

23 May, 2019

<p>The Secretary BSE Ltd. Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400 001</p> <p><u>Scrip code :522113</u></p>	<p>The Secretary National Stock Exchange of India Ltd. Exchange Plaza Plot no. C/1, G Block Bandra Kurla Complex, Bandra (East) Mumbai – 400 0 51</p> <p><u>Scrip Code : TIMKEN</u></p>
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Dear Sirs,


Sub: Timken India Limited – Code of Conduct to Regulate, Monitor and Report trading by Insiders

Pursuant to Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015, we write to inform you that the Board of Directors of the Company has adopted revised ***Timken India Limited – Code of Conduct to Regulate, Monitor and Report trading by Insiders*** effective 01 April, 2019 which is attached herewith.

Thanking you.

Your faithfully,

For Timken India Limited



**Soumitra Hazra
Company Secretary
& Chief - Compliance**

Registered office:
Timken India Limited
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India

TIMKEN INDIA LIMITED

Timken India Limited – Code of Conduct to Regulate, Monitor and Report trading by Insiders

(Amended w.e.f. 1 April 2019)

1. Definitions

1.1 “**Act**” means the Securities and Exchange Board of India Act, 1992.

1.2 “**Board**” means the Board of Directors of the Company.

1.3 “**Code**” or “**Code of Conduct**” shall mean the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders of Timken India Limited as amended from time to time.

1.4 “**Company**” means Timken India Limited.

1.5 “**Compliance Officer**” means Company Secretary & Chief - Compliance or such other senior officer, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations designated so and reporting to the Board / Designated Director and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board / Designated Director of the Company.

1.6 “**Connected Person**” means:

(i) any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the Company or holds any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

(ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established,

- a) an immediate relative of connected persons specified in clause (i); or
- b) a holding company or associate company or subsidiary company; or
- c) an intermediary as specified in Section 12 of the Act or an employee or director thereof; or

- d) an investment company, trustee company, asset management company or an employee or director thereof; or
- e) an official of a stock exchange or of clearing house or corporation; or
- f) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
- g) a member of the Board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
- h) an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
- i) a banker of the Company; or
- j) a concern, Firm, Trust, Hindu Undivided Family, Company or Association of Persons wherein a director of the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest.

1.7 "**Dealing in Securities**" means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the securities of the Company either as principal or agent.

1.8 "**Designated Employee(s)**" shall include:

- a) every employee in the grade of Assistant General Managers and above;
- b) every employee in the finance, accounts, secretarial and legal department as may be determined and informed by the Compliance Officer; and
- c) any other employee as may be determined and informed by the Compliance Officer from time to time.

1.9 "**Director**" means a member of the Board of Directors of the Company.

1.10 "**Employee**" means every employee of the Company including the Directors in the employment of the Company.

1.11 "**Generally available Information**" means information that is accessible to the public on a non-discriminatory basis.

1.12 "**Immediate Relative**" means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities

1.13 "**Insider**" means any person who,
(i) a connected person; or
(ii) in possession of or having access to unpublished price sensitive information.

1.14 "**Key Managerial Person**" means person as defined in Section 2(51) of the Companies Act, 2013

1.15 **"Legitimate Purpose"** Legitimate Purpose shall include sharing of UPSI in ordinary course of business with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals, other advisors provided such sharing has not been carried out to evade or circumvent the prohibition of these regulations.

Insider shall not disclose or allow to use UPSI unless such disclosure or use is required for Legitimate Purpose.

1.16 **"Promoter"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof:

1.17 **"Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;

1.18 **"Takeover regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;

1.19 **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly

1.20 **"Trading Day"** means a day on which the recognized stock exchanges are open for trading;

1.21 **"Unpublished Price Sensitive Information"** means: means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:

- (i) financial results;
- (ii) dividends;
- (iii) change in capital structure;
- (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- (v) changes in key managerial personnel; and
- (vi) material events in accordance with the listing agreement

1.22 **"Regulations"** shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.

1.23 **"Specified Persons/Designated Person"** means the Directors, Key Managerial Person, the Designated Employees, the promoters, employees of group companies and their immediate relatives and or any person required to have UPSI including supporting staff as may be determined

by the Compliance officer from time to time are collectively referred to as Specified Persons/Designated Person.

Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

2. Role of Compliance Officer

2.1 The Compliance Officer shall report on insider trading to the Board of Directors of the Company and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors at such frequency as may be stipulated by the Board of Directors but not less than once in a year.

2.2 The Compliance Officer shall assist all employees in addressing any clarifications regarding the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct.

3. Preservation of "Price Sensitive Information"

3.1 All information shall be handled within the Company on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.

Unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction which entails:

- (i) an obligation to make an open offer under the takeover regulations where the Board of Directors of the Company is of informed opinion that sharing of UPSI is in the best interests of the Company; or
- (ii) not attracting the obligation to make an open offer under the takeover regulations but where the Board of Directors of the Company is of informed opinion that the proposed transaction is in the best interests of the Company and the information that constitute unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Board of Directors may determine to be adequate and fair to _cover all relevant and material facts.

However, the Board of Directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall

keep information so received confidential, except for the limited purpose and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information

3.2 Need to Know:

- (i) "need to know" basis means that Unpublished Price Sensitive Information should be disclosed only to person who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.
- (ii) All non-public information directly received by any employee/any other person to whom this code is sent from time to time should immediately be reported to the head of the department.

3.3 Limited access to confidential information

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc.

4. Prevention of misuse of "Unpublished Price Sensitive Information"

Designated Person in the Company shall be governed by an internal code of conduct governing dealing in securities.

4.1 Trading Plan

An insider shall be entitled to formulate a trading plan for dealing in securities of the Company and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.

4.2 Trading Plan shall:

- (i) not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- (ii) not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the issuer of the securities and the second trading day after the disclosure of such financial results;
- (iii) entail trading for a period of not less than twelve months;
- (iv) not entail overlap of any period for which another trading plan is already in existence;
- (v) set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected; and
- (vi) not entail trading in securities for market abuse.

4.3 The Compliance Officer shall consider the Trading Plan made as above and shall approve if it in Compliance with this Code and Regulations forthwith. However, he shall be entitled to take express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan as per provisions of the Regulations.

4.4 The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.

However, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the Insider is in possession of any unpublished price sensitive information and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Plan shall be deferred until such unpublished price sensitive information becomes generally available information.

4.5 Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

5. Trading Window and Window Closure

5.1

- (i) The trading window is a timeframe not exceeding seven days, within which the trades that have been pre-cleared will have to be executed by the designated person, failing which fresh pre-clearance will be needed for the trades to be executed.
- (ii) The trading window shall be closed when the compliance officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information.
- (iii) Designated persons and their immediate relatives shall not trade in securities when the trading window is closed except as provided in the Regulation.
- (iv) The timing for re-opening of the trading window shall be determined by the compliance officer taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available.
- (v) The trading window shall also be applicable to any person having contractual or fiduciary relation with the company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the company.
- (vi) No designated person shall apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed.

5.2 The Compliance Officer shall intimate the closure of trading window to all the designated employees of the Company when he determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates.

6 Pre-clearance of trades

6.1 All Designated Persons, who intend to deal in the securities of the Company when the trading window is open, should pre-clear the transaction. However, no designated person shall be entitled to apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed and hence he shall not be allowed to trade. The pre-dealing procedure shall be hereunder:

(i) An application may be made in the prescribed Form to the Compliance officer indicating the estimated number of securities that the Designated Persons intends to deal in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other details as may be required by any rule made by the company in this behalf.

(ii) An undertaking shall be executed in favour of the Company by such Designated Persons incorporating, *inter alia*, the following clauses, as may be applicable:

- a. That the Designated Persons do not have any access or has not received "Price Sensitive Information" up to the time of signing the undertaking.
- b. That in case the Designated Persons has access to or receives "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer of the change in his position and that he/she would completely refrain from dealing in the securities of the Company till the time such information becomes public.
- c. That he/she has not contravened the code of conduct for prevention of insider trading as notified by the Company from time to time.
- d. That he/she has made a full and true disclosure in the matter.

(iii) All Designated Persons and their shall execute their order in respect of securities of the Company within one week after the approval of pre-clearance is given. The Designated Persons shall file within 2 (two) days of the execution of the deal, the details of such deal with the Compliance Officer in the prescribed form. In case the transaction is not undertaken, a report to that effect shall be filed.

(iv) If the order is not executed within seven days after the approval is given, the employee/director must pre-clear the transaction again.

(v) All Designated Persons who buy or sell any number of shares of the Company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. All Designated Persons shall also not take positions in derivative transactions in the shares of the Company at any time. In case of any contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Securities and Exchange Board of India (SEBI) for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

In case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.

(vi) The Compliance Officer may waive off the holding period in case of sale of securities in personal emergency after recording reasons for the same. However, no such sale will be permitted when the Trading window is closed.

7. Other Restrictions

7.1 The disclosures to be made by any person under this Code shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.

7.2 The disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account for purposes of this Code.

7.3 The disclosures made under this Code shall be maintained for a period of five years.

8. Reporting Requirements for transactions in securities

Initial Disclosure

8.1 Every promoter or member of Promotor Group/ Key Managerial Personnel / Director of the Company, within thirty days of these regulations taking effect, shall forward to the Company the details of all holdings in securities of the Company presently held by them including the statement of holdings of dependent family members in the prescribed Form.

8.2 Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter/member of promotor group shall disclose his holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company within seven days of such appointment or becoming a promoter.

Continual Disclosure

8.3 Every promoter or member of promotor group, Designated Persons, employee and director of the Company shall disclose to the Company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one

transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. Ten lakhs.

The disclosure shall be made within 2 working days of:

- (a) the receipt of intimation of allotment of shares, or
- (b) the acquisition or sale of shares or voting rights, as the case may be.

9. Disclosure by the Company to the Stock Exchange(s)

9.1 Within 2 days of the receipt of intimation under Clause 8.3, or becoming aware of such information, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received.

9.2 The Compliance officer shall maintain records of all the declarations in the appropriate form given by the directors / designated employees/Promoters for a minimum period of five years.

9.3 Listed Company shall promptly notify to SEBI in case of non-compliance of this Code of Regulation

10. Dissemination of Price Sensitive Information

10.1 No information shall be passed by Designated Persons by way of making a recommendation for the purchase or sale of securities of the Company.

10.2 Disclosure/dissemination of Price Sensitive Information with special reference to analysts, media persons and institutional investors will be as per the disclosure/communication policy of the Company.

11. Penalty for contravention of the code of conduct

11.1 Every Designated Persons shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to their immediate relatives).

11.2 Any Designated Persons who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalised and appropriate action may be taken by the Company.

11.3 Designated Persons who violate the Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc.

11.4 The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.

12. Code of Fair Disclosure

A code of practices and procedures for fair disclosure of unpublished price sensitive information for adhering each of the principles is set out below:

1. Prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
2. Uniform and universal dissemination of unpublished price sensitive to avoid selective disclosure.
3. Designation of a senior officer as a chief investor relation officer as may be decided by the Board of Directors to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. Appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities.
6. Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information.
7. Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
8. Handling of all unpublished price sensitive information on a need-to-know basis.

13. Procedure for enquiry in case of leak of UPSI:

Insider or any other person on becoming aware of leakage or suspected leakage of UPSI shall forthwith inform Compliance Officer.

Compliance Officer on receipt information as mentioned above shall immediately form Investigation Team comprising members not exceeding three. Members may be employees, external persons or private investigators.

Investigation Team shall conduct the investigation and shall submit report within 3 weeks unless additional time is granted by the Compliance Officer. Employees, insiders, intermediaries shall fully co-operate with Investigation Team.

Compliance Officer on receipt of report shall inform Board of Directors about outcome on investigation and actions taken.

Compliance Officer shall be entitled to actions against persons found guilty without prejudice to rights of SEBI which may include termination of employment, suspension of employment, Wage freeze, recovery of damages, termination of engagement or contract or any other action as the Compliance Officer deems fit.

14. Determination for Legitimate Purpose

Insider shall not disclose or allow to use UPSI unless such disclosure or use is required for Legitimate Purpose.

Legitimate Purpose shall include sharing of UPSI in ordinary course of business with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals, other advisors provided such sharing has not been carried out to evade or circumvent the prohibition of these regulations.

In following events, Insider can disclose or allow access to UPSI in ordinary course of business on need to know basis which shall be considered as legitimate purpose:

- When disclosure of information is required by Law or mandate of statutory authority
- Disclosure of information during litigation or pendency of case/matter before statutory authority
- Disclosure of information to consultants or advisors for execution of Projects like mergers, amalgamations, acquisitions, sale of assets etc.

In any other event which is not covered above, insider or any other person shall consult with Compliance Officer before disclosing or allowing access to UPSI. Compliance Officer on case to case basis determine the legitimate purpose and advise insider or any other person accordingly.

Any person to whom UPSI is disclosed or allowed to have access to UPSI shall be considered as Insider and such person shall maintain confidentiality of UPSI and shall not use UPSI for purpose other than for which it was disclosed.
