

12 June, 2024

National Stock Exchange of India Ltd. Exchange Plaza, Plot no. C/1, G Block, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051. <u>NSE Symbol: TIMKEN</u>	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. <u>Scrip Code: 522113</u>
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Dear Sir/Madam,

Sub: Order from Regional Provident Fund Commissioner – I

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, details regarding Order received by the Company under Section 7Q of the Employees Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act), are as under:

Particulars	Details
Name of the Authority	Regional Provident Fund Commissioner - I Jamshedpur ('RPFC'), Employees Provident Fund Organization ('EPFO')
Date of receipt of Order	11 June, 2024
Details of the violation(s)/contravention(s) committed or alleged to be committed and actions so far	The Company had obtained an exemption under Section 17(1)(a) of the EPF Act, from the Ministry of Labour and Employment ('Exemption'), pursuant to which it was operating the Trust to provide provident fund benefits for its employees. The Company and the Trust voluntarily made an application to RPFC to surrender the Exemption with effect from 1 April, 2018. The Trust remitted accumulated funds to accounts of Employees Provident Fund Organization ('EPFO') in three tranches in March, May and July 2022. According to RPFC, Company/Trust had to

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transfer accumulated funds (liquid cash within 10 days and securities within 30 days) from 1 April, 2018 and it has remitted funds in the year March/ May/ July 2022 and therefore, RPFC had calculated interest under Section 7Q of EPF Act amounting to Rs. 55,89,48,173/- and asked the Company to submit its representation stating why these amounts should not be recovered from the Company.

The Company had submitted a written representation *inter-alia* stating that according to Section 17(5) of the EPF Act read along with the Employees' Provident Funds Scheme, 1952, due date for transfer of accumulated funds (liquid cash within 10 days and securities within 30 days) starts from date of cancellation of Exemption. Till date, the Company has not yet received an order for cancellation of Exemption. The Company was consistently displayed on EPFO Portal as an 'Exempted Establishment' until October 2022, and the Company was submitting monthly returns as an Exempted Establishment till such time. Only in November 2022, the status of the Company on the EPFO portal was changed to 'Un-exempted Establishment' without notice to the Company.

Nonetheless, since accumulated funds were transferred before cancellation of Exemption, there can be no claim, ground or assertion that there was any delay in the transfer of accumulated funds and hence imposing damages, interest is not tenable.

Further, without conceding any liability, the Company provided revised calculation for computation of interest under Section 7Q of EPF Act.

Nature and details of action(s) taken, initiated or order(s) passed	RPFC took note of submissions made by the Company and thereafter, through its Order dated 11 June, 2024 read along with its letter dated 11 June, 2024 directed the Company to deposit Rs. 8,90,17,593/- as net amount payable towards interest under Section 7Q of EPF Act.
Impact on financial, operation or other activities of the Company, quantifiable in monetary terms to the extent possible	<p>Nil.</p> <p>It may please be noted that the Company had intimated to the stock exchanges on this subject matter on voluntary basis on 9 May, 2024. The Company then had only received show cause notice and now, Order has been passed. RPFC earlier had claimed Rs. 55,89,48,173/- as interest which has now come to down to Rs. 8,90,17,593/-.</p> <p>The Company has also given an update about RPFC's Order on damages on this subject matter on 11 June, 2024.</p> <p>The Company is taking necessary steps to challenge this Order before appropriate Authority.</p>

You are kindly requested to take note of the above.

Yours faithfully,

For **TIMKEN INDIA LIMITED**

Mandar Vasmatkar
Company Secretary
& Chief - Compliance