

9 May, 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: Show Cause Notices from Regional Provident Fund Commissioner

The Company is in receipt of two notices under section 7Q and 14B of the Employees Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act), details of which are as under:

Particulars	Details
Name of the Authority	Regional Provident Fund Commissioner Jamshedpur (RPFC)
Date of receipt of notices	3 April, 2024 and 12 April, 2024
Details of the violation(s)/contravention(s) committed or alleged to be committed	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 a provident fund trust (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 (along with earned/ accrued income and interest) to accounts of Employees Provident Fund Organization (EPFO) in three tranches in March, May and July 2022.

	<p>According to RPFC, Company/Trust had to transfer accumulated funds within 10 days (for liquid cash) and within 30 days (for securities) from 1 April, 2018, and it has remitted the funds in the year March/ May/ July 2022 and therefore, RPFC has calculated damages under Section 14B of EPF Act amounting to Rs. 115,02,11,964/- and 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.</p> <p>The Company has submitted written representation <i>inter alia</i> 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.</p> <p>Nonetheless, since all accumulated funds of the Trust (including all earned/ accrued interest and income) were transferred before cancellation of Exemption (in November 2022), 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.</p>
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Nature and details of action(s) taken, initiated or order(s) passed	RPFC has taken note of submissions made by the Company. Till date, RPFC has not passed any final order.
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It may please be noted that the Company is not mandated under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to make disclosure regarding above as notices sent by RPFC are merely show cause notices and no final order has been passed. The Company is making this disclosure on voluntary basis.

You are kindly requested to take note of the above.

Yours faithfully,
For **TIMKEN INDIA LIMITED**

Mandar Vasmatkar
Company Secretary
& Chief - Compliance