.26	21.46	7.79	7,490.78
Additions	-	103.47	1,132.79	2.30	10.94	0.88	6.91	1,257.29
Disposals	-	(0.54)	(16.60)	(2.34)	(0.36)	(0.43)	-	(20.27)
Balance as at March 31, 2022	-	1,648.96	6,901.62	61.77	78.84	21.91	14.70	8,727.80

Accumulated Depreciation and Impairment	Freehold Land	Buildings	Plant & Equipment	Office Equipment	Computers Equipment	Furniture & Fixtures	Vehicles	Total
Balance as at April 1, 2020	-	129.34	2,038.83	20.67	35.70	4.27	1.79	2,230.60
Depreciation	-	50.63	602.10	0.55	12.18	2.15	1.06	668.67
Disposals	-	(6.42)	(0.42)	(1.02)	(0.58)	(0.15)	(1.35)	(9.94)
Reclassification to Investment Property	-	(3.57)	-	-	-	-	-	(3.57)
Balance as at March 31, 2021	-	169.98	2,640.51	20.20	47.30	6.27	1.50	2,885.76
Depreciation	-	67.89	678.01	0.35	12.37	1.81	1.09	761.52
Disposals	-	(0.45)	(11.00)	(2.26)	(0.33)	(0.41)	-	(14.45)
Balance as at March 31, 2022	-	237.42	3,307.52	18.29	59.34	7.67	2.59	3,632.83
Net carrying amount as at March 31, 2021	-	1,376.05	3,144.92	41.61	20.96	15.19	6.29	4,605.02
Net carrying amount as at March 31, 2022	-	1,411.54	3,594.10	43.48	19.50	14.24	12.11	5,094.97

(i) Contractual commitments for the acquisition of property, plant and equipment are disclosed in Note no. 34B

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 4 : RIGHT OF USE ASSETS

Refer Note 2.7.3 for accounting policy on Leases and Right of use assets

₹ in million

Cost	Land usage rights	Buildings	Plant and Machinery	Vehicles	Total
Balance as at April 1, 2020	1,093.77	41.01	-	5.50	1,140.28
Additions	-	23.45	-	-	23.45
Disposals	-	(36.24)	-	(0.56)	(36.80)
Balance as at March 31, 2021	1,093.77	28.22	-	4.94	1,126.93
Additions	-	-	1.15	1.63	2.78
Disposals	-	(1.99)	-	(4.01)	(6.00)
Balance as at March 31, 2022	1,093.77	26.23	1.15	2.56	1,123.71
Accumulated Depreciation	Land usage rights	Buildings	Plant and Machinery	Vehicles	Total
Balance as at April 1, 2020	34.37	11.76	-	1.99	48.12
Depreciation	17.93	9.54	-	1.79	29.26
Disposals	-	(16.12)	-	(0.38)	(16.50)
Balance as at March 31, 2021	52.30	5.18	-	3.40	60.88
Depreciation	17.93	7.36	0.13	1.60	27.02
Disposals	-	(0.69)	-	(4.01)	(4.70)
Balance as at March 31, 2022	70.23	11.85	0.13	0.99	83.20
Net carrying amount as at March 31, 2021	1,041.47	23.04	-	1.54	1,066.05
Net carrying amount as at March 31, 2022	1,023.54	14.38	1.02	1.57	1,040.51

NOTE 5 : CAPITAL WORK IN PROGRESS

Refer Note 2.7.1 and 2.7.6 for accounting policy on Property, Plant and Equipment and Impairment of non-financial assets

₹ in million

CWIP	As at March 31, 2022					As at March 31, 2021				
	Amount in CWIP for a period of				Total	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years		Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Project in progress	343.86	76.86	22.55	52.16	495.43	744.93	188.89	27.69	13.22	974.73
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
Total	343.86	76.86	22.55	52.16	495.43	744.93	188.89	27.69	13.22	974.73

Note : All projects in CWIP are within due dates and not exceeded its cost compared to its original plan

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 6 : INVESTMENT PROPERTY

Refer Note 2.7.2 and 2.7.6 for accounting policy on Investment Property and Impairment of non-financial assets

₹ in million

Cost	Land	Buildings	Total
Balance as at April 1, 2020	-	-	-
Additions	-	-	-
Disposals	-	-	-
Reclassification from Property plant and equipment	47.11	61.45	108.56
Balance as at March 31, 2021	47.11	61.45	108.56
Additions	-	-	-
Disposals	-	-	-
Balance as at March 31, 2022	47.11	61.45	108.56
Accumulated Depreciation	Land	Buildings	Total
Balance as at April 1, 2020	-	-	-
Depreciation	-	-	-
Disposals	-	-	-
Reclassification from Property plant and equipment	-	3.57	3.57
Balance as at March 31, 2021	-	3.57	3.57
Depreciation	-	2.19	2.19
Disposals	-	-	-
Balance as at March 31, 2022	-	5.76	5.76
Net carrying amount as at March 31, 2021	47.11	57.88	104.99
Net carrying amount as at March 31, 2022	47.11	55.69	102.80

Fair Value of Investment property

₹ in million

Particulars	As at March 31, 2022	As at March 31, 2021
Land	49.91	48.66
Building	65.00	61.58

The fair value of investment property is based on a valuation carried out by an independent valuer during the financial year 2021-22, who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. The fair value of the investment property has been arrived at by means of market approach. As per the said technique, fair value of investment property is arrived by considering the comparable prices of similar property at that location.

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 7 : GOODWILL

Refer Note 2.7.4, 2.7.5 and 2.7.6 for accounting policy on Intangible assets, Business combinations & Goodwill and Impairment of non-financial assets

₹ in million

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying value at the beginning of the year	1,813.11	1,813.11
Closing value as at the reporting date	1,813.11	1,813.11

Impairment assessment of goodwill as at March 31, 2022:

The Company has performed the annual impairment assessment of the goodwill by determining the "value in use" of the Cash Generating Unit (CGU) as an aggregate of present value of cash flow projections covering a five year period and the terminal value. The Company considers a single CGU for the impairment assessment. 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 not limited to, the Industry trend, the revenue growth and profitability during the forecasted period, the discount rate and the terminal growth rate.

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 considering a nil growth rate.

During the year ended March 31 2022, the testing did not result in any impairment in the carrying amount of goodwill.

Sensitivity Analysis:

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
Terminal growth rate	Decrease by 23.58 %
Post tax discount rate	Increase to 25.08 %

NOTE 8 : OTHER INTANGIBLE ASSETS

Refer Note 2.7.4 and 2.7.6 for accounting policy on Intangible assets and Impairment of non-financial assets

₹ in million

Cost	Computer Software	Tradename and Trademark	Developed Technology	Customer Relationship	Total
Balance as at April 1, 2020	10.90	119.00	476.00	119.00	724.90
Additions	17.53	-	-	-	17.53
Disposals	-	-	-	-	-
Balance as at March 31, 2021	28.43	119.00	476.00	119.00	742.43
Additions	8.81	-	-	-	8.81
Disposals	-	-	-	-	-
Balance as at March 31, 2022	37.24	119.00	476.00	119.00	751.24

Accumulated amortisation	Computer Software	Tradename and Trademark	Developed Technology	Customer Relationship	Total
Balance as at April 1, 2020	10.10	15.20	60.82	11.40	97.52
Amortisation	5.25	7.93	31.73	5.95	50.86
Disposals	-	-	-	-	-
Balance as at March 31, 2021	15.35	23.13	92.55	17.35	148.38
Amortisation	7.03	7.93	31.73	5.95	52.64
Disposals	-	-	-	-	-
Balance as at March 31, 2022	22.38	31.06	124.28	23.30	201.02
Net carrying amount as at March 31, 2021	13.08	95.87	383.45	101.65	594.05
Net carrying amount as at March 31, 2022	14.86	87.94	351.72	95.70	550.22

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 9 : INVESTMENTS

Refer Note 2.7.8 and 2.7.9.1 for accounting policy on Cash and cash equivalents & investments and Financial assets

A: NON-CURRENT INVESTMENTS

	Face Value	Holdings as at March 31, 2022		Face Value	Holdings as at March 31, 2021	
	₹ per unit	Nos	₹ in million	₹ per unit	Nos	₹ in million
At Fair Value Through Profit and Loss (FVTPL) 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

B: CURRENT INVESTMENTS

₹ in million

	Holdings as at March 31, 2022	Holdings as at March 31, 2021
At Fair Value Through Profit and Loss (FVTPL) Unquoted Instruments Investments in Mutual Funds		
	989.59	-
Total	989.59	-

Refer note 38 for information about fair value measurement and note 39A for credit risk and market risk of the investment.

NOTE 10: LOANS

Refer Note 2.7.9.1 for accounting policy on Financial assets

A: Non current (at amortised cost. Unsecured, considered good)

₹ in million

	As at March 31, 2022	As at March 31, 2021
Loans to employees	0.66	0.65
Loans and advances to others / vendors	22.34	-
Total	23.00	0.65

B: Current (at amortised cost. Unsecured, considered good)

₹ in million

	As at March 31, 2022	As at March 31, 2021
Loans to employees	0.97	1.27
Loans and advances to others / vendors	30.18	-
Total	31.15	1.27

- (i) No loans are due from directors or other officers of the Company or any of them severally or jointly with any other person. Further, no loans are due from firms or private companies in which any director is a partner, a director or a member.
- (ii) Refer note 39A for information about credit risk and market risk of other financial assets.

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 11 : OTHER FINANCIAL ASSETS

Refer Note 2.7.9.1 for accounting policy on Financial assets

A : Non current

(at amortised cost. Unsecured, considered good)

₹ in million

	As at March 31, 2022	As at March 31, 2021
Security Deposits	80.33	89.49
Deposits with accrued interest	0.62	0.58
Other receivables	-	11.38
Total	80.95	101.45

B : Current

(at amortised cost. Unsecured, considered good)

₹ in million

	As at March 31, 2022	As at March 31, 2021
Security Deposits	38.87	12.04
Advances to employees	0.65	2.36
Other receivables	18.31	7.03
Reimbursements receivable from related parties (Refer Note 37)	31.52	10.64
Total	89.35	32.07

- (i) Advances to employees include for March 31, 2022 ₹ NIL (March 31, 2021 ₹ 1.86 million) given to directors of the company. No other advances are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no advances are due from firms or private companies in which any director is a partner, a director or a member.
- (ii) Refer note 39 A for credit risks on other financial assets.

NOTE 12 : OTHER ASSETS

A : Non current

(at amortised cost. Unsecured, considered good)

₹ in million

	As at March 31, 2022	As at March 31, 2021
Capital advances	45.69	87.45
Deposits paid under protest	5.79	5.79
Prepaid expenses	4.05	-
Total	55.53	93.24

B : Current

(at amortised cost)

₹ in million

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Balance with Statutory/ Government authorities	256.30	204.50
Prepaid expenses	18.40	13.35
Export Benefits	56.65	54.04
Trade advances to suppliers	4.02	2.18
Unsecured, doubtful		
Trade advances to suppliers	0.95	0.95
Allowance for doubtful advances	(0.95)	(0.95)
Total	335.37	274.07

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 13 : INVENTORIES

Refer Note 2.7.7 for accounting policy on Inventories

₹ in million

	As at March 31, 2022	As at March 31, 2021
Raw materials *	1,224.66	640.14
Work - in - progress	596.13	333.37
Finished stock*	1,074.05	758.29
Stock-in-trade*	2,453.30	1,772.96
Stores and Spares *	236.71	182.37
Total	5,584.85	3,687.13
* Including goods in transit :		
Raw Materials	138.17	77.99
Finished Stock	282.48	380.46
Stock-in-trade	667.07	619.24
Stores & Spares	10.10	6.29

NOTE 14 : TRADE RECEIVABLES

(at amortised cost)

Refer Note 2.7.9.1 for accounting policy on Financial assets

₹ in million

	Current	
	As at March 31, 2022	As at March 31, 2021
Trade receivables		
Secured, considered Good	15.15	17.56
Unsecured		
- considered Good	5,376.55	3,691.56
- which have significant increase in Credit Risk	24.26	46.63
- credit impaired	1.42	3.86
	5,417.38	3,759.61
Allowance for Doubtful trade receivables (Expected credit loss allowance)	(29.83)	(46.33)
Total	5,387.55	3,713.28

(i) Movement of expected credit loss allowance

Particulars	₹ in million
Expected credit loss allowance on April 1, 2020	54.70
Change in Expected credit loss allowance	(8.37)
Expected credit loss allowance on March 31, 2021	46.33
Change in Expected credit loss allowance	(16.50)
Expected credit loss allowance on March 31, 2022	29.83

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 14 : TRADE RECEIVABLES (Contd.)

- (ii) No trade receivables are due from directors or other officers of the Company or any of them severally or jointly with any other person. Further, no loans are due from firms or private companies in which any director is a partner, a director or a member.
- (iii) Trade receivables are non-interest bearing and are generally settled on terms of credit periods agreed with the customers, which is generally in line with the industry the Company operates.
- (iv) Refer note 39A for information about credit risk and currency risk which may impact trade receivables.
- (v) Refer note 37 for trade receivables from related parties.
- (vi) The Company has determined the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions.

In computing the expected credit losses, the Company has also considered external sources of information relating to its customers' credit risk that were available in public domain to estimate the probability of default in future.

₹ in million

Particulars	Outstanding for the following period from due date of payments as at 31 March 2022							Unbilled trade receivables	Total
	Not Yet Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years			
(i) Undisputed Trade Receivables - Considered Good	2,363.76	2,917.23	30.96	-	-	-	79.75	5,391.70	
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	4.85	7.69	4.34	7.38	-	24.26	
(iii) Undisputed Trade Receivables credit impaired	-	-	-	-	-	1.42	-	1.42	
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-	-	
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-	
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-	
Less: Expected credit loss allowance	-	-	-	-	-	-	-	(29.83)	
	2,363.76	2,917.23	35.81	7.69	4.34	8.80	79.75	5,387.55	

₹ in million

Particulars	Outstanding for the following period from due date of payments as at 31 March 2021							Unbilled trade receivables	Total
	Not Yet Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years			
(i) Undisputed Trade Receivables - Considered Good	1,752.72	1,877.32	15.77	-	-	-	63.30	3,709.11	
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	1.68	3.54	17.98	14.18	9.26	-	46.64	
(iii) Undisputed Trade Receivables credit impaired	-	-	-	-	-	3.86	-	3.86	
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-	-	
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-	
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-	
Less: Expected credit loss allowance	-	-	-	-	-	-	-	(46.33)	
	1,752.72	1,879.00	19.31	17.98	14.18	13.12	63.30	3,713.28	

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 15: CASH AND CASH EQUIVALENTS AND OTHER BANK BALANCES

Refer Note 2.7.8 for accounting policy on cash and cash equivalents and Investments

A : CASH AND CASH EQUIVALENTS

₹ in million

	As at March 31, 2022	As at March 31, 2021
Cash and Cash Equivalents :		
Balance with Banks		
Current Accounts	126.88	44.90
Deposit Accounts with original maturity less than three months	-	1,641.43
Foreign Currency Account (USD)	20.99	17.71
Total	147.87	1,704.04

There is no repatriation restriction with regard to cash and cash equivalents at the end of reporting period and prior period.

B : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in million

	As at March 31, 2022	As at March 31, 2021
Earmarked balances with Banks- Dividend accounts	34.03	38.09
Total	34.03	38.09

Earmarked bank balances on dividend accounts represent monies that can be utilised only to pay dividend to equity shareholders against dividend warrants issued to them.

NOTE 16 : SHARE CAPITAL

₹ in million

	As at March 31, 2022	As at March 31, 2021
Authorised :		
87,000,000 (March 31, 2021: 87,000,000) Equity Shares of ₹ 10/- each	870.00	870.00
2,600,000 (March 31, 2021: 2,600,000) 9% Cumulative Redeemable Preference Shares of ₹100/- each	260.00	260.00
	1,130.00	1,130.00
Issued :		
75,233,884 (March 31, 2021: 75,233,884) Equity Shares of ₹10/- each	752.34	752.34
Subscribed and fully paid-up:		
75,218,734 (March 31, 2021: 75,218,734) Equity Shares of ₹ 10/- each fully paid-up	752.19	752.19
	752.19	752.19

(i) No Equity shares have been allotted during the year ended March 31, 2022 out of 15,150 shares of ₹ 10/- each kept in abeyance as at March 31, 1998.

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 16 : SHARE CAPITAL (Contd.)

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

Equity Shares	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	₹ in million	No. of Shares	₹ in million
At the beginning of the year	75,218,734	752.19	75,218,734	752.08
Receipt of Call in arrears	-	-	-	0.11
Outstanding at the end of the year	75,218,734	752.19	75,218,734	752.19

b. Terms/rights attached to equity shares

The Company has only one class of equity shares issued having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. 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. Dividend details

The Company declares and pays dividends in Indian Rupees. The final dividend proposed by Board of Directors of ₹ 1.50/- per equity share (March 31, 2021 - ₹ 1.50/- per equity share) is subject to the approval of the shareholders in the ensuing Annual General Meeting upon which the liability will be recorded in the books.

The final dividend for the year 2020-21 proposed by the Board and approved by the shareholders at the 34th Annual General Meeting, has been paid to the eligible shareholders during the year ended March 31, 2022.

d. Details of shareholders holding more than 5% of the aggregate shares and promoters holding in the Company (Refer note (i) & (ii) below)

	As at March 31, 2022			As at March 31, 2021		
	No. of Shares*	₹ in million	% of share holding	No. of Shares*	₹ in million	% of share holding
Timken Singapore PTE Limited	50,999,988	510	67.80%	50,999,988	510	67.80%

* Holdings combined based on the PAN of the shareholders

- (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 17 : OTHER EQUITY

₹ in million

	As at March 31, 2022	As at March 31, 2021
a) Capital Redemption Reserve Capital Redemption Reserve created on redemption of preference shares in earlier years	260.00	260.00
b) Securities Premium Account Premium received on equity shares issued are recognised in the Securities premium account	5,348.67	5,348.67
c) Retained Earnings (refer (i) below) Surplus in Statement of Profit & Loss	10,208.56	7,074.26
Total - Other equity	15,817.23	12,682.93

(i) Movement in Retained Earnings

₹ in million

	As at March 31, 2022	As at March 31, 2021
Opening Balance	7,074.26	9,405.98
Add: Profit for the year	3,271.05	1,431.79
Other Comprehensive income for the year	(23.92)	(3.11)
Less: Appropriations		
Final Equity Dividend of ₹ 1.50 /- per equity share for FY 2020-21 (FY 2019-20 - ₹ 50/- per equity share)	(112.83)	(3,760.40)
Closing Balance	10,208.56	7,074.26

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 18 : LEASE LIABILITIES

(at amortised cost)

Refer Note 2.7.3 for accounting policy on Leases and Right of use assets

The following is the movement in lease liabilities:

₹ in million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Carrying amount at the beginning of the year	26.64	36.90
Additions	2.78	24.02
Deletions	(1.76)	(23.88)
Add : Finance cost accrued during the period	1.68	2.26
Less: Repayment of lease liabilities	(9.78)	(12.66)
Carrying amount at the end of the year	19.56	26.64
Non current Lease Liabilities	9.54	17.10
Current Lease Liabilities	10.02	9.54
Total	19.56	26.64

The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2022 on an undiscounted basis:

₹ in million

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Less than one year	11.11	11.18
Total	11.11	11.18
Non-current		
One to five years	7.00	14.65
More than five years	17.89	18.61
Total	24.89	33.26

The weighted average incremental borrowing rate applied to lease liabilities recognised under Ind AS 116 "Leases" was in the range of 8%.

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 19 : PROVISIONS

Refer Note 2.7.13.1 and 2.7.11 for accounting policy on Provisions and Employee benefits

A: Non-Current

₹ in million

	As at March 31, 2022	As at March 31, 2021
Provision for Employee benefits :		
Employees' Death Benefit Scheme (refer Note 40)	18.10	20.59
Employees' Provident Fund (refer Note 40)	20.88	2.71
Compensated absences (refer Note 40)	115.22	110.18
Total (a)	154.20	133.48
Others :		
Other provisions (refer note (ii) below)	370.30	370.30
Total (b)	370.30	370.30
Total (a) + (b)	524.50	503.78

B: Current

₹ in million

	As at March 31, 2022	As at March 31, 2021
Provision for Employee benefits :		
Employees' Death Benefit Scheme (refer Note 40)	8.82	6.79
Employees' Provident Fund (refer Note 40)	6.00	6.16
Gratuity (refer Note 40)	35.67	18.03
Compensated absences (refer Note 40)	14.25	13.21
Total (a)	64.74	44.19
Others :		
Provision for Indirect taxes (refer note (i) below)	12.44	12.99
Total (b)	12.44	12.99
Total (a) + (b)	77.18	57.18

(i) Provision for Indirect taxes

₹ in million

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	12.99	14.03
Additions during the year	-	-
Utilisation/Reversal during the year	(0.55)	(1.04)
Closing Balance	12.44	12.99

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. These provisions have not been discounted as it is not practicable for the Company to estimate the timing of the provision utilisation and cash outflows, if any, pending resolution.

- (ii) Other provision of ₹ 370.30 million represents accrual for fair value of obligations payable relating to certain transactions of acquired Company for earlier periods (i.e. prior to acquisition by the Company vide a NCLT approved scheme of amalgamation in 2018-19). 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, 2022

NOTE 20 A: DEFERRED TAX LIABILITIES (net)

Refer Note 2.7.12 for accounting policy on Income taxes

₹ in million

	As at March 31, 2022	As at March 31, 2021
Deferred Tax Assets		
- Provision for employee benefits & other expenses	63.25	52.16
- Allowance of doubtful receivables and other assets	7.51	12.31
- Amortisation of merger expenses	11.57	23.14
Deferred Tax Assets	82.33	87.61
Deferred Tax Liabilities		
- Depreciation and amortisation differences	(362.39)	(410.55)
Deferred Tax Liabilities	(362.39)	(410.55)
Deferred Tax Liabilities (net)	(280.06)	(322.94)

Significant Components of net Deferred Tax Assets and Liabilities on account of temporary differences are as follows :

₹ in million

Particulars	2021-2022				
	Balance as at March 31, 2021	Recognised in the statement of profit and Loss	Recognised in OCI	Recognised through Balance Sheet	Balance as at March 31, 2022
Deferred Tax Assets					
Provision for employee benefits & other expenses	52.16	11.09	-	-	63.25
Allowance of doubtful receivables and other assets	12.31	(4.80)	-	-	7.51
Amortisation of merger expenses	23.14	(11.57)	-	-	11.57
Deferred Tax Liabilities					
Depreciation and amortization differences	(410.55)	48.16	-	-	(362.39)
Deferred Tax Assets/ Liabilities (Net)	(322.94)	42.88	-	-	(280.06)

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 20 A: DEFERRED TAX LIABILITIES (net) (Contd.)

₹ in million

Particulars	2020-2021				
	Balance as at March 31, 2020	Recognised in the statement of profit and Loss	Recognised in OCI	Recognised through Balance Sheet	Balance as at March 31, 2021
Deferred Tax Assets					
Provision for employee benefits & other expenses	37.73	14.43	-	-	52.16
Allowance of doubtful receivables and other assets	14.65	(2.34)	-	-	12.31
Amortisation of merger expenses	34.71	(11.57)	-	-	23.14
Deferred Tax Liabilities					
Depreciation and amortization differences	(464.13)	53.58	-	-	(410.55)
Deferred Tax Assets/ Liabilities (Net)	(377.04)	54.10	-	-	(322.94)

- (i) During FY 2018-19, the Company acquired ABC Bearings Limited vide a NCLT approved Scheme of amalgamation. The Company continues to apply the initial recognition exemption under Ind AS 12 in respect of recognition of deferred tax liability on Goodwill arising out of the aforesaid acquisition.
- (ii) Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set-off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relates to income tax levied by the same taxation authorities.
- (iii) The Company has done a detailed analysis of future recoverability of the Deferred Tax assets based on the internal and external information and expects, the recoverability of the Deferred Tax asset is not impacted.

NOTE 20 B : INCOME TAXES and RECONCILIATION OF STATUTORY TAX RATE AND EFFECTIVE TAX RATE

₹ in million

	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before Tax (a)	4,381.84	1,950.63
Tax Expense (b)	1,110.79	518.84
Tax rate as a % of PBT (b)/(a)	25.35%	26.60%
At India's statutory income tax rate of 25.168% (March 31, 2021: 25.168%)	1,102.82	490.93
Adjustments:		
Tax on Permanent Disallowances / (Exempt Income)	16.22	12.83
Other adjustments {includes reversal of ₹ 16.15 million (March 31, 2021 - net charge of ₹ 8.10million) relating to earlier years }	(8.25)	15.08
Income tax expense reported in the statement of profit and loss	1,110.79	518.84

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 21 : OTHER LIABILITIES

A: Non-Current

Refer Note 2.7.10 for accounting policy on Government grants

₹ in million

	As at March 31, 2022	As at March 31, 2021
Government Grants		
Opening Balance	233.26	248.79
Received during the year	3.88	20.33
Released to the statement of profit and loss (refer Note 27)	(42.87)	(35.86)
Total	194.27	233.26

Government grants have been received for import of certain items of Property, Plant and Equipment and capital work in progress against import licenses taken under export promotion capital goods(EPCG) scheme of Government of India. The Company has certain export obligations against such benefits availed which it would fulfil within the required time period under the scheme. In case of such commitments are not met, the Company would be required to pay the duty along with interest to the regulatory authorities.

B: Current

₹ in million

	As at March 31, 2022	As at March 31, 2021
Statutory liabilities	55.80	84.81
Contract Liabilities - Advances from Customers	139.86	24.34
Total	195.66	109.15

NOTE 22: SHORT-TERM BORROWINGS

(at amortised cost, unsecured)

Refer Note 2.7.9.2 for accounting policy on Financial liabilities

₹ in million

	As at March 31, 2022	As at March 31, 2021
Bills discounted with bank	297.77	326.86
Total	297.77	326.86

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

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 23 : TRADE PAYABLES

(at amortised cost)

Refer Note 2.7.9.2 for accounting policy on Financial liabilities

₹ in million

	As at March 31, 2022	As at March 31, 2021
Trade Payables :		
a) Total outstanding dues of micro and small enterprises (refer note below)	269.09	216.50
b) Total outstanding dues of creditors other than micro and small enterprises (for dues to related parties refer note 37)	3,016.30	3,138.02
Total Trade Payables	3,285.39	3,354.52

Trade payables are generally settled as per payment terms agreed by the Company and vendor.

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 at and for the Year ended March 31, 2022	As at and for the Year ended March 31, 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal	265.02	196.70
Interest	0.47	0.65
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.	-	-
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.	1.92	5.16
The amount of interest accrued for the year and remaining unpaid at the end of each accounting year	14.69	12.77
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.	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Company.

₹ in million

Reconciliation to trade payable-total outstanding dues of micro and small enterprises and MSME disclosure principal amount.	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro and small enterprises	269.09	216.50
Accrued payables	(19.71)	(42.27)
Capital creditors	15.64	22.47
MSME principal	265.02	196.70

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 23 : TRADE PAYABLES (Contd.)

(at amortised cost)

₹ in million

Particulars	Outstanding for the following period from due date of payments as on March 31, 2022					Unbilled trade payables	Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	204.54	40.61	7.74	1.10	9.36	5.74	269.09
(ii) Others	935.28	1,891.78	16.18	3.08	3.92	166.06	3,016.30
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	1,139.82	1,932.39	23.92	4.18	13.28	171.80	3,285.39

₹ in million

Particulars	Outstanding for the following period from due date of payments as on March 31, 2021					Unbilled trade payables	Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	142.91	58.32	0.04	0.15	9.07	6.01	216.50
(ii) Others	815.40	2135.62	21.12	1.40	10.04	154.44	3,138.02
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	958.31	2,193.94	21.16	1.55	19.11	160.45	3,354.52

NOTE 24 : OTHER FINANCIAL LIABILITIES

(at amortised cost, unsecured)

Refer Note 2.7.9.2 for accounting policy on Financial liabilities

A: Non-Current

₹ in million

	As at March 31, 2022	As at March 31, 2021
Security deposits received from Customers (refer note (i))	2.40	-
Total	2.40	-

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 24 : OTHER FINANCIAL LIABILITIES (Contd.)

B: Current

₹ in million

	As at March 31, 2022	As at March 31, 2021
Security deposits received from Customers (refer note (i))	26.48	26.36
Interest accrued on Security deposit from customers	2.10	2.07
Unpaid dividends (refer note (ii))	34.03	38.09
Capital creditors	61.61	90.50
Other payable	-	4.86
Total	124.22	161.88

- (i) These are interest bearing deposits accepted from dealers / distributors which are repayable only upon termination of the dealership / distributor agreement.
- (ii) Investor Education and Protection Fund will be credited by the amount of unpaid dividends as and when due.

NOTE 25 : CURRENT TAX LIABILITIES

Refer Note 2.7.12 for accounting policy on Income taxes

₹ in million

	As at March 31, 2022	As at March 31, 2021
Income tax payable (net of advance tax of ₹ 4,122.52 million (Mar 31, 2021 - ₹2,990.77 million))	367.50	353.56
Total	367.50	353.56

The Company is subject to tax assessments and ongoing proceedings from the Income Tax department. Management periodically reviews and evaluates various tax positions taken in tax returns, including unresolved tax disputes, which involves interpretation of applicable tax regulations and judicial precedents. Current tax liability and tax asset balances are presented, after recognising as appropriate, provision for taxes payable and contingencies basis management's assessment (including tax experts based on requirement) of outcome of such ongoing proceedings and amounts that may become payable to the tax authorities. Considering the nature of such estimates and uncertainties involved, the amount of such provisions may change upon final resolution of the matters with tax authorities.

NOTE 26 : REVENUE FROM OPERATIONS

Refer Note 2.7.14 for accounting policy on Revenue recognition

₹ in million

	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from contracts with customers		
Sale of Products	20,714.28	13,320.26
Sale of Services	1,104.00	713.45
Other operating revenue		
Export incentives (refer note (i) below)	214.16	71.49
Revenue from operations	22,032.44	14,105.20

- (i) Export benefits available under prevalent schemes are accrued as revenue in the year in which the goods are exported and only when there is reasonable assurance that the conditions attached to them will be complied with, and the amounts will be received.
- (ii) Performance obligations and remaining performance obligations:
The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. 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.
- (iii) Refer note 37 for revenue from related parties.

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 27 : OTHER INCOME

Refer Note 2.7.14 for accounting policy on Revenue recognition

₹ in million

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income recognised on Financial assets, recognised at amortised cost	27.65	73.59
Other Interest income	0.24	13.65
Dividend Income on current investments - non-trade (refer note (i) below)	10.49	0.45
Gain on foreign currency transaction and translation (net)	20.55	-
Gain on termination of Lease	-	2.96
Provision no longer required written back	15.65	60.11
Deferred Government grant income (refer note (ii) below)	42.87	35.86
Rental Income	4.80	-
Miscellaneous Income	20.64	9.42
Total	142.89	196.04

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

(ii) Government grants on capital goods are recognised on a systematic basis over the useful life of the asset.

NOTE 28 :CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK- IN-TRADE

Refer Note 2.7.7 for accounting policy on Inventories

₹ in million

	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Stock		
Work in Progress	333.37	215.75
Finished Goods (Including in transit)	758.29	820.75
Stock-in-trade (Including in transit)	1,772.96	1,175.20
(A)	2,864.62	2,211.70
Closing Stock		
Work in Progress	596.13	333.37
Finished Goods (Including in transit)	1,074.05	758.29
Stock-in-trade (Including in transit)	2,453.30	1,772.96
(B)	4,123.48	2,864.62
(Accretion)/Decretion to Inventories	(A)-(B)	(652.92)

During the year ended March 31, 2022 ₹ 11.44 million (March 31, 2021 ₹ (40.56)million) was recognised as reversal /(expenses) for inventories carried at net realisable value.

NOTE 29 : EMPLOYEE BENEFITS EXPENSES

Refer Note 2.7.11 for accounting policy on Employee benefits

₹ in million

	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, Wages and Bonus	1,114.43	986.22
Contribution to provident and other funds (Note 40)	153.41	124.11
Staff welfare expense	137.75	82.98
Total	1,405.59	1,193.31

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 30 : FINANCE COSTS

₹ in million

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Expense	24.47	14.41
Total	24.47	14.41

Includes interest expense on lease liabilities for year ended March 31, 2022 ₹ 1.68 million (March 31, 2021 ₹ 2.26 million)

NOTE 31 : DEPRECIATION AND AMORTISATION EXPENSES

Refer Note 2.7.1 , 2.7.2 , 2.7.3 , 2.7.4 for accounting policy on PPE, Investment property, Right of use assets and Intangible assets

₹ in million

	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on Property, plant and equipment (refer Note 3)	761.52	668.67
Depreciation on Right of use assets (refer Note 4)	27.02	29.26
Depreciation on Investment Property (refer Note 6)	2.19	-
Amortisation of Intangible assets (refer Note 8)	52.64	50.86
Total	843.37	748.79

NOTE 32 : OTHER EXPENSES

₹ in million

	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Consumption of stores and spares (refer note (i) below)	935.20	565.76
b) Power & Fuel	368.96	290.30
c) Repairs to Buildings	14.44	5.92
d) Repairs to Machineries	154.48	119.68
e) Repairs Others	95.04	60.33
f) Royalty	491.67	299.10
g) Rent	13.15	12.80
h) Rates and Taxes (refer note (ii) below)	29.67	25.18
i) Insurance	13.60	16.85
j) Freight, Delivery and Shipping charges	461.26	328.60
k) Travelling	52.08	20.96
l) Services outsourced	410.35	259.67
m) Professional Fees (refer note (iii) below)	186.17	179.43
n) Inter company Service Charges	99.06	89.06
o) ERP and other applications expenses	69.84	54.25
p) CSR Expenditure (refer note (iv) below)	52.05	44.73
q) Provision for doubtful debts, deposits & advance	7.29	14.31
r) Foreign Exchange Loss (net)	-	21.78
s) Loss on sale of property, plant and equipment (net)	1.72	0.95
t) Other Expenses	123.49	126.29
Total	3,579.52	2,535.95

(i) Consumption of stores and spares includes packaging cost for year ended March 31, 2022 ₹ 318.79 million (March 31, 2021 ₹ 188.52 million)

(ii) Rates & Taxes includes GST paid on stocks written off, issue of free samples/supplies, etc.

Notes to financial statements as at and for the year ended March 31, 2022 Contd.

NOTE 32 : OTHER EXPENSES (Contd.)

(iii) Professional Fees include:

₹ in million

Auditor's remuneration (exclusive of GST)	For the year ended March 31, 2022	For the year ended March 31, 2021
Statutory Audit		
As Auditors		
- For Statutory Audit	2.97	2.70
- For Limited Reviews	1.65	1.50
- For out-of-pocket expenses	-	0.48
For Other Matters		
- For Tax Audit	0.88	0.80
- For Other Services	0.15	-

(iv) 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 profits made during immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are mentioned in Schedule VII of the Act. During the FY 2021-22, the Company has spent Rs. 52.05 million on CSR activities primarily covering two areas namely promoting education including vocational skills and preventive healthcare.

₹ in million

	For the year ended March 31, 2022	For the year ended March 31, 2021
Gross amount required to be spent by the Company during the year	48.38	44.67
Amount spent during the year :		
i) Construction/acquisition of any asset	-	-
ii) On purposes of promotion of education and preventive healthcare	52.05	44.73
Total	52.05	44.73
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Amount spent on CSR activities through related parties	-	-
Whether any provision made with respect to a liability incurred by entering into a contractual obligation	No	No

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 33 : EARNINGS PER SHARE (EPS)

Refer Note 2.7.16 for accounting policy on Earnings Per Share

	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Profit attributable to equity shareholders of the Company (₹ in million)	3,271.05	1,431.79
b) Weighted average number of equity shares outstanding @ ₹ 10/- each	75,218,734	75,218,734
Earnings per share - Basic & Diluted* (a)/(b)(in ₹)	43.49	19.03

* There are no dilutive potential equity shares.

NOTE 34 : CONTINGENT LIABILITIES AND COMMITMENTS

Refer Note 2.7.13.2 for accounting policy on Contingent liabilities and contingent assets

A. CONTINGENT LIABILITIES

₹ in million

	As at March 31, 2022	As at March 31, 2021
Claims against the Company not acknowledged as debts		
a) Indirect tax matters	46.09	23.12
b) Direct tax matters	135.29	8.64
c) Other claims	3.49	3.49

Indirect tax contingencies

The Company has outstanding disputes with Indirect tax authorities mainly relating to treatment of characterisations and classification of certain items.

Direct tax contingencies

The Company has outstanding dispute with Direct tax authorities mainly relating to tax treatment of certain expenses claimed as deductions, computation or allowances.

Other claims

The Company has outstanding disputes from various other statutes, which is consolidated for disclosure as the value is not material.

These demands are being contested by the Company based on the management evaluation and advice of consultants as appropriate. In respect of above matters, future cash outflows are determinable only on receipt of judgments/decisions, which are pending at various authorities and the Company's rights for future appeals.

The Company does not expect any reimbursements in respect of the above contingent liabilities.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements.

The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

B. CAPITAL AND OTHER COMMITMENTS

₹ in million

	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for; (net of advance of ₹ 45.69 million (March 31, 2021 - ₹ 87.45 million))	288.40	328.93

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 35 : 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 only one reportable primary segment, viz. 'Bearings and allied goods & services'. Accordingly, no separate disclosure of segment information has been made.

Entity wide disclosures

- a) The revenue from the reportable segment 'Bearings and allied goods & services' for year ended March 31, 2022 ₹ 22,032.44 million (March 31, 2021 ₹ 14,105.20 million)
- b) The Company is domiciled in India. Geographical revenue is allocated based on the location of the customers. Information regarding geographical revenue is as follows:

₹ in million

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Revenue from Operations		
India	15,524.76	10,661.07
Outside India		
- USA	3,860.58	1,741.27
- Others	2,647.10	1,702.86
	6,507.68	3,444.13
Total	22,032.44	14,105.20

Geographical non-current assets (other than financial instruments and deferred tax assets) are allocated based on the location of the assets. Non-current assets includes Property plant & equipment, right of use assets, capital work in progress, investment property, goodwill, non-current tax assets and other non-current assets. Information regarding geographical non-current assets is as follows:

₹ in million

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current assets other than financial assets		
India	9,233.92	9,332.54
Outside India	-	-
Total	9,233.92	9,332.54

- c) Revenue from one of the customer group amounted to ₹ 6,714.23 million (March 31, 2021 : ₹3,516.12 million) arising from sale of products & services.

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 36 : UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars of unhedged foreign currency exposure as at the reporting date

Particulars	Currency	As at March 31, 2022		As at March 31, 2021	
		Amount in Foreign Currency (in million)	Value (₹ in million)	Amount in Foreign Currency (in million)	Value (₹ in million)
a) Trade Receivables	USD	38.16	2,836.38	20.24	1,459.47
	EURO	0.04	2.91	0.05	4.01
b) Trade Payables and capital creditors	USD	21.19	1,631.10	25.64	1,915.05
	EURO	0.34	28.88	0.02	1.64
	GBP	0.00	0.38	0.00	0.10
	JPY	0.29	0.18	1.06	0.71
c) EEFC Bank account	USD	0.28	20.99	0.25	17.71

NOTE 37 : 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 2) Timken UK Limited 3) Timken Do Brazil Comercial Importadora LTDA. 4) Timken Korea Limited 5) Timken South Africa (PTY) Limited 6) Timken Romania SA 7) Yantai Timken Co., Ltd. 8) Australian Timken Proprietary Limited 9) Timken Polska SP z.o.o. 10) Timken (China) Investment Co., Ltd. 11) Timken (Wuxi) Bearings Co., Ltd. 12) Timken (Shanghai) Distribution and Sales Co., Ltd 13) MPB Corporation 14) Timken PWP SRL 15) Timken Engineering and Research - India Private Limited 16) Timken De Mexico, S.A. De C.V. 17) Timken Canada LP 18) Timken Gears and Services Inc. 19) Timken (Chengdu) Aerospace and Precision Products Co., Ltd. 20) Timken (Hunan) Bearing Co., Ltd 21) Timken SMO LLC 22) Bearing Inspection, Inc. 23) Timken Italia S.r.l. 24) Cone Drive Operations Inc 25) Timken UWC LLC 26) Timken GmbH 27) Baier & Koppel GMBH & Co KG 28) Rollon India Pvt Ltd

Key management personnel

Chairman & Managing Director - Mr. Sanjay Koul
 Business Controller-India, CFO & Whole-time Director - Mr. Avishrant Keshava
 Company Secretary & Chief of Compliance - Mr. Mandar Vasmatkar
 Non-executive director - Mr. P.S. Dasgupta
 Non-executive director - Mrs. N S Rama
 Non-executive director - Mr. Douglas H Smith
 Non-executive director - Mr. Bushen Lal Raina
 Firms where a director is a Partner - New Delhi Law House
 - Asia Law Offices LLP

Trusts managed by the Company

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

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 37 : RELATED PARTY DISCLOSURE: (Contd.)

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, 2022		March 31, 2021	
1	The Timken Company, US	Ultimate holding company	Purchase of goods	497.74	116.49	325.64	125.55
			Sale of goods	1,412.80	480.98	733.92	289.98
			Expense receivable	0.88	-	13.34	7.93
			Expense payable	196.71	13.12	170.41	55.57
			Agency Commission (Income)	3.76	0.70	2.68	0.81
			Royalty	491.67	331.23	299.10	169.98
			Purchase of Property, Plant & Equipment	0.25	-	0.10	0.09
2	Timken Singapore PTE. Limited	Holding company	Sale of goods	126.29	15.37	134.36	3.64
			Agency Commission (Income)	22.01	0.11	18.18	8.28
			Purchase of goods	22.68	1.89	17.94	6.03
			Expense receivable	6.97	0.97	10.32	4.68
			Expense payable	7.92	3.04	5.41	4.86
			Dividend paid	76.50	-	2,550.00	-
3	The Timken Corporation	Fellow Subsidiary	Purchase of goods	961.17	266.98	910.07	380.68
			Sale of goods	3,488.04	1,650.68	1,704.99	698.84
			Purchase of Property, Plant & Equipment	114.46	73.86	89.59	36.68
			Agency Commission (Income)	11.20	4.07	9.64	3.34
			Expense Receivables	26.70	26.70	-	-
4	Timken UK Limited	Fellow Subsidiary	Sale of goods	86.34	28.97	84.28	6.06
			Purchase of goods	0.41	0.31	1.28	0.10
			Expense receivable	-	-	0.50	-
			Expense payable	-	-	2.32	-
5	Timken Do Brazil Comercial Importadora LTDA.	Fellow Subsidiary	Sale of goods	347.52	107.23	121.21	48.27
			Purchase of goods	3.57	1.70	-	-
6	Timken Korea Limited Liability Corp	Fellow Subsidiary	Agency Commission (Expense)	1.79	0.91	1.56	0.49
			Purchase of goods	-	-	0.12	-
7	Timken South Africa (PTY) Limited	Fellow Subsidiary	Sale of goods	124.21	6.36	160.33	10.71
			Purchase of goods	18.14	7.32	7.83	1.67
			Expense receivable	-	-	0.96	-
8	Timken Romania SA	Fellow Subsidiary	Purchase of goods	477.52	130.76	417.54	205.73
			Sale of goods	-	-	0.21	-
9	Yantai Timken Co., Ltd.	Fellow Subsidiary	Purchase of goods	437.05	97.77	287.61	124.50
			Purchase of Property, Plant & Equipment	18.02	-	30.38	2.88
			Expense payable	0.10	0.38	0.37	0.30
			Sale of goods	134.64	26.26	52.60	11.84
10	Australian Timken Proprietary Limited	Fellow Subsidiary	Sale of goods	131.37	19.26	117.35	19.85
			Purchase of goods	0.57	0.13	1.37	1.51
			Expense receivable	0.97	0.11	0.86	0.09
11	Timken Polska SP z.o.o	Fellow Subsidiary	Purchase of goods	147.87	24.30	92.99	10.95
			Sale of goods	0.60	0.60	-	-
			Purchase of Property, Plant & Equipment	1.48	-	2.00	-

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 37 : RELATED PARTY DISCLOSURE: (Contd.)

₹ 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, 2022	March 31, 2022	March 31, 2021	March 31, 2021
12	Timken (China) Investment Co., Ltd.	Fellow Subsidiary	Expense payable Expense receivable	- -	- -	- -	- -
13	Timken (Wuxi) Bearings Co., Ltd.	Fellow Subsidiary	Purchase of goods Expense receivable Sale of goods	2,044.22 0.92 16.89	396.47 0.92 3.63	1,556.69 - 4.97	724.82 - 1.83
14	Timken (Shanghai) Distribution and Sales Co., Ltd	Fellow Subsidiary	Sale of goods Purchase of goods	330.59 6.07	25.61 0.17	154.03 16.65	23.24 16.95
15	MPB CORPORATION	Fellow Subsidiary	Agency Commission (Income)	0.06	-	-	-
16	Timken PWP SRL	Fellow Subsidiary	Expense receivable Sale of goods	0.43 4.82	- 2.87	0.06 -	0.05 -
17	Timken Engineering and Research - India Private Limited	Fellow Subsidiary	Expense receivable Expense payable Purchase of goods Sale of goods Purchase of Property, Plant & Equipment Purchase of export licenses	30.54 90.68 998.30 253.24 0.23 50.81	1.93 4.10 12.64 7.67 - -	51.49 92.14 199.66 124.74 1.87 156.67	3.87 12.94 31.13 20.49 - 1.41
18	Timken De Mexico, S.A. De C.V.	Fellow Subsidiary	Sale of goods Purchase of goods	217.60 0.00	24.26 -	86.93 -	18.52 -
19	Timken Canada LP	Fellow Subsidiary	Purchase of goods Sale of goods	1.64 0.53	0.04 -	0.18 0.22	0.19 -
20	Timken Gears and Services Inc.	Fellow Subsidiary	Purchase of goods	18.82	-	-	-
21	Timken (Chengdu) Aerospace and Precision Products Co., Ltd.	Fellow Subsidiary	Purchase of goods	1.13	0.20	1.99	0.29
22	Timken (Hunan) Bearing Co., Ltd	Fellow Subsidiary	Purchase of goods	88.87	88.87	-	-
23	Timken SMO LLC	Fellow Subsidiary	Agency Commission (Income)	0.86	-	0.59	0.07
24	Bearing Inspection, Inc.	Fellow Subsidiary	Agency Commission (Income)	0.00	-	1.02	0.29
25	Timken Italia S.r.l.	Fellow Subsidiary	Sale of goods Purchase of goods Expense receivable	0.13 - 1.06	- - -	3.83 0.00 0.56	0.35 0.00 0.46
26	Cone Drive Operations Inc	Fellow Subsidiary	Purchase of Property, Plant & Equipment Purchase of goods	1.60 1.36	- 1.20	0.95 0.22	0.58 0.22
27	Timken UWC LLC	Fellow Subsidiary	Sale of goods	-	-	0.04	0.04
28	Timken GmbH	Fellow Subsidiary	Expense Payable	10.98	0.91	10.75	1.71
29	Baier & Koppel GMBH & Co KG	Fellow Subsidiary	Purchase of goods Purchase of Property, Plant & Equipment	4.17 0.19	2.05 -	1.59 -	1.07 -
30	Rollon India Pvt Ltd	Fellow Subsidiary	Expense receivable	0.16	-	-	-
31	Timken India Provident Fund	Trust managed by the Company	Provident fund expense	36.37	-	-	-

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 37 : RELATED PARTY DISCLOSURE: (Contd.)

₹ 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, 2022		March 31, 2021	
32	Timken India Gratuity Fund	Trust managed by the Company	Gratuity fund expense	30.86	-	30.22	-
33	Timken India Superannuation Fund	Trust managed by the Company	Superannuation fund expense	15.63	-	27.13	-
34	ABC Bearings Employees Gratuity Fund	Trust managed by the Company	Gratuity fund expense	0.01	-	4.33	-
35	New Delhi Law House	Firm where a director is a partner	Expense Paid	-	-	0.26	-
36	Asia Law Offices LLP	Firm where a director is a partner	Expense Paid	0.69	-	-	-
37	P S Dasgupta	Non-executive director	Sitting fees paid	0.54	-	0.40	-
38	Bushen Lal Raina	Non-executive director	Sitting fees paid	0.71	-	0.45	-
39	N S Rama	Non-executive director	Sitting fees paid	0.63	-	0.45	-
40	Sanjay Koul Avishrant Keshava Mandar Vasmatkar	Key management personnel	Short-term employee benefits	47.36	-	45.95	-
			Post-employment benefits	1.46	-	1.20	-
			Other long-term benefits	1.16	-	0.96	-
			Employee advance	-	-	1.86	1.86

₹ 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, 2022		March 31, 2021	
	Sitting fees paid	1.88	-	1.30	-
	Short-term employee benefits	47.36	-	45.95	-
	Post-employment benefits	1.46	-	1.20	-
	Other long-term benefits	1.16	-	0.96	-
	Employee advance	-	-	1.86	1.86
Total		51.86	-	51.27	1.86

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 38 : CATEGORIES OF FINANCIAL INSTRUMENTS

Refer Note 2.7.9 for accounting policy on Financial instruments

₹ in million

	As at March 31, 2022	As at March 31, 2021
Financial Assets		
Break up of financial assets carried at amortised cost		
Loans - non-current (refer Note 10 A)	23.00	0.65
Trade receivables-current (refer Note 14)	5,387.55	3,713.28
Cash and bank balances (refer Note 15 A & 15 B)	181.90	1,742.13
Loans - current (refer Note 10 B)	31.15	1.27
Other non-current financial assets (refer Note 11 A)	80.95	101.45
Other current financial assets (refer Note 11 B)	89.35	32.07
Total financial assets carried at amortised cost	5,793.90	5,590.85
Break up of financial assets at fair value through profit or loss		
Investments (refer Note 9 A & 9 B)		
Non-current	0.30	0.30
Current	989.59	-
Total financial assets carried at fair value through profit or loss	989.89	0.30
Financial Liabilities		
Break up of financial liabilities carried at amortised cost		
Non-current lease liabilities (refer Note 18)	9.54	17.10
Other non-current financial liabilities (refer Note 24 A)	2.40	-
Short term borrowings (refer Note 22)	297.77	326.86
Trade payables-current (refer Note 23)	3,285.39	3,354.52
Current lease liabilities (refer Note 18)	10.02	9.54
Other Current financial liabilities (refer Note 24 B)	124.22	161.88
Total financial liabilities carried at amortised cost	3,729.34	3,869.90

The management has assessed that the carrying values of the Financial Assets and Liabilities at amortised cost approximate their fair value largely due to the short-term maturities of these instruments.

NOTE 39A : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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. The below note explains the sources of risk which the Company is exposed to and how the entity manage the risk :

Risk	Exposure arising from	Measurement	Risk Management
1. Credit Risk	Trade Receivable, Cash and cash equivalents, other financial assets, loans & deposits	Ageing Analysis Financial Analysis Credit information on need basis	1. Review of credit limits and credit lock, secured mode of payments 2. Diversification of Short term investments
2. Market Risk			
i. Commodity risk	Movement in prices of commodities mainly steel	Sensitivity Analysis	1. Price negotiation and productivity improvement, expanding vendor base 2. Negotiation with customers for significant changes
ii. Foreign currency risk	Financial assets and liabilities denominated in other than functional currency	Sensitivity Analysis	1. Periodical review of exposure limits 2. Natural hedging
iii. Interest rate risk	Security deposit from distributors	Sensitivity Analysis	Periodical reset of interest linked to market
3. Liquidity Risk	Trade Payable, Security deposits from distributors and other financial liabilities	Maturity date analysis Rolling cash flow forecasts	1. Preparing and monitoring forecast of cash flows 2. Maintaining optimum cash and cash equivalents 3. Availability of sanctioned credit lines and borrowing facilities

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 39A : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

1. 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 cash & cash equivalents.

i. 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 and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored through credit lock and release effectively managing the exposure.

An impairment analysis is performed at each reporting date on an individual basis for major customers. 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 14. 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. All the related party receivables are from various Timken group companies where there is a minimal default risk.

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered related credit information for its customer, that's available in public domain to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19.

ii. Cash and Cash equivalents and Other financial assets

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made for deposit with banks and short-term liquid funds of rated mutual funds. Investments and Bank deposits are reviewed by the Board of Directors on a quarterly basis.

Credit risk arising from short term liquid fund investments, cash and cash equivalents and other balances with banks is limited and no collaterals are held against these because the counterparties are banks and recognised financial institutions. None of the financial instruments of the Company result in material exposure of credit risk as at March 31, 2022.

Other financial assets mainly include, loans and security deposits given, other receivables. There are no indications that defaults in payment obligations would occur in respect of these financial assets.

2. 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.

i. Commodity Risk

Commodity risk for the Company is mainly related to fluctuations in steel prices which drives the prices of steel bars, tubes and wire rods. Since, steel is the primary input materials for making of rings, rollers and cages, which are used in manufacturing the final products, any fluctuation in steel prices can lead to drop in operating margin. Most of these input materials are procured from approved vendors and subject to price negotiations. In order to mitigate the risk associated with raw material and components prices, the Company manages its procurement through productivity improvements, expanding vendor base and constant pricing negotiation with vendors. The Company renegotiates the prices with its customers in case there is more than normal deviation in the prices of its major raw materials. Additionally, the processes and policies related to such risks are reviewed and controlled by senior management team.

ii. 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 or loss/equity of the Company. Net foreign currency exposure also reviewed by the Board of Directors on a quarterly basis.

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 39A : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Foreign currency sensitivity analysis

The Company is exposed to the currencies USD, EURO, GBP and JPY on account of outstanding receivables(+) and payables(-) . The Company's net exposure to foreign currency risk at the end of the reporting period expressed in respective currencies given below.

In million

Currency	As at March 31, 2022	As at March 31, 2021
USD	17.25	(5.16)
EURO	(0.30)	0.03
GBP	(0.00)	(0.00)
JPY	(0.29)	(1.06)

The following table details the Company's sensitivity to a 10% increase and decrease in INR against the USD, EURO, GBP and JPY. 10% 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 10% change in foreign currency rates. A negative number below indicates a decrease in profit or equity where the INR weakens 10% against the relevant currency. For a 10% 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, 2022		As at March 31, 2021	
	Profit & Loss	Equity	Profit & Loss	Equity
USD	132.78	132.78	(38.54)	(38.54)
EURO	(2.59)	(2.59)	0.25	0.25
GBP	(0.04)	(0.04)	(0.01)	(0.01)
JPY	(0.02)	(0.02)	(0.07)	(0.07)
Total	130.13	130.13	(38.37)	(38.37)

iii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risks arises primarily from security deposits from distributors. The Company has taken interest earning security deposits from the distributors as disclosed in note No.24. An increase / decrease of 1% of interest rate, the profit for the year ended March 31,2022 would decrease / increase by ₹ 0.31 million (Year ending March 31,2021 ₹0.28 million)

3. Liquidity risk

Liquidity risk is defined as a risk that the Company will not be able to meet its obligations on time or at a reasonable price. An effective liquidity risk management takes into consideration in maintaining optimum level of cash and cash equivalents and the availability of funding through credit facilities at a reasonable cost to meet the obligation when due. The Company's treasury department drives the liquidity, funding as well as settlement management. Additionally, the processes and policies related to such risks are reviewed and controlled by senior management team. Management continuously reviews the actual cash flows and forecasts the expected cash flows to monitor the liquidity position. The Company has large investments and deposits either in short term liquid funds or in bank deposits, which can be converted to cash at a very short notice and hence carry negligible liquidity risk. All the current financial liabilities of the Company are due to be paid with in twelve months from the Balance sheet date. All non-current financial liabilities are due to be paid in more than twelve months from the Balance sheet date. However the interest component of all the non-current financial liabilities if any will be payable as and when due, which may be with in twelve months from the date of Balance sheet date.

Fair values

₹ in million

(i) Class wise fair value of the Company's financial instruments:	As at March 31, 2022	As at March 31, 2021
Investments (unquoted) in Equity shares	0.30	0.30
Investments (unquoted) in mutual funds	989.59	-

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 39A : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

(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, 2022:			
Assets measured at fair value:			
Investments in mutual funds	989.59	-	-
Investment in equity shares	-	-	0.30
Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2021:			
Assets measured at fair value:			
Investments in mutual funds	-	-	-
Investment in equity shares	-	-	0.30

- a) The Fair value for investments in mutual funds have been determined based on the NAV of the respective funds as on balance sheet date.
b) 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 39B: CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to maximise the shareholder value. 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 Company's objective when managing capital are to :

- (i) Safeguard their ability to continue as a going concern, so that the Company maximise shareholder value and provide benefits for other stakeholders and
(ii) Maintain an optimal capital structure to reduce the weighted average cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares or sell non-core assets to reduce debts.

The Company is not subject to any externally imposed capital requirements. The Company is a Zero debt Company with no long-term borrowings. The debt as shown in the financial statements as defined in note no. 22 is on account of bills discounted with bank.

₹ in million

	Note Reference Number	As at March 31, 2022	As at March 31, 2021
Total Debt	22	297.77	326.86
Total Equity	16 and 17	16,569.42	13,435.12
Debt to Equity %		1.80%	2.43%

Total amount of Debt ₹ 297.77 million (Previous year ₹ 326.86 million) represents bills discounted with banks and there are no covenants attached to the facility.

NOTE 40 : GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

Refer Note 2.7.11 for accounting policy on Employee benefits

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 specific employee group 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, 2022. 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, 2022

NOTE 40 : GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (Contd.)

The disclosures of Employee Benefits as defined in Ind AS 19 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, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
I) Expenses recognised in the Statement of Profit & Loss						
1) Current service cost	24.45	23.67	0.42	0.47	-	-
2) Interest cost	0.84	1.11	1.46	1.19	2.71	2.44
3) Expected return on plan assets	-	-	-	-	-	-
4) Immediate recognition of (gains)/losses other long term employee benefits plans	-	-	-	-	-	-
5) Total Expenses (disclosed part of Contribution to provident and other funds in note 29)	25.29	24.78	1.88	1.66	2.71	2.44
Expense recognised in OCI						
6) Net remeasurement (gain) / loss recognised in the year	12.23	4.25	4.25	9.16	15.30	(9.25)
7) Total Expense	37.52	29.03	6.13	10.82	18.01	(6.81)
II) Net Asset/ (Liability) recognised in the Balance Sheet						
1) Present Values of Defined Benefit Obligation	460.11	436.21	26.92	27.38	26.88	8.87
2) Fair value of Plan Assets	424.44	418.18	-	-	-	-
3) Net Asset/ (Liability)	(35.67)	(18.03)	(26.92)	(27.38)	(26.88)	(8.87)
III) Change in Obligation during the year						
1) Present Value of Defined Benefit Obligation at the beginning of the year	436.21	413.44	27.38	20.55	8.87	15.68
2) Current service cost/ Plan amendments	24.45	23.67	0.42	0.47	-	-
3) Acquisitions (Credits) /cost	-	(11.00)	-	-	-	-
4) Interest Cost	25.89	25.86	1.46	1.19	2.71	2.44
5) Benefit Paid	(33.62)	(21.86)	(6.58)	(3.99)	-	-
6) Net changes to other reported provisions	-	-	-	-	-	-
7) Remeasurement (Gain)/ Losses						
Arising from the change in experience	15.23	(0.68)	4.48	8.89	15.30	(9.25)
Arising from the change in financial assumptions	(8.05)	6.78	(0.24)	0.27	-	-
Total	7.18	6.10	4.24	9.16	15.30	(9.25)
8) Present Values of Defined Benefit Obligation at the end of the year (disclosed in Provisions in note 19)	460.11	436.21	26.92	27.38	26.88	8.87
IV) Change in the Fair Value of Plan Assets						
1) Plan assets at the beginning of the year	418.18	378.89	-	-	-	-
2) Expected return on plan assets	25.06	24.75	-	-	-	-
3) Contribution by employer	30.87	34.55	-	-	-	-
4) Actual benefit paid	(33.62)	(21.86)	-	-	-	-
5) Return of Plan Assets greater/ (lesser) than discount rate	(5.05)	1.85	-	-	-	-
6) Remeasurement (Gain)/ Losses	-	-	-	-	-	-
7) Acquisition adjustments	(11.00)	-	-	-	-	-
8) Plan Asset at the end of the year	424.44	418.18	-	-	-	-

V) In FY 2022-23, the Company expects to contribute ₹ 37.60 million (FY 2021-22: ₹ 18.03 million) to gratuity fund.

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 40 : GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (Contd.)

VI) Actuarial Assumptions

	Gratuity fund		Employee Death Benefit scheme		Provident fund	
	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
1) Discount Rate	6.40% to 6.90%	6.10% to 6.60%	6.40%	6.10%	6.40%	6.10%
2) Expected rate of return on plan asset	NA	NA	NA	NA	8.20%	8.20%
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)	39	40	53	53	NA	NA
5) Average past service (years)	13	14	28	27	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 compensated absences

	Compensated absences	
	For the year ended March 31, 2022	For the year ended March 31, 2021
1) Discount Rate	6.40% to 6.90%	6.10% to 6.60%
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%,

VII) Maturity Profile of the defined benefit obligation

	Gratuity fund		Employee Death Benefit scheme		Provident fund	
	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
Weighted average duration of the defined benefit obligation	7.5 years	7 years	6 years	6 years	7 years	7 years
Not later than 1 year (₹ in million)	35.25	31.34	9.10	6.99	NA	NA
Later than 1 year and not later than 5 years (₹ in million)	246.69	205.92	26.31	27.48	NA	NA
More than 5 years (₹ in million)	337.54	334.33	14.17	10.70	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, 2022

NOTE 40 : GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (Contd.)

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

(₹ in million)

	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
1. Gratuity					
Defined Benefit Obligation	460.11	436.21	413.44	361.44	284.28
Plan Assets	424.44	418.18	378.89	338.15	276.31
Surplus/ (Deficit)	(35.67)	(18.03)	(34.55)	(23.29)	(7.97)
Experience (Gain)/ loss adjustment on plan liabilities	15.23	(0.68)	(1.20)	(4.44)	(4.19)
Experience (Gain)/ loss adjustment on plan assets	-	-	-	-	-

The Board of Trustees of Timken India Limited Provident Fund have decided to shift the management of Provident Fund to Employees Provident Fund Organisation managed by its Regional office at Jamshedpur with effect from April 1, 2018. Consequently, the Company deposits provident fund dues to the Regional Provident Fund Commissioner, Jamshedpur, Jharkhand.

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

a) Gratuity (Funded)

(₹ in million)

	March 31, 2022		March 31, 2021	
	Discount rate		Discount rate	
	1% increase (₹)	1% decrease (₹)	1% increase (₹)	1% decrease (₹)
	Impact on defined benefit obligation (Increase/ (decrease))	(25.12)	27.86	(25.45)

(₹ in million)

	March 31, 2022		March 31, 2021	
	Salary Growth		Salary Growth	
	1% increase (₹)	1% decrease (₹)	1% increase (₹)	1% decrease (₹)
	Impact on defined benefit obligation (Increase/ (decrease))	25.77	(23.70)	26.26

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.

b) Employee Death Benefit Scheme (Unfunded)

(₹ in million)

	March 31, 2022		March 31, 2021	
	Discount rate		Discount rate	
	1% increase (₹)	1% decrease (₹)	1% increase (₹)	1% decrease (₹)
	Impact on employee death benefits obligation (Increase/ (decrease))	(0.64)	0.22	(0.74)

(₹ in million)

	March 31, 2022		March 31, 2021	
	Salary Growth		Salary Growth	
	1% increase (₹)	1% decrease (₹)	1% increase (₹)	1% decrease (₹)
	Impact on employee death benefits obligation (Increase/ (decrease))	0.34	(0.32)	0.39

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, 2022

NOTE 40 : GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (Contd.)

c) Provident fund (Funded)

₹ in million

	March 31, 2022		March 31, 2021	
	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))	(29.63)	48.15	(32.28)	52.45

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 41 : FINANCIAL RATIOS

- a. **Ratio** Current ratio
Numerator Current Assets
Denominator Current Liabilities

Ratios / measures	As at March 31, 2022	As at March 31, 2021
Current Assets (A)	12,599.76	9,449.95
Current Liabilities (B)	4,357.74	4,372.69
Current ratio (C) = (A) / (B)	2.89	2.16
%Change from previous year	34%	

The ratio has increased from 2.16 in March 2021 to 2.89 in March 2022 mainly due to changes in the working capital on account of increased business volume.

- b. **Ratio** Debt Equity Ratio
Numerator Borrowings
Denominator Shareholders' equity

Ratios / measures	As at March 31, 2022	As at March 31, 2021
Borrowings (A)	297.77	326.86
Shareholder's equity (B)	16,569.42	13,435.12
Debt equity ratio (C) = (A) / (B)	0.02	0.02
%Change from previous year	-26%	

This ratio has decreased primarily on account of increase in retained earnings by way of profit for the year and a slight reduction in bills discounted.

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 41 : FINANCIAL RATIOS (Contd.)

- c. **Ratio** Debt service coverage ratio
Numerator Earnings available for debt services
Denominator Debt service

Ratios / measures	As at March 31, 2022	As at March 31, 2021
Profit after tax for the year (A)	3,271.05	1,431.79
Add: Non cash operating expenses and finance cost		
Depreciation and Amortisation expense (B)	843.37	748.79
Finance costs (C)	24.47	14.41
Loss on sale of PPE (D)	1.72	0.95
Provision for doubtful debts, deposits & advance (E)	7.29	14.31
Earnings available for debt services (F) = (A)+(B)+(C)+(D)+(E)	4,147.90	2,210.25
Finance costs (G)	24.47	14.41
Borrowings (H)	297.77	326.86
Lease Liabilities (I)	19.56	26.64
Debt service (J) = (G) + (H) + (I)	341.80	367.91
Debt service coverage ratio (K) = (F) / (J)	12.14	6.01
%Change from previous year	102%	

This ratio has increased primarily on account of increase in retained earnings by way of profit for the year and a slight reduction in bills discounted and lease liabilities.

- d. **Ratio** Return on equity [%]
Numerator Profit after tax
Denominator Average Shareholder's Equity

Ratios / measures	As at March 31, 2022	As at March 31, 2021
Profit after tax for the year (A)	3,271.05	1,431.79
Closing shareholder's equity (B)	16,569.42	13,435.12
Average shareholder's equity [(opening + closing) / 2] (C)	15,002.27	14,600.93
Return on equity [%] (D) = (A)/(C) * 100	21.80%	9.81%
%Change from previous year	122%	

This ratio has increased due to increase in business volume and the profit as the operations were not impacted majorly due to COVID-19 as compared to previous period.

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 41 : FINANCIAL RATIOS (Contd.)

- e. **Ratio** Inventory turnover ratio
Numerator Cost of goods sold
Denominator Average inventory

Ratios / measures	As at March 31, 2022	As at March 31, 2021
Cost of goods sold* (A)	11,940.54	7,858.16
Closing Inventory (B)	5,584.85	3,687.13
Average inventory [(opening + closing) /2] (C)	4,635.99	3,300.64
Inventory turnover ratio (D) = (A)/(C)	2.58	2.38
%Change from previous year	8%	

* Cost of goods sold represents the aggregate of cost of materials consumed, purchase of stock-in-trade and changes in inventory of stock-in-trade.

- f. **Ratio** Trade receivables turnover ratio
Numerator Revenue from operations
Denominator Average trade receivables

Ratios / measures	As at March 31, 2022	As at March 31, 2021
Revenue from operations (A)	22,032.44	14,105.20
Closing Trade Receivables	5,387.55	3,713.28
Average Trade Receivables [(opening + closing) /2] (B)	4,550.42	3,313.97
Trade receivables turnover ratio (C) = (A) / (B)	4.84	4.26
%Change from previous year	14%	

- g. **Ratio** Trade payables turnover ratio
Numerator Total purchases
Denominator Average trade payables

Ratios / measures	As at March 31, 2022	As at March 31, 2021
Total purchases * (A)	15,520.06	10,394.11
Closing Trade Payables	3,285.39	3,354.52
Average Trade Payables [(opening + closing) /2] (B)	3,319.96	2,755.71
Trade payables turnover ratio (C) = (A) / (B)	4.67	3.77
%Change from previous year	24%	

* Total purchases represents purchase of goods and services which is the aggregate of cost of materials consumed, purchase of stock-in-trade, changes in Inventories of finished goods, work-in-progress and stock-in-trade and other expenses.

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 41 : FINANCIAL RATIOS (Contd.)

- h. **Ratio** Net capital turnover ratio
Numerator Revenue from operations
Denominator Working capital

Ratios / measures	As at March 31, 2022	As at March 31, 2021
Revenue from operations (A)	22,032.44	14,105.20
Working Capital (Current Assets - Current Liabilities) (B)	8,242.02	5,077.26
Net capital turnover ratio (C) = (A)/ (B)	2.67	2.78
%Change from previous year	-4%	

- i. **Ratio** Net profit [%]
Numerator Profit after tax
Denominator Revenue from operations

Ratios / measures	As at March 31, 2022	As at March 31, 2021
Profit after tax for the year (A)	3,271.05	1,431.79
Revenue from operations (B)	22,032.44	14,105.20
Net profit [%] (C) = (A) / (B) *100	14.85%	10.15%
%Change from previous year	46%	

This ratio has increased due to increase in revenue and comparatively controlled cost given the increased volume.

- j. **Ratio** Return on capital employed [%]
Numerator Earning before interest and taxes
Denominator Capital Employed (Total equity, Total borrowings and Total lease liabilities)

Ratios / measures	As at March 31, 2022	As at March 31, 2021
Profit after tax for the year (A)	3,271.05	1,431.79
Adjustments		
Add: Total tax expense (B)	1,110.79	518.84
Add: Finance costs (C)	24.47	14.41
Earnings before interest and tax (D) = (A) + (B) + (C)	4,406.31	1,965.04
Total equity (E)	16,569.42	13,435.12
Borrowings (F)	297.77	326.86
Current and Non-current lease liability (G)	19.56	26.64
Deferred tax liabilities (net) (H)	280.06	322.94
Capital Employed (I) = (E) + (F) + (G) + (H)	17,166.81	14,111.56
Return on capital employed [%] (J) = (D) / (I) *100	25.67%	13.93%
%Change from previous year	84%	

The ratio has increased due to increase in sales and the profit as the operations were not impacted severely due to COVID-19 when compared to previous period.

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 41 : FINANCIAL RATIOS (Contd.)

k. Ratio	Return on Investment [%]
Numerator	Income generated from investments
Denominator	Average investments

Ratios / measures	As at March 31, 2022	As at March 31, 2021
Income generated from investments (A)	10.49	0.45
Closing Investments	989.89	0.30
Average Investments [(opening + closing) /2] (B)	495.10	66.14
Return on Investment [%] (C) = (A) / (B) *100	2.12%	0.69%
%Change from previous year	208%	

The ratio has increased primarily due to increase in investments when compared to the previous period.

NOTE 42: ADDITIONAL REGULATORY INFORMATION NOT DISCLOSED ELSEWHERE IN THE FINANCIAL STATEMENTS

- (a) There are no properties / assets which are not held or registered in the name of the Company (benami property), other than those disclosed in these standalone financial statements.
- (b) Transactions and balances with companies which have been removed from register of Companies [struck off companies] as at the above reporting periods is Nil.
- (c) The Company has not traded / invested in Crypto currency.
- (d) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (e) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (f) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
 - (i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (g) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (h) The Company is not a declared willful defaulter by any bank or financial Institution or other lender.

Notes to financial statements as at and for the year ended March 31, 2022

NOTE 43 : PREVIOUS PERIOD COMPARATIVES

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

Signatures to Note 1-43 of the financial statements

As per our report of even date

For Deloitte Haskins & Sells LLP

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

Sd/-

Sathya P. Koushik

Partner
Membership No. 206920
Bengaluru, May 27, 2022

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

Sd/-

Sanjay Koul

Chairman & Managing Director
DIN: 05159352

Sd/-

Avishrant Keshava

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

Sd/-

Mandar Vasmatkar

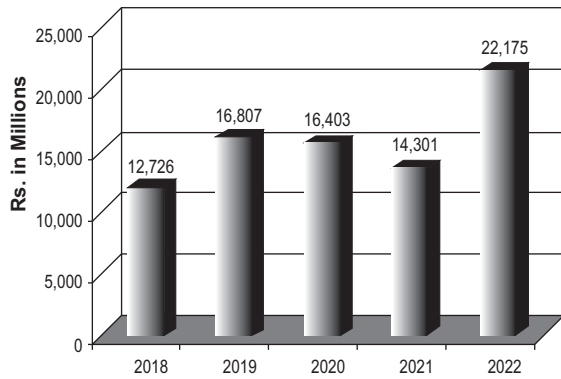
Company Secretary & Chief - Compliance
Bengaluru, May 27, 2022

FIVE YEARS AT A GLANCE

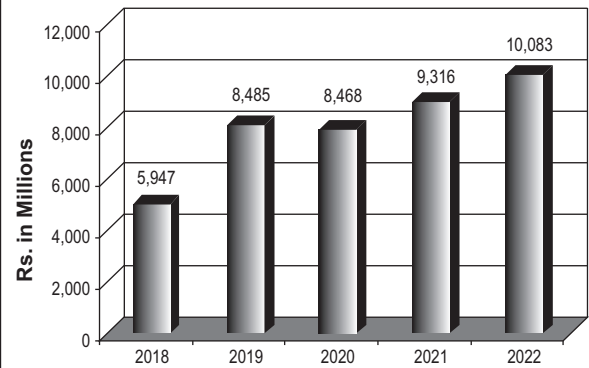
	Year Ended 31.03.2022	Year Ended 31.03.2021	Year Ended 31.03.2020	Year Ended 31.03.2019	Year Ended 31.03.2018
Production					
(i) Standard Roller Brgs (Equiv. Nos.)	10,970,242	7,982,829	7,025,064	9,880,017	3,604,852
(ii) Special Roller Bearings (Equiv. Nos.)	2,677,151	2,329,422	3,249,041	2,633,311	1,557,281
(iii) Components (Equiv.Nos.)	8,404,907	5,559,746	4,970,738	6,788,528	7,239,907
Rs/millions					
Profit & Loss Account					
(i) Net Income (includes other Income)					
(a) Domestic	15,668	10,857	12,381	12,879	9,260
(b) Export	6,508	3,444	4,022	3,928	3,467
Total (a+b)	22,175	14,301	16,403	16,807	12,726
(ii) EBITDA	5,250	2,714	3,860	3,049	1,841
(iii) Profit after Exceptional items before Tax	4,382	1,951	3,064	2,238	1,397
(iv) Profit After Tax	3,271	1,432	2,461	1,486	920
Balance Sheet					
(i) Gross Block (includes CWIP)	10,083	9,316	8,468	8,485	5,947
(ii) Net Block	5,748	5,304	4,575	6,133	2,511
(iii) Net Current Asset	8,242	5,077	7,555	5,658	4,067
(iv) Capital Employed	17,580	14,512	16,918	14,654	7,376
(v) Beginning Invested Capital (BIC)	14,112	16,399	14,296	7,262	6,308
(vi) Total Debt	298	327	200	231	159
(vii) Equity	16,569	13,435	15,767	13,407	7,023
Other Comparative Data					
(i) PAT to Net Sales (%)	15%	10%	15%	9%	7%
(ii) EBIT / BIC (%)	37%	17%	27%	42%	29%
(iii) Return on Net Worth (%)	20%	11%	16%	11%	13%
(iv) E.P.S (Rs)	43.49	19.03	32.72	19.92	13.53
(v) Total Debt to Total Equity (%)	1.80%	2.43%	1.27%	1.72%	2.27%
(vi) Total Debt to Total Capital (%)	1.69%	2.25%	1.18%	1.58%	2.16%
(vii) Fixed Asset Turnover (times)	3.86	2.70	3.59	2.74	5.07
(viii) Working Capital Turnover (times)	2.69	2.82	2.17	2.97	3.13
(ix) Current Ratio (times)	2.89	2.16	3.62	2.83	2.69
(x) Interest Cover (times)	215	188	140	173	151
(xi) Net sales/Employee (Rs/millions)	17	11	13	14	16

- 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) Fixed Asset Turnover is net sales divided by net fixed assets as at the end of the year.
- (iv) Working Capital Turnover is net sales divided by net current asset as at the end of the year.
- (v) Current ratio is current assets divided by current liabilities including current portion of long term loans, if any, repayable within one year.
- (vi) Interest Cover is profit before interest and taxation divided by net interest expenses.

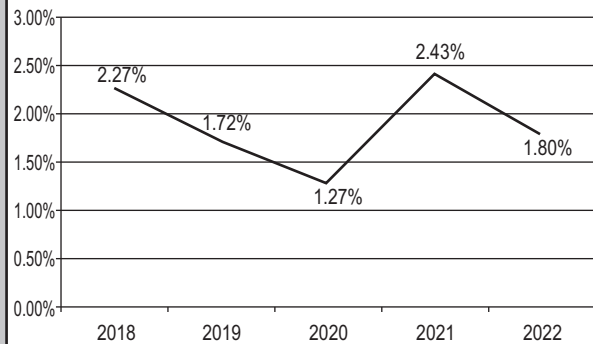
NET REVENUE



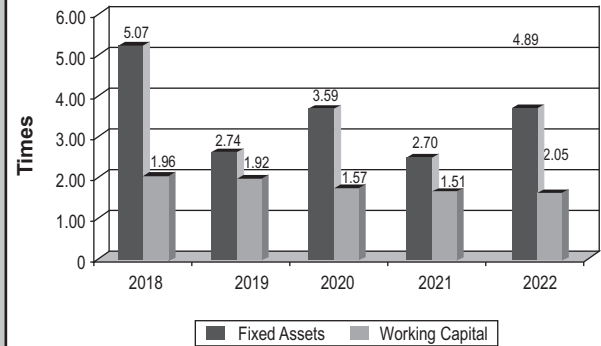
GROSS BLOCK



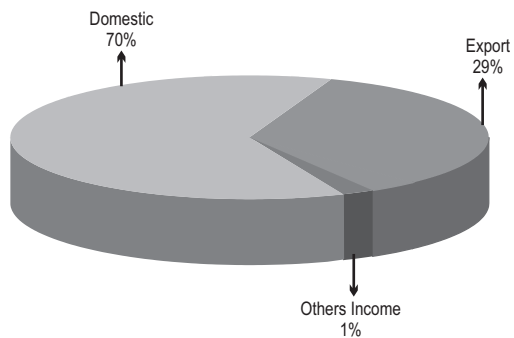
TOTAL DEBT : EQUITY



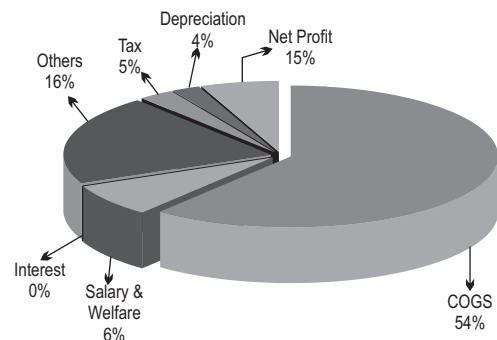
ASSET TURNOVER



HOW THE MONEY WAS EARNED



HOW THE MONEY WAS DISTRIBUTED



NOTES

NOTES

TIMKEN

Timken India Limited

39-42, Electronic City, Phase II, Hosur Road, Bangalore- 560 100, Karnataka, India
Tel: +91 (80) 41362000

If undelivered please return to:
C B Management Services Private Limited
P-22. Bondel Road, Kolkata - 700 019

www.timken.com/en-in
CIN : L29130KA1996PLC048230