

24 July, 2024

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

Dear Sir/Madam,

Sub: 37th AGM Notice and Annual Report FY 2023-24

In compliance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we attach herewith Annual Report for FY 2023-24. Annual Report for FY 2023-24 is also available on the website of the Company at <https://www.timken.com/en-in/investors/financial-report/>. 37th AGM Notice forms a part of Annual Report for FY 2023-24 (Refer Page nos. 105-120). AGM Notice is available on the website of the Company at <https://www.timken.com/en-in/investors/statutory-compliances/#general>.

We request you to kindly take this on record.

Thanking you,

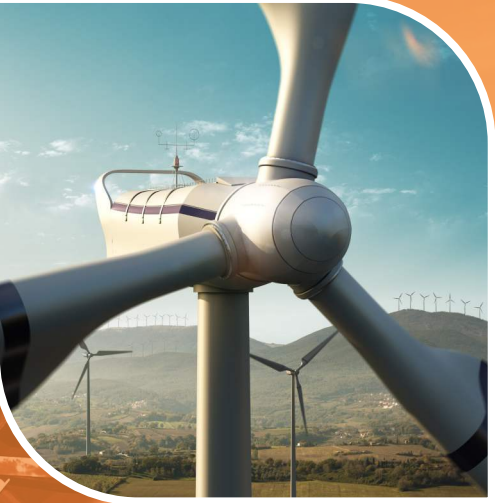
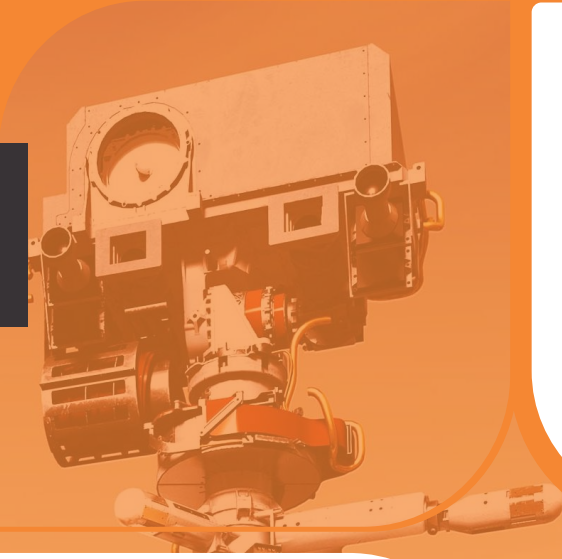
Yours sincerely,

For **Timken India Limited**

Mandar Vasmatkar
Company Secretary
& Chief - Compliance

Timken India Limited

37th Annual Report, 2023-24



CORPORATE INFORMATION BOARD OF DIRECTORS

(As on 1 July, 2024)

Mr. Sanjay Koul
Chairman & Managing Director

Mr. George J Ollapally
Independent Director

Dr. Lakshmi Lingam
Independent Director

Mr. Ajay Sood
Independent Director

Mr. Soumitra Hazra
Additional & Independent Director

Mr. Douglas Smith
Director

Mr. Hansal Patel
Director

Mr. Avishrant Keshava
Business Controller – India,
CFO & Whole-time Director

□

COMPANY SECRETARY & CHIEF-COMPLIANCE

Mr. Mandar Vasmatkar

□

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

Chairman
Mr. George J Ollapally

Members

Mr. Sanjay Koul
Mr. Ajay Sood

STAKEHOLDERS RELATIONSHIP COMMITTEE

Chairman
Mr. George J Ollapally

Members

Dr. Lakshmi Lingam
Mr. Douglas Smith
Mr. Hansal Patel
Mr. Avishrant Keshava

RISK MANAGEMENT COMMITTEE

Chairman
Mr. Sanjay Koul

Members

Mr. Avishrant Keshava
Mr. George J Ollapally

NOMINATION AND REMUNERATION COMMITTEE

Chairman
Mr. George J Ollapally

Members

Mr. Ajay Sood
Dr. Lakshmi Lingam
Mr. Hansal Patel

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Chairman
Mr. Sanjay Koul

Members

Mr. Avishrant Keshava
Dr. Lakshmi Lingam

STATUTORY AUDITORS

Deloitte Haskins & Sells LLP

COST AUDITORS

Shome and Banerjee

INTERNAL AUDITORS

KPMG Assurance and Consulting Services LLP

SECRETARIAL AUDITORS

V Sreedharan and Associates

BANKERS

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

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

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

Tel. No. 033-40116700 | ✉ Email: rta@cbmsl.com

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Chairman's Statement

Dear Shareholders,

It is with great pride and optimism that I present to you the Annual Report of Timken India Limited (referred to as Timken or Company) for FY 2023-24.

I am pleased to announce that our Company demonstrated exceptional resilience and agility in delivering consistent financial performance. In this financial year, our Company delivered modest growth in revenue over the last financial year, with a slight improvement in Earnings Per Share (EPS). This result underscores our ability to navigate through dynamic economic conditions and geopolitical uncertainties.

This year's achievements are a testament to the effectiveness of our strategic initiatives, the strength of our diversified portfolio and our relentless focus on operational excellence. Our customer-centric innovations and specialized engineering expertise have driven significant value across our key end markets. Notably, our domestic sales experienced double-digit growth, led by exceptional performance in our rail business. This growth reflects our robust business model and the successful execution of our long-term strategy.

The Indian economy has been a fertile ground for our success, showing robust growth despite global economic challenges. The government's focus on infrastructural development, digital transformation and policy reforms has created a conducive environment for business expansion. With a foundation of demographic advantages, increasing consumer spending, energy transition initiatives, manufacturing base expansion and technological advancements, India presents vast growth opportunities as it marches towards becoming the world's third-largest economy. Our Company is uniquely positioned to leverage these opportunities, thanks to our deep understanding of the local market and our agile business strategy.

We are also advancing our manufacturing footprint initiatives to support growth. Our greenfield facility in Bharuch is coming along well and at a rapid pace. We are meeting all targets and are set to start producing by the last quarter of FY 2024-25. This facility will not only help to serve our customers in India but will also position us as an export hub for cylindrical and spherical roller bearings and components.

As we look ahead, we see tremendous potential in both the domestic and export markets. At a global level, we are capitalizing on trends in sustainability, renewable energy, infrastructure investments, electrification, lightweighting, automation and robotics. Our global strategic focus in these areas is already yielding positive results and we are committed to further strengthening our position in these high-growth markets.

Our innovative culture and technical leadership enable us to solve our customers' toughest challenges. Backed by 125 years of global experience, our depth of knowledge is unparalleled in the industry. We enjoy a strong reputation for products and process innovation. As an essential partner for our customers, we continue to focus on critical applications, complex technical challenges and sustainable solutions for future market needs.

Our commitment to sustainability remains as the core of our business strategy. We are committed to creating long-term value for our stakeholders by integrating sustainable practices into our operations. This year, we have made significant progress in reducing our carbon footprint, enhancing energy efficiency, reducing our water consumption, managing waste and optimizing our packaging needs. Our sustainability initiatives not only contribute to environmental preservation, but also drive cost efficiencies and innovation. I am proud to share that our Company was recognized with the Sustainable Organizations Award 2023 by The Economic Times and the prestigious Golden Peacock Award for Energy Efficiency.

Our strong balance sheet, robust cash flow and disciplined capital allocation priorities position us well to sustain high performance across diverse market conditions. We remain committed to investing in our core businesses while also exploring new avenues for growth, ensuring long-term value creation for our stakeholders.

As we celebrate these achievements, I am also proud to highlight a significant milestone for our parent company. The Timken Company is celebrating 125 years of existence in 2024. This remarkable anniversary is more than a corporate milestone. It is a testament to Timken's enduring relevance, innovation and specialized engineering expertise. Over the past century and a quarter, The Timken Company has evolved into a diversified industrial leader, globally recognized for its unique body of knowledge and skills. Our Company will continue to leverage the expertise and innovations of The Timken Company to its advantage.

In conclusion, I would like to express my gratitude to our shareholders for their unwavering support, to the Board of Directors for their invaluable guidance, to our employees for their dedicated work and commitment to excellence and to our customers and partners for their continued trust and collaboration with Timken. Together, we will continue to drive Timken towards new heights of success, creating lasting value for all our stakeholders by continuing to provide engineering solutions that keep the world in motion.

Sincerely,

Sd/-

Sanjay Koul

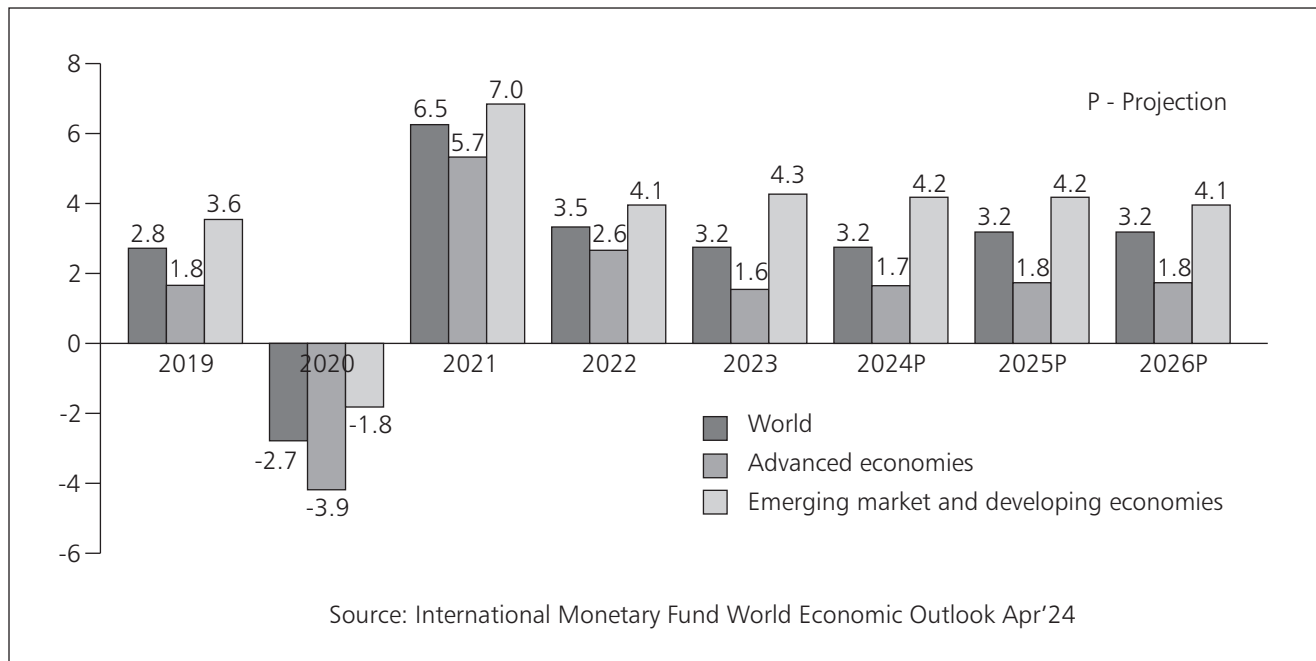
Chairman & Managing Director

DIN: 05159352

Management Discussion and Analysis

As per the World Economic Outlook (WEO) released by the International Monetary Fund (IMF) in April 2024, the global economy is projected to experience gradual growth. It is forecasted that global economic growth will maintain a 3.2% rate in 2024 and 2025, akin to the growth rate observed in 2023. This growth rate, although steady, is lower than historical growth due to various factors like high borrowing costs, reduced fiscal support, lingering impacts of the COVID-19 pandemic, the conflict in Ukraine, sluggish productivity growth, and increased geo-economic divisions. Furthermore, uncertainties surrounding global trade have heightened due to the ongoing crisis in the Red Sea region. Advanced economies are expected to see a growth uptick from 1.6% in 2023 to 1.7% in 2024 and 1.8% in 2025. The 2024 forecast has been revised upwards by 0.2% compared to earlier projections from January 2024, with an expansion in US growth balancing out a slight contraction in the euro area projected for 2025. For emerging markets and developing economies, growth is predicted to hold steady at 4.2% in both 2024 and 2025, with a slowdown in Asia offset by improved growth in the Middle East, Central Asia, and sub-Saharan Africa economies. (Source: IMF)

o Global Growth (%)



o Global Outlook

The global economy is defying expectations and is showing surprising resilience in the face of recent challenges. Growth remains stable, and inflation, though high, is expected to gradually decline. Inflation is expected to decline from 6.8% in 2023 to 5.9% this year, with a further drop to 4.5% by 2025. Advanced economies are projected to reach their inflation targets sooner than emerging markets and developing economies. Global output and trade growth projections are the lowest in decades, raising worries about slower progress for middle and lower-income countries in catching up to developed nations. The overall expectation is for inflation to continue its downward trend, with long-term expectations remaining stable. This could pave the way for central banks in major developed economies to start reducing interest rates in the near-term. The biggest threat to this fragile stability comes from geopolitical tensions. Conflicts like the war in Ukraine and the Israeli-Palestinian clashes could trigger new price spikes. This scenario could force central banks to raise interest rates, potentially leading to a decrease in asset prices and persistent inflation, particularly in areas with tight labor markets.

o Bearing Market and Future Development

The global bearing market expanse is anticipated to grow at a CAGR of 9.5% from 2024 (\$ 50.9 B) to 2030 (Source: <https://www.grandviewresearch.com/industry-analysis/bearings-market>). The roller bearings segment accounted for the largest revenue share of more than 45% in 2023. The automotive segment dominated the market and accounted for 49.0% of the market share. The high share of this segment can be attributed to high automotive production, globally. Also, the demand for vehicles with technologically advanced solutions is escalating, thus leading to a rise in vehicle manufacturing that necessitates instrumented

products. The railway and aerospace segment are anticipated to emerge as the fastest-growing segment by 2030. This growth can be attributed to growing interest in travel activities, the growing need to renew aging fleets owing to stringent environmental legislation, and fuel price pressure coupled with the availability of improved ways to assist global and local transportation systems. Demand from railways is estimated to rise on account of accelerated railway construction in developing countries. Indian bearing industry is estimated to be ~ 3.5% of the overall global demand. OEM vs AM is estimated at 40:60 ratio.

India Economic Overview

o **Current Scenario**

The Indian economy expanded at a strong 8.4% in the third quarter of FY24. The growth was driven by strong tax revenue collections, increased government capital spending, firmness in domestic demand including rural demand, and robust growth in manufacturing and construction, the latter driven by infrastructure spending and real estate. The IMF estimates the GDP growth for India to remain consistent at 6.8% in 2024, 6.5% in 2025 and 2026 with the robustness reflecting an uptick in domestic demand and a rising working-age population. With a steady improvement in global economic outlook, stronger growth in exports is expected. India decisively withstood global headwinds in 2023 and is likely to continue as the world's fastest-growing major economy on the back of growing demand, moderate inflation and stable interest rate regime (Source: IMF and Economic Times)

India's Growth (%)



o **Outlook**

As per IMF, India's nominal GDP is now expected to surpass Japan's in 2025 to become the world's fourth-largest economy, a year earlier than the previous projection. India's Core Inflation at 3.53% in January 2024 is at a 47-month low. It has fallen by 269 basis points from the recent peak in January 2023. This decline is attributed to disinflationary monetary policy and softening input prices. IMF has praised India for maintaining fiscal discipline in an election year, saying that the Indian economy is doing good and continues to be the world's bright spot. Over the years, the Government of India has introduced many initiatives to strengthen the nation's economy. Besides this, several government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, is aimed at creating immense opportunities in India. Additionally, the interim budget 2024-25 raised the capex target to 11.11 lakh crores for infrastructure outlay; this is an increase from 10 lakh crores announced in 2023-24. The spend will spread across access-controlled highways, super-efficient ports, railways infrastructure including safer and faster trains and sustainable cities.

o **Indian Automotive Industry**

India's Automotive Industry is set to touch new standards as it holds a strong position in the International heavy vehicles arena. The automobile sector accounts for 7.1% of India's GDP and this is likely to increase further. With EV being the prime focus, India is currently on track to become the largest EV market by the year 2030 with a total investment opportunity of more than US\$ 200 billion over the next 8-10 years. In addition, several initiatives by the Government of India such as the Automotive Mission Plan 2026,

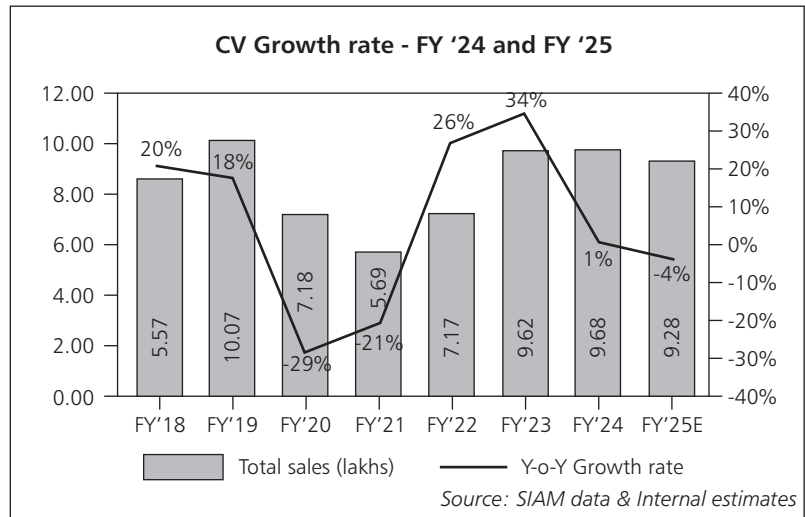
scrappage policy, and production-linked incentive scheme in the Indian market are expected to propel India to become one of the global leaders in the Passenger vehicle and Commercial vehicle markets by 2026. (Source: SIAM based on Automotive mission plan)

Commercial Vehicles (LCV and M&HCV)

With the news of the General Elections kicking in the CV industry saw a very muted Q4 FY'24 in terms of volumes and locked in a mere 1% Y-o-Y growth for FY 2024.

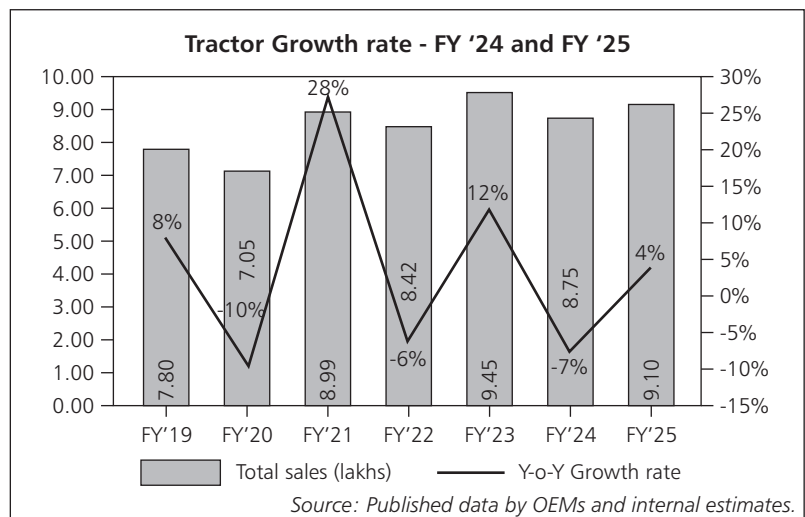
The domestic CV industry will likely see a decline by ~4-6% in FY 2025 owing to macroeconomic factors and high base effect.

The long-term positives that will keep the CV industry afloat would be the continued focus on infrastructure capex, construction, defense, and manufacturing activities along with favorable government policies.



Tractor Market

The Tractor Industry ended the fiscal year with a decline of 7.4% over FY 2023 as the sales continued to dip post-Q2 FY 2023 as the El-Nino phenomenon led to a disturbed monsoon also distorting rural economies to a large extent. The market registered a CAGR of 0% from FY'22 to FY'24 with 8.7 Lakh units in sales. Top OEMs showed marginal growth from the previous year. The meteorological department forecasts normal monsoons for 2024 and with initiatives like Fasal Bhima Yojana and PMMSY receiving increased allocations, an uplift is expected in the rural economies thus seeing an improvement in agriculture activities thereby impacting sales numbers. The industry is expected to rise by a nominal 1-4% in FY 2025 yet falling short of the expectation to touch a million units.

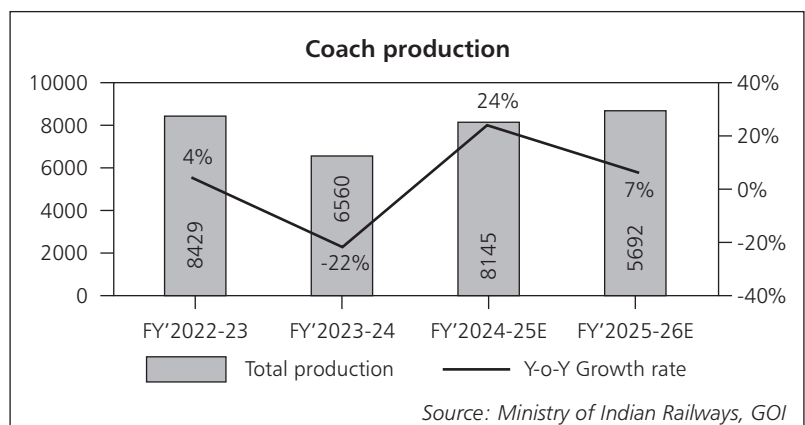


Railways

India's Rail Infrastructure is undoubtedly recognized as one of the largest railway systems in the world. Each year, the Government aims to elevate the allocations towards the Indian Railways sector. In the Interim budget 2024-25, the Union Ministry of Railways has been allocated INR 2.55 lakh crore for the financial year 2024-25, up by 5.8% from last year's allocation of INR 2.44 lakh crore. The Rail outlook for the year:

Coaches:

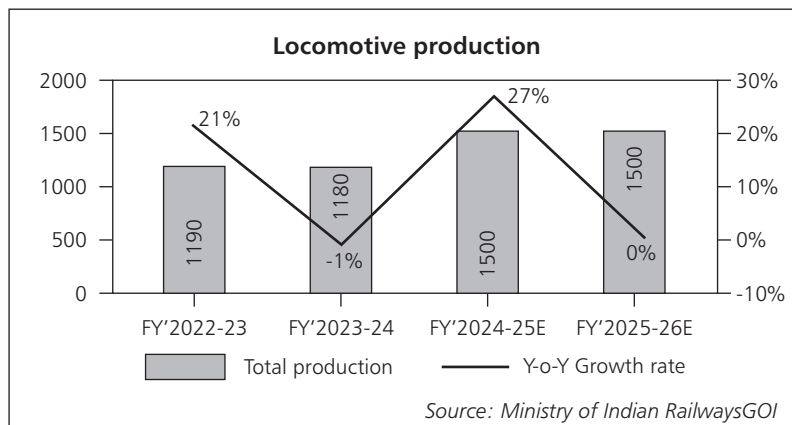
- As per Ministry of Railways coach production is set to cross 8100 units for FY25 and further expected to increase it to



8700 by FY26. ICF and other Rail Coach Factory plan to manufacture an additional 1230 high speed coaches. (Source: Indian Railways). The Centre announced an ambitious programme to upgrade 40000 standard rail coaches as part of retrofitting which is planned to be phased over 8-10 years with an approx. value of INR 4000 crores. (Source: Interim Budget 2024)

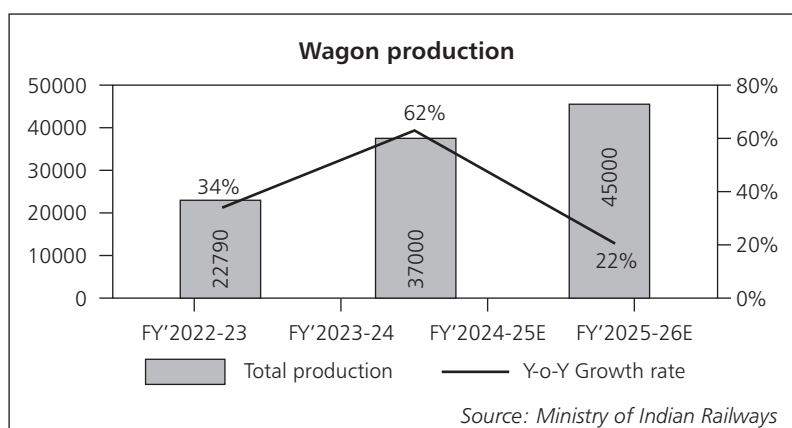
Metro:

- Bangalore Metro Rail Corporation Limited (BMRCL) has floated a tender for the preparation of a feasibility report on the extension of the metro line by 118 km. This extension is expected to part of phase III/IV signaling an increase in no of trains/rail traffic. BMRCL to source 96 coaches for phase II, 96 coaches for phase IIA and 126 coaches for phase IIB starting June'25. (Source: Deccan Herald). Currently construction work is in progress for two new metro lines in Mumbai (Aqua Line 3) and Delhi (Phase IV) apart from the major cities the path breaking step is being taken with the rolling out of the country's first rail based Regional Rapid Transit system (RRTS).



Passenger

- Passenger earnings are estimated to hit 73000 crores for FY 24 which is 28% above the previous financial period. (Source: SME Future)
- Indian Railways has surpassed the milestone of 1500 million tonnes in originating freight loading. This segment has observed prominent growth, with a total of 648 crores passengers who have travelled during FY24.



Locomotive:

- Indian Railways has recently released an order for 1200 Electric Locomotives of 9000 HP with 35 years full-service maintenance. This will help them improving haulage capacity, speed, scale, and utilization of rolling stocks on its freight corridors. The total order value is approximately Rs. 26,000 crores.

o Indian Industrial Industry

Industrial sector plays a significant role in Indian economy by contributing about 17% of the GDP. In the near future, India aims to have 25% of the economy's output from manufacturing and achieve USD 1 trillion of manufacturing exports. India is also prepared to face global competition under Make in India programme. The impact of policy changes under the 'Make In India' initiative and increased acceptance of the simplified tax regime amongst businesses of all sizes has provided the much desired boost to the manufacturing ecosystem in India. Industrial sector including mining and quarrying, electricity, and gas, has picked up pace whereas the services sector has witnessed a slight deceleration. On the output side, manufacturing has recorded the highest growth of 11.6% in 3QFY24 against a contraction of 4.8% in the same quarter of FY 2023. This is also corroborated by the healthy growth in Index of Industrial Production (IIP). (Source: EY-India Economic Pulse & Economic Times)

o Renewable Energy (Wind Energy)

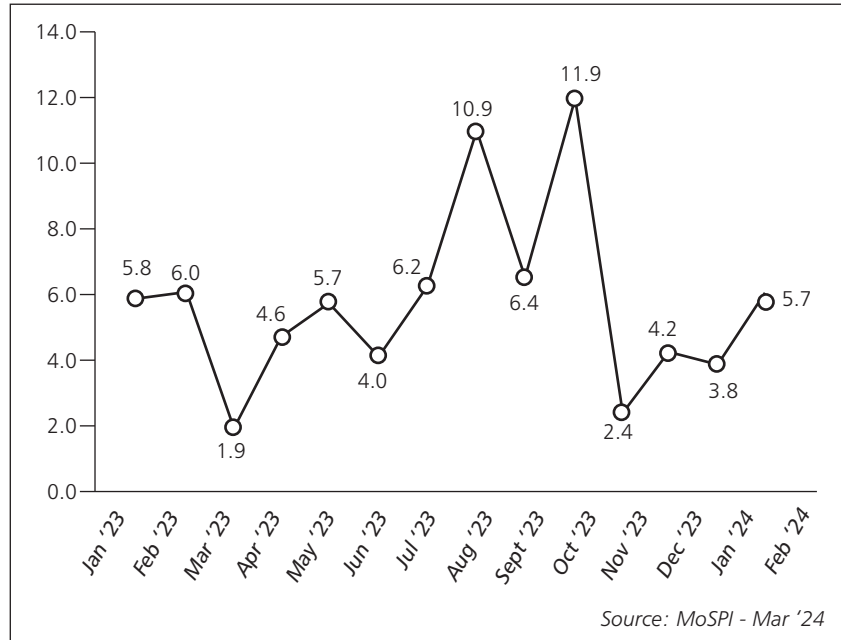
The global wind industry experienced its most successful year on record in 2023, with installations increasing by 50% year on year. Despite the world being fully open following the global health crisis sparked by COVID-19, 2023 remained an unusual year due to the challenging macroeconomic environment, rising and ongoing hostilities, the Red Sea crisis and prolonged supply chain disruptions stemming back to the time of conflict in Ukraine. Total of 117 GW of new wind power installations, global cumulative

wind power capacity has crossed the first 1 TW milestone in 2023, showing YoY growth of 13%. With a favorable political environment across the globe, GWEC Market Intelligence believes that 791 GW of new capacity is likely to be added in the next five years under current policies. This equals to 158 GW of new installations each year until 2028.

India currently ranks fourth globally in total wind installations with 45 GW of installed onshore wind capacity as of January 2024. India is positioned at second-largest wind market in the Asia-Pacific region, following China. In 2023, India commissioned over 2.8 GW of onshore wind capacity, the highest annual installation since 2017. As per National Electricity Plan, India's installed wind capacity will likely reach approximately 73 GW by 2026-2027 and 122 GW by 2031-2032. (Source: GWEC)

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

India's IIP surged by 5.7% in Feb-24 compared to same period last year marking its fastest annual growth rate in four months showing resilience amidst Economic trends, which is up from 3.8% in January, according to data from the Ministry of Statistics and Programme Implementation (MoSPI). Among the sectors, Manufacturing output witnessed a commendable year-on-year rise of 5% albeit slightly slower than the previous year's growth rate of 5.9%. The combined Index of Eight Core Industries (ICI) increased by 6.7% (provisional) in February 2024 as compared to February 2023. The production of Coal, Natural Gas, Cement, Steel, Crude Oil, Electricity and Refinery Products recorded growth in February 2024. Conversely, Power Generation and Mining activity experienced robust growth, increasing by 7.5% and 8% respectively, indicating healthy momentum in these segments. Manufacturing PMI remained well above the expansionary zone for 31 months in a row, it has improved to 56.5 in January from 54.9 in December 2023. Growth of monthly IIP for capital goods have averaged to 7% during the period April to December 2023 over corresponding months in 2022. Growth in IIP for infrastructure and capital goods indicates well for capital formation.



Business Review

Your Company's active operations are in Engineered bearings, Industrial Motions, and related services business. Our parent organization, The Timken Company is a 125--year-old US-based organization with operations across 45 countries around the globe. The Company was founded in 1899 by Henry Timken, who received two patents on the design of a tapered roller bearing. Timken remains the world's leading authority in tapered roller bearings and has leveraged that expertise to develop a full portfolio of industry-leading engineered bearings and industrial motion products Today, Timken is synonymous with innovation, cutting-edge technology and quality.

The Company sells its products and services to diverse customer base in India and Global customers through its fellow subsidiaries.

Our company has been capitalizing on favorable conditions in the Rail front end unit, which has shown strong demand and stability. This positive environment supports the effective utilization of our manufacturing facilities in Jamshedpur, leading to improved production efficiency and cost management. The Heavy Truck market, however, has faced challenges since last year and is expected to remain subdued in the short to medium term..

China's growth is slowing down, especially in Wind market. The current Wind market in India has good growth potential with more gearboxes getting exported out of India. and this is an excellent opportunity for us to leverage. During the year, the Company could further advance in Process and Distribution market. Our Process segment is well connected to the core sectors and your company is aware of the ongoing trends and is deeply entrenched through its direct and indirect sales and service model. As steel is becoming more attractive, our product offering is second to none and their consumption is significantly increasing. Industrial aftermarket is expected to grow and that give us good opportunity to further grow in terms of revenue. Your company has added 4 additional MILLTEC sites in FY2024 further strengthening its stronghold in the Metal market. Your company is in process of establishing its hold

into the solar business in India through our US counterpart called Cone Drive and have started producing some slew drives at our Bharuch facility.

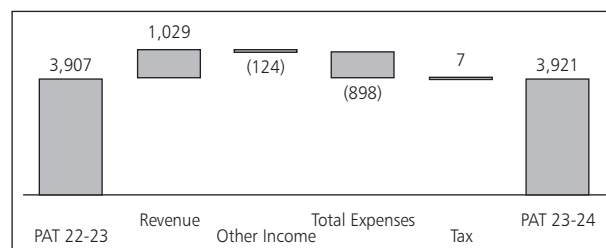
In line with the earlier announcement of investment of ₹ 600 crore in Bharuch, Gujarat towards manufacturing of Spherical Roller Bearings (SRB) and Cylindrical Roller Bearings (CRB), your company work is going on as per schedule and the plant is expected to start operations during first quarter of 2025.

Your Company was the recipient of multiple awards and recognitions in the year including various CII's circle competitions, Golden peacock award for energy efficiency, ET Sustainable Organisations 2023 award, and Best Supplier awards from two of our large customers.

Financial Statement Analysis

The analysis of major items of the Financial Statements is given below:

Profit after tax (PAT) stands at ₹ 3,921 million for the financial year 2023-24 as compared to ₹ 3,907 million in previous year, an increased by ₹ 14 million.



Revenue from operations

The Company achieved all time high revenue of ₹ 29,095 million during the financial year 2023-24 which is 3.7% higher compared to the previous year. Primarily contributed by increase in the domestic sales driven by strong market condition, reflected by double digit growth in major front-end units. The revenue was also impacted by decrease in export sales due to slowdown in the global market.

Other Income

Decrease in other income by ₹ 124 million, due to previous year's foreign currency gains and one-time Jharkhand incentive, absent in the current financial year, which is partially compensated by earnings from dividend and interest income from investments in mutual funds and fixed deposits.

Total expenses

Total expenses of ₹ 24,261 million increased by 3.8% compared to the previous year. Increase in cost of material consumed 3.4% is in alignment with increase in revenue. Increase in employee cost by 3.1% , on account of revision in salary and wages. Other expenses also increased by 6.8% majorly on account of structural volume increase and inflationary impact.

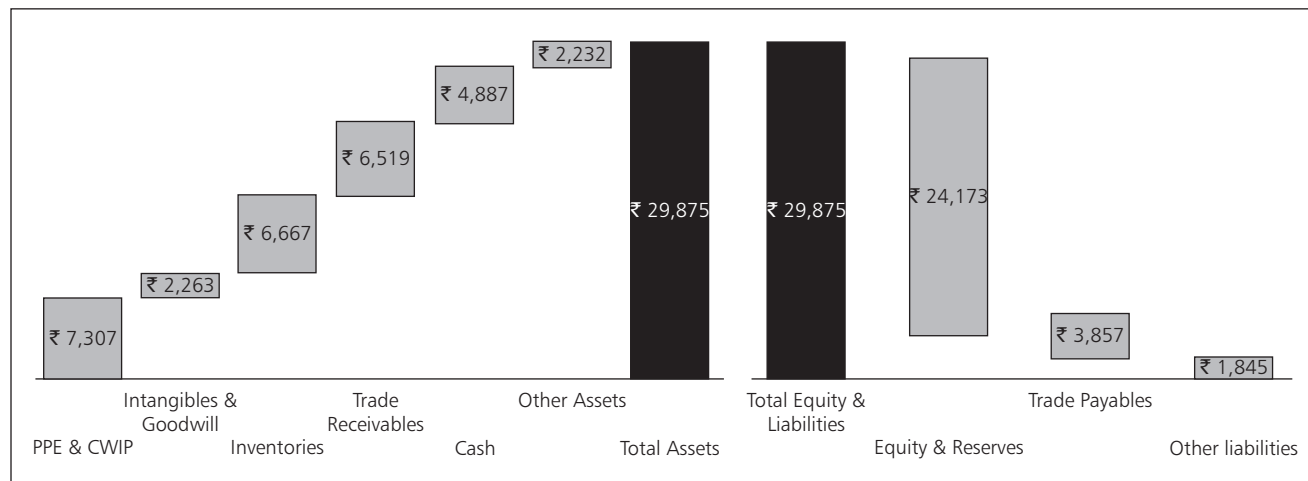
Tax Expenses

There is no change in effective tax rate of 25.16% as compared to previous year.

Earnings per share

Earnings per share for the financial year ₹ 52.13 as compared to ₹ 51.95 in the previous year.

Below is the discussion of major items in Company's Balance Sheet as at March 31, 2024. The below graph depicts major blocks of Balance Sheet:



Property, Plant and Equipment, Right-of-use assets, Investment Property and Capital work-in-progress

There is a movement of ₹ 650 million compared to previous year, primarily on account of Bharuch SRB and CRB project under CWIP and addition of new leases recognized as right-of-use assets, which was offset by depreciation.

Intangible Assets and Goodwill

The movement is majorly on account of amortization during the year for Intangible assets and there is no change in value of Goodwill.

Inventories

Increase in inventories by ₹972 million, which is in alignment with business volume and demand. The inventory turnover ratio stands at 2.78 as at 31 March, 2024.

Trade Receivables

Increase in trade receivables by ₹784 million compared to previous year due to higher revenue. The trade receivables turnover ratio stands at 4.74 as at 31 March, 2024.

Cash and investments

The company's cash and cash equivalents, along with investments in mutual funds, up by 23.9%, ₹4,887 million compared to ₹3,943 million in previous year fueled by effective cash management and increased internal accruals.

Other assets

Increase in other assets primarily comprises of capital advances of ₹1,358 million as compared to ₹209 million in the previous year.

Equity

Equity capital of ₹752 million remains same as previous year. During the year Timken Singapore PTE Limited (Holding Company), shareholding % decreased from 67.8% to 57.7%.

Trade Payables

Increase in trade payables by ₹414 million compared to previous due to higher volume. The trade payables turnover ratio stands at 5.95 as at 31 March, 2024.

Key Financial Ratios

Parameters	For Year Ended 31 March, 2024	For Year Ended 31 March, 2023
Trade Receivables Turnover	4.74	5.04
Inventory Turnover	2.78	2.94
Interest coverage Ratio (times)	139	187
Current Ratio	3.91	3.77
Debt Equity Ratio	0.2%*	1%
Operating Profit Margin	18%	19%
Net Profit Margin	13%	14%
Return on Net Worth	16%	19%

* The ratio has decreased from 1% in March 2023 to 0.2% in March 2024 because of decrease in the borrowings. Also refer Note No. 41 of the Financial statements.

Strengths, Opportunities, Threats and Outlook

Strengths	Opportunities
<ul style="list-style-type: none"> ➤ Strong base of Tapered Roller Bearings. ➤ 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"> ➤ Cross selling abilities by virtue of acquisitions of Industrial motion products. ➤ Make use of available support from Government under Make in India initiatives. ➤ Channel footprint strengthening to penetrate General MRO market and address regional gaps with value added services. ➤ Digitalization efforts to increase sales in Automotive aftermarket.
Threats	Outlook
<ul style="list-style-type: none"> ➤ Ongoing Geo-Political concerns. ➤ Impact on Supply chain and Logistics due to issues like the Russia Ukraine war and Red Sea crisis. ➤ 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 up-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 distributors.

Internal Control

The Company has designed and implemented internal control systems commensurate with the nature, size, and complexities of business operations. Internal control processes are designed to provide reasonable assurance towards the effectiveness and efficiency of its operations, reliability of financial reporting, compliance with applicable laws and regulations, prevention and detection of frauds & errors and safeguarding of its assets.

The Company's SAP ERP system infrastructure and checks are integral parts of the internal control system. Emphasis is placed on automated controls within the processes wherever possible to minimise deviations and exceptions.

The Company has well documented authorisation matrix covering all important operations of the Company.

The Company has formed a Risk Management Committee and has put in place an enterprise-wide risk management framework with an objective of timely identification of risks, assessment and evaluation of such risks in line with the overall business objectives or strategies and define adequate mitigation strategies to reduce the impact of risk exposure.

The Company is certified by independent third-party certifying agency for maintaining the risk management system as per ISO 31000:2018 which provides principles, a framework and a process for managing risk. All critical risk areas as identified by the Company are re-evaluated annually. During the course of year, appropriate changes were made to the risk register, considering internal and/or external changes.

Regular communication and awareness towards various policies and procedures are done to ensure common understanding by leveraging online and offline training sessions.

The Company has also prepared risk control matrix for each of its processes such as procure to pay, order to cash, hire to retire, treasury, fixed assets, inventory, manufacturing operations, etc.

The risk-based internal audit plan covering key business processes is approved by the Audit Committee. The Company uses services of independent audit firm to conduct audit of critical areas. The Audit Committee periodically reviews the adequacy and effectiveness of the Company's internal financial controls and the implementation of audit recommendations.

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.

HR Front

Performance Management System

The Company's Performance Management System ensures that each employee's goals are linked to Company goals & encourages active discussions round the year through a continuous evaluation process. The employees are required to update their achievements in the system & managers have to evaluate them from time to time & provide continuous feedback. The continuous feedback monitoring system helps the Company to stay agile & flexible.

Our Performance Management System gives equal weightage to Results & Competencies (Results 50% + Competencies 50% = Performance 100%). In the year 2023, our Performance Management system underwent major changes in terms of the rating scales used for review of Results & Competencies. The year end review process also had changes in accordance with the above. All employees are expected to have a development goal which helps them get better in their existing role or prepare for the next role. Initiatives like Diversity & Inclusion, Development Driven Leadership are driven through Corporate & are assigned to all Managers and they are accountable for the success of these initiatives.

Our year end discussions provide a platform to all Managers to provide inputs about the performance of their team members and evaluate them against their peers. The traditional distribution system has changed to a more flexible range & employees get into these categories based on their final calibrated ranking. Our merit & incentive pay is allocated based on this. The whole process is extremely transparent and fair.

Total Rewards

Our reward system follows a very data driven approach; the final output of the Performance Management system flows into our rewards process. The philosophy of Pay for Performance is backed by detailed market studies and benchmarking conducted every year. This year, the changes in Performance Management System led to the changes in yearend review process and the incentive payouts as well. This helps the Company to be competitive in the job market. 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 for all employees. The Corporate Wellness program offers health related sessions, health checks etc. which leads to employees having an active & healthy life. The Company also reimburses the annual health check cost for employees once a year.

Continued Learning

Continuous learning is one of the key objectives of the Company. In Timken we follow the 70-20-10 Model for Development where 70% of the learning comes from experiential learning, 20% from social learning & 10% from formal training. There is a thorough training need analysis done across the organization & a training calendar is rolled out based on common needs across the board. Learning & Development initiatives of the year included trainings on topics like Business Communication, Project Management skills, Finance for Non-Finance, Team Management skills, developing Leadership Mindset etc. Emphasis on technical trainings continued with programs like Level 1, Technical crash course etc.

Leveraging of Timken University which is the Company's online learning platform continued. Employees could either self-assign the courses available or Managers would nominate them. Some of the mandatory programs related to information security, POSH and other topics were assigned to all employees.

Resource Groups

Employee Resource Groups (ERG's) play a major role in employee engagement initiatives at Timken. Apart from the 2 active ERGs i.e., Women's International Network (WIN) & Young Professionals Network (YPN), we also launched the 3rd ERG by name Multicultural Association of Professionals (MAP) in 2023. All the 3 ERGs have their Vision & Mission and operate with goals and objectives that are aligned to Company goals.

The ideology and concept of these groups are on similar lines of what the Global teams offer. The common objectives of all these resource groups are to foster professional development of employees.

The resource groups engage employees in different events aligned to their objectives. The core team of each resource group 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 employees to attend different events. WIN Santhe, which is a fund-

raising event, aims at generating some funds & we tie up with Jeevodaya an NGO supporting upliftment of distressed women in the society. Networking, Diversity & Inclusion are some of the key objectives of these resource groups, and they consciously drive events around these topics. MAP will kickstart their calendar of events in 2024. All the 3 ERGs will collaborate on any common events like CSR, Trek etc.

- **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, 2024

Place: Bengaluru

Board's Report

Dear Members,

The Board of Directors has pleasure in presenting 37th Annual Report of the Company for FY 2023-24.

Financial Summary

(₹ in million)

Particulars	Financial Year ended 31 March, 2024	Financial Year ended 31 March, 2023
Revenue from Operations	29,095.41	28,066.10
Add: Other Income	407.65	531.75
Total Income	29,503.06	28,597.85
Less: Total Expenses	24,260.92	23,362.64
Profit before tax (PBT)	5,242.14	5,235.21
Less: Tax expenses	1,320.72	1327.76
Net Profit after tax (PAT)	3,921.42	3,907.45
Add/Less: Other Comprehensive Income	(7.66)	7.68
Total Comprehensive Income	3,913.76	3,915.13

An all-time high revenue from operations of ₹ 29,095.41 million recorded in the current year compared to ₹ 28,066.10 million in the previous year, indicating a growth of 3.7%. This rise was driven by strong performance in the domestic market, partially offset with the reduction in exports. Other income declined to ₹ 407.65 million in the current year compared to ₹ 531.75 million in the previous year, a decrease of ₹ 124.10 million. This reduction was primarily due to foreign exchange gain and a one-time income in the form of Jharkhand incentive received from the state government in previous year. However, this decline was partially offset by an increase in interest and dividend income from fixed deposits and mutual funds. Total income increased to ₹ 29,503.06 million in the current year as compared to ₹ 28,597.85 million in the previous year, an uptick of ₹ 905.21 million. This growth was primarily driven by the increase in revenue from operations, despite the drop in other income, indicating robust core operations. Total expenses increased by ₹ 898.28 million during the same period in alignment with volume increase and inflationary impact. Net Profit after Tax (PAT) rose to ₹ 3,921.42 million in the current year from ₹ 3,907.45 million in the previous year, reflecting a marginal increase of ₹ 13.97 million in net profitability. The Company recorded highest ever earnings per share of ₹ 52.13 for the year ended 31 March, 2024. Overall, the financial performance of the Company shows stability with minor reduction in profitability ratios due to favorable forex and one-time incentive in previous year. The Company continues to remain low debt and generated adequate cash flow to meet its working capital needs and long-term growth projects. The balance of cash and cash equivalents and investments has increased by ₹ 944.06 million to ₹ 4,887.00 million. For more details on the other elements of balance sheet, please refer Management Discussion and Analysis.

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

The Ministry of Corporate Affairs vide notification no. G.S.R.242(E) dated 31 March, 2023, amended Para 117 of Ind AS 1, effective from FY 2023-24. This amendment alters the accounting policy disclosure requirements, shifting the focus from significant policies to material ones, and provides clear guidance on materiality and when an accounting policy should be considered material. The Company has evaluated its current policies and made necessary modifications to ensure alignment with the amendment. The business of the Company has not undergone any change in 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. 2.5/- per equity share of Rs. 10/- each fully paid up (25%) for the financial year ended 31 March, 2024. Dividend Distribution Policy is available on the website of the Company and can be accessed at <https://www.timken.com/en-in/investors/policies/>.

Update on New Manufacturing Facility

The Company is setting up new manufacturing plant at Bharuch to manufacture Spherical Roller Bearings and Cylindrical Roller Bearings. The work is going on as per plan and commercial production is expected to start in Q4 2024-25.

Internal Financial Controls

The Company has designed and implemented internal control systems commensurate with the nature, size and complexities of business operations. Internal control processes are designed to provide reasonable assurance towards the effectiveness and efficiency of its operations, reliability of financial reporting, compliance with applicable laws and regulations, prevention and detection of frauds & errors and safeguarding of its assets.

The Company has well documented authorization matrix covering all important operations of the Company. The Company has put in place an enterprise-wide Risk Management Framework with an objective of timely identification of risks, assessment and evaluation of such risks in line with the overall business objectives or strategies and define adequate mitigation strategies to reduce the impact of risk exposure.

The Company has developed and implemented a framework for ensuring internal control over financial reporting. The Company has carried out evaluation of design and effectiveness of these controls and no significant material weaknesses or deficiencies were observed.

Corporate Governance

Pursuant to Regulation 34 of Securities and Exchange Board of India (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**. Details relating to composition of the Board and its Committees along with its meetings held during FY 2023-24 are given in Corporate Governance Report which is attached as **Annexure - I**. One meeting of the Independent Directors was held on 5 February, 2024 which was attended by all the Independent Directors except Mr. P S Dasgupta. The Company has adopted Code of Conduct for Board of Directors and Senior Management Personnel. Declaration regarding compliance with Code of Conduct is attached herewith and forms a part of **Annexure - I**.

Directors and Key Managerial Personnel

During the year under review, Mr. Ajay Sood (DIN: 03517303) and Dr. Lakshmi Lingam (DIN: 10181197) were appointed as Independent Directors. Mr. P S Dasgupta (DIN: 00012552) and Mr. Veerappan V (DIN: 01593254) ceased to be Independent Directors of the Company with effect from 1 April, 2024 and 1 June, 2024 respectively, on completion of their tenure. Mr. Hansal Patel (DIN: 09607506), Director, will retire by rotation at 37th AGM and being eligible, offers himself for re-appointment.

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

- Re-appointment of Mr. George J Ollapally (DIN: 09607523) as an Independent Director of the Company w.e.f. 1 June, 2024 for a period of 3 years, subject to approval of Members of the Company.
- Appointment of Mr. Soumitra Hazra (DIN: 02293182) as an Independent Director of the Company w.e.f. 31 May, 2024 for a period of 2 years, subject to approval of Members of the Company

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 has recommended their appointment at 37th AGM.

The Company is in receipt of Notices under Section 160 of the Companies Act, 2013 (the 'Act') in respect of proposed appointments as mentioned above.

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.

The Company has received declaration of independence from all Independent Directors of the Company confirming that he/she has met with the 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').

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 5 February, 2024 have evaluated performance of Non-Independent Directors, Chairman and the Board as a whole.

Statutory Audit

M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Registration No. 117366W/W100018), continue to serve as Statutory Auditors of the Company. The Report given by Statutory Auditors on the Financial Statements for FY 2023-2024 forms a part of this Annual Report. Auditors expressed unmodified opinion on Financial Statements for FY 2023-24 in their report. During the year under review, there was no fraud reported by the Auditors to the Audit Committee/Board under Section 143(12) of the Act.

Auditors confirmed to the Audit Committee that the Company used an accounting software for maintaining books of accounts which had a feature of audit trail and during the audit, they did not come across any instance of tampering of audit trail. Auditors also provided unmodified opinion on adequacy and operating effectiveness of internal financial controls over financial reporting as at 31 March, 2024. However, Auditors have pointed out that though proper books of accounts as required under the Act has been kept by the Company, daily back up such books of accounts in electronic mode in a server physically located in India was not kept. In this regard, it may please be noted that the Company has taken steps in positive direction including identifying a source which can help the Company to maintain daily back up of books of accounts in servers located in India and this will be implemented soon.

Cost Audit

In terms of Section 148 of the Act, the Company is required to maintain cost records and have its records audited by the Cost Accountant. The Company has maintained cost records for FY 2023-24 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 2024-25. 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 2024-25 has been inserted in the Notice convening 37th AGM. The Board requests Members to approve/ratify remuneration of Rs. 6,30,000/- (Rupees Six Lakhs and Thirty Thousand Only) plus applicable taxes and out-of-pocket expenses payable to Cost Auditors for FY 2024-25. The Cost Audit Report of the Company for FY 2022-23 was filed on 4 September, 2023 (within the stipulated due date).

Secretarial Audit

Pursuant to Section 204 of the Act, M/s. V Sreedharan & Associates, Practicing Company Secretaries, has submitted the Secretarial Audit Report which is attached as **Annexure - II**. Secretarial Auditors confirmed that the Company has complied with all the applicable laws but made two observations in their report. For more details, please see **Annexure - II**. The Company conducted two Risk Management Committee Meetings with a gap of (8 days) more than 180 days which was due to inadvertence. Secretarial Auditor also pointed out about daily back up of books of accounts on servers physically located in India, same as Statutory Auditors.

The Company has complied with norms of applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

Internal Audit

KPMG Assurance and Consulting Services LLP, acted as Internal Auditors for FY 2023-24. They conducted periodical audits and submitted their reports to the Audit Committee. Their reports have been reviewed by the Audit Committee.

Related Party Transactions

All related party transactions entered into by the Company during FY 2023-24 are disclosed in the Financial Statements for the year ended 31 March, 2024. All related party transactions entered during FY 2023-24 were in ordinary course of business and at arm's length. There was no related party transaction that had any conflict with the interest of the Company.

Material related party transactions entered during FY 2023-24 are given in Form AOC-2, attached to this Report marked as **Annexure - III**. It may please be noted that the Company has entered into material related party transactions as approved by the Members under Regulation 23 of Listing Regulations. The Company has considered definition of material related party transactions under the Listing Regulations for reporting material related party transactions in Form AOC-2. For FY 2024-25, the Company anticipates that material related party transactions would be entered with four parties, for which approval is being sought in 37th AGM. The Audit Committee was provided with all relevant information as required under SEBI circular dated 22 November, 2021 and the Audit Committee has granted approval for all material related party transactions of FY 2024-25.

During the year under review, the Company has revised existing Related Party Transactions Policy to align with the amendments in the provisions of the Act and Listing Regulations. The updated Related Party Transactions Policy is available on the website of the Company at <https://www.timken.com/en-in/investors/policies/>.

Risk Management

The Board of Directors of the Company has constituted a 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. Mr. Avishrant Keshava serves as Chief Risk Officer of the Company. Risk Management Policy is disclosed on the Company's website at <https://www.timken.com/en-in/investors/policies/>.

The Company had conducted risk review and found that risk profile did not undergo any major change. Risk Surveillance Audit was conducted by a third party and audit findings did not reveal any non-conformity. The Company has adopted ISO 31000:2018 for risk management at enterprise level.

Corporate Social Responsibility

The Company has constituted a Corporate Social Responsibility ('CSR') Committee which is responsible for evaluation and implementation of CSR Projects. The Company has spent Rs. 4,61,12,128/- on various CSR Activities during FY 2023-24, including administrative expenses. Further, the Company has transferred Rs. 3,09,87,635/- on account of ongoing projects to Unspent CSR Account. For more details on CSR expenditure during the year under review, please refer Annual Report on CSR Activities attached as **Annexure – IV**. Details of CSR Projects carried out during FY 2023-24 are also available on the website of the Company at <https://www.timken.com/en-in/investors/statutory-compliances/>. The Company has adopted CSR Policy and its salient features 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.

During the year under review, no change was made in the CSR Policy. This Policy is disclosed on the Company's website at <https://www.timken.com/en-in/investors/policies/>.

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. 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 criteria for determining qualifications, positive attributes, independence and other 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.

During the year under review, no change was made in the Nomination and Remuneration Policy. This Policy is disclosed on the Company's website at <https://www.timken.com/en-in/investors/policies/>.

The Nomination and Remuneration Committee was briefed about compensation philosophy of the Company, total rewards (compensation) strategy, increment procedures and process adopted for succession planning. The Committee took note of the same and expressed satisfaction about processes adopted by the Company in the areas referred above.

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 - V**.

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 & Chief - Compliance 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.

Vigil Mechanism/Whistle Blower Policy

For details, please refer Corporate Governance Report attached as **Annexure - I**.

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

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

Business Responsibility and Sustainability Report

Pursuant to Regulation 34 of Listing Regulations, Business Responsibility and Sustainability Report is made available on the website of the Company at <https://www.timken.com/en-in/investors/financial-report/>.

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 Return

Annual Return as on 31 March, 2023 filed with the Registrar of Companies and Draft Annual Return as on 31 March, 2024 are available on the website of the Company at <https://www.timken.com/en-in/investors/statutory-compliances/>.

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 extend any securities in connection with any loan.

Deposits

The Company has not accepted Deposits covered under Chapter V of the Act and Rules framed thereunder.

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 believes in providing and ensuring a workplace free from discrimination and harassment based on gender. The Company has adopted Anti-Sexual Harassment Policy in line with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has also complied with the aforesaid Act. The Company has constituted Internal Committee ('IC') (formerly known as 'Internal Complaints Committee') at all locations of the Company and half of the total Members of the IC are women. IC redresses complaints received regarding sexual harassment as required by the aforesaid Act. During the year under review, the Company has not received any sexual harassment complaint.

Significant and/or material orders passed by the Regulators

During FY 2023-24, no judicial order was passed which could impact going concern of the Company. It may please be noted that the Company has made disclosure about show cause notices/orders received from Employees' Provident Fund Organization, details of which are available on the website of the Company at <https://www.timken.com/en-in/investors/statutory-compliances/>.

Listing with Stock Exchanges

The Company confirms that it has paid annual Listing Fees for FY 2024-25 to National Stock Exchange of India Limited and BSE Limited, where the Company's shares are listed.

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 2023-24:

Particulars	Amount (in ₹)
Dividend paid by the Company for FY 2015-16	13,13,434/-
Dividend paid by erstwhile ABC Bearings Limited (amalgamated with the Company) for FY 2015-16	3,58,652/-
Dividend paid by the Company for FY 2022-23 against shares already transferred to IEPF	13,82,743/-

- (ii) Unpaid dividend for FY 2016-17 relating to the Company and erstwhile ABC Bearings Limited (amalgamated) is due for transfer to IEPF in the month of September, 2024 and October, 2024 respectively.

Financial Performance of any Subsidiary/Associate/Joint Venture Company

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

Other Disclosures

Sweat Equity Shares	Not applicable as no Sweat Equity Shares are issued.
Shares with differential Rights	Not applicable as no Shares with differential rights are issued.
Shares under Employees Stock Option Scheme	Not applicable as the Company does not have any stock option scheme.
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	For more details, please refer Corporate Governance Report attached as Annexure - I .
Settlement with Banks/Financial Institutions	Not applicable.
Proceedings pending under Insolvency and Bankruptcy Code, 2016	Not applicable.

Acknowledgment

The Company has shown resilience to perform during dynamic economic conditions due to continued support from stakeholders, suppliers, investors, customers and employees and we thank you for all your support. We look at future with optimism and believe that we will continue to serve wide range of market, customers with our innovative products and will continue to engineer solutions for betterment of communities and world at large.

For and on behalf of the Board of Directors

Sd/-

Sanjay Koul

Chairman & Managing Director

DIN: 05159352

Date : 1 July, 2024

Place : Bengaluru







Corporate Governance Report

CORPORATE GOVERNANCE PHILOSOPHY

The Company's Code of Conduct, the Standards of Business Ethics Policy is based on core values of the Company and guides us in conducting the business. Ethics and integrity is one of our core values. Honesty, fairness, respect and integrity are the four principles which define the core value of ethics and integrity. Core value of ethics and integrity expects us to do what is right regardless of the situation. Corporate Governance philosophy of the Company is based on core value of ethics and integrity. The Company believes that when we act with ethics and integrity, we earn trust and confidence of customers, suppliers, investors and community at large. The Company has long-standing reputation as an ethical company and Company's Code of Conduct, the Standards of Business Ethics Policy plays pivotal role in conducting business in a manner consistent with its core values including ethics and integrity.

BOARD OF DIRECTORS

Details relating to composition of the Board during FY 2023-24 and attendance of Directors at the Annual General Meeting ('AGM') and other relevant details are given below:

Name of the Director	Category of Directorship	Whether attended AGM held on 21 August, 2023	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		—	—	—
Mr. P S Dasgupta ¹ (DIN: 00012552)	Non-Executive, Independent		15	1	1
Mrs. N S Rama ² (DIN: 06720033)	Non-Executive, Independent		1	1	1
Mr. George J Ollapally (DIN: 09607523)	Non-Executive, Independent		—	—	—
Mr. Veerappan V (DIN: 01593254)	Non-Executive, Independent		10	—	—
Mr. Ajay Sood ³ (DIN: 03517303)	Non-Executive, Independent	NA	1	—	—
Dr. Lakshmi Lingam ⁴ (DIN: 10181197)	Non-Executive, Independent	NA	—	—	—
Mr. Douglas Smith (DIN: 02454618)	Non-Executive, Non-Independent	X	—	—	—
Mr. Hansal Patel (DIN: 09607506)	Non-Executive, Non-Independent	X	—	—	—
Mr. Avishrant Keshava (DIN: 07292484)	Executive, Non-Independent		—	—	—

 : Present X : Leave of Absence NA : Not Applicable

*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')

¹Mr. P S Dasgupta ceased to be an Independent Director of the Company w.e.f. 1 April, 2024

²Mrs. N S Rama ceased to be an Independent Director of the Company w.e.f. 25 October, 2023
































³Mr. Ajay Sood was appointed as an Independent Director of the Company w.e.f. 1 October, 2023


⁴Dr. Lakshmi Lingam was appointed as an Independent Director of the Company w.e.f. 1 October, 2023

During FY 2023-24, Mr. P S Dasgupta ceased to be Independent Director of Cummins India Limited and RSWM Limited. In the aforesaid period, Mr. P S Dasgupta served as an Independent Director of other three listed entities namely Vindhya Telelinks Limited, Maral Overseas Limited, Ester Industries Limited and Mrs. N S Rama served as an Independent Director of Xchanging Solutions Limited.

BOARD MEETINGS

During FY 2023-24, four Board Meetings were held. Relevant details of Board Meetings held during FY 2023-24 and attendance of Directors thereat are given hereunder:

Name of the Director	Board Meetings held during FY 2023-24			
	17 May, 2023	11 August, 2023	10 November, 2023	6 February, 2024
Mr. Sanjay Koul				
Mr. P S Dasgupta ¹				
Mrs. N S Rama ²	X		NA	NA
Mr. George J Ollapally				
Mr. Veerappan V	X			
Mr. Ajay Sood ³	NA	NA		
Dr. Lakshmi Lingam ⁴	NA	NA		
Mr. Douglas Smith	X			
Mr. Hansal Patel				
Mr. Avishrant Keshava				

 : Present X : Leave of Absence NA : Not Applicable

¹ Mr. P S Dasgupta ceased to be an Independent Director of the Company w.e.f. 1 April, 2024

² Mrs. N S Rama ceased to be an Independent Director of the Company w.e.f. 25 October, 2023

³ Mr. Ajay Sood was appointed as an Independent Director of the Company w.e.f. 1 October, 2023

⁴ Dr. Lakshmi Lingam was appointed as an Independent Director of the Company w.e.f. 1 October, 2023

During FY 2023-24, 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 2023-24, 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 held on 5 February, 2024. 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. 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 www.timken.com/en-in. 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 following core skills/expertise/competencies required in the context of business of the Company. Details regarding Directors who possess such core skills/expertise/competencies are provided in the table below:

Core skills/ expertise/ competencies	Financial Management	Leader ship	Technology	Production and Engineering	Legal and Tax	Human Resource	Sales and Marketing	Board and Corporate Governance	Mergers and Acquisitions	Business Strategy and Systems	ESG and CSR
Availability with Board	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sanjay Koul	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
P S Dasgupta	✓	✓			✓	✓		✓	✓	✓	
George J Ollapally		✓				✓	✓	✓		✓	
Veerappan V		✓	✓			✓	✓	✓		✓	✓
Ajay Sood		✓				✓		✓	✓	✓	
Lakshmi Lingam		✓				✓		✓		✓	✓
Douglas Smith		✓	✓	✓		✓		✓		✓	
Hansal Patel		✓			✓	✓		✓	✓	✓	✓
Avishrant Keshava	✓	✓			✓	✓		✓	✓	✓	✓

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 held 1 equity share and Mr. Avishrant Keshava holds 2 equity shares of the Company. The Company has not issued any convertible instrument.

FAMILIARIZATION PROGRAMME

During FY 2023-24, the Company conducted a Familiarization Programme on 9 February, 2024 relating to "Brief about Jamshedpur Plant". 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 had constituted Audit Committee comprising 6 Directors out of which 4 were Independent Directors. Mr. P S Dasgupta, Independent Director acted as the Chairman of the Audit Committee during FY 2023-24 and he was present at 36th AGM of the Company held on 21 August, 2023. During FY 2023-24, four Audit Committee Meetings were held. Relevant details regarding Audit Committee Meetings held during FY 2023-24 and attendance of Members thereat are given below:

Name of the Director	Audit Committee Meetings held during FY 2023-24			
	17 May, 2023	11 August, 2023	10 November, 2023	6 February, 2024
Mr. P S Dasgupta ¹				
Mr. Sanjay Koul				
Mrs. N S Rama ²	X		NA	NA
Mr. George J Ollapally ³				
Mr. Veerappan V	X			
Mr. Ajay Sood ⁴	NA	NA	NA	
Mr. Douglas Smith	X			

 : Present X : Leave of Absence NA : Not Applicable

¹Mr. P S Dasgupta ceased to be Chairman of the Committee w.e.f. 1 April, 2024

²Mrs. N S Rama ceased to be Member of the Committee w.e.f. 25 October, 2023

³Mr. George J Ollapally was appointed as Chairman of the Committee w.e.f. 1 April, 2024




⁴Mr. Ajay Sood was appointed as Member of the Committee w.e.f. 10 November, 2023

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 on quarterly basis.

NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted Nomination and Remuneration Committee comprising 4 Directors out of which 3 are Independent Directors. Mr. George J Ollapally, Independent Director acted as Chairman of the Nomination and Remuneration Committee during FY 2023-24 and he was present at 36th AGM of the Company held on 21 August, 2023. During FY 2023-24, one meeting of the Nomination and

Remuneration Committee was held on 9 May, 2023. Relevant details regarding Nomination and Remuneration Committee Meeting held during FY 2023-24 are given below:

Name of the Director	Designation	Meeting held on 9 May, 2023
Mr. George J Ollapally	Chairman	
Mrs. N S Rama ¹	Member	
Mr. P S Dasgupta ²	Member	
Mr. Ajay Sood ³	Member	NA
Dr. Lakshmi Lingam ⁴	Member	NA
Mr. Hansal Patel	Member	

 : Present NA : Not Applicable

¹Mrs. N S Rama ceased to be Member of the Committee w.e.f. 25 October, 2023

²Mr. P S Dasgupta ceased to be Member of the Committee w.e.f. 10 November, 2023

³Mr. Ajay Sood was appointed as Member of the Committee w.e.f. 10 November, 2023

⁴Dr. Lakshmi Lingam was appointed as Member of the Committee w.e.f. 10 November, 2023

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 and
6. Impact and influence.

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






STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board has constituted Stakeholders Relationship Committee comprising 5 Directors out of which 4 are Non-Executive Directors. Mrs. N S Rama and Mr. Veerappan V, Independent Directors acted as the Chairperson/Chairman of the Stakeholders Relationship Committee during the year ended 31 March, 2024 and Mrs. N S Rama was present at 36th AGM of the Company held on 21 August, 2023.

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, 2024, one meeting of the Stakeholders Relationship Committee was held on 8 March, 2024. Generally, approval of 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 2023-24 are given below:

Name of the Director	Designation	Meeting held on 8 March, 2024
Mrs. N S Rama ¹	Chairperson	NA
Mr. Veerappan V ²	Chairman	
Dr. Lakshmi Lingam ³	Member	
Mr. Douglas Smith	Member	
Mr. Hansal Patel	Member	
Mr. Avishrant Keshava	Member	

 : Present NA : Not Applicable

¹Mrs. N S Rama ceased to be Chairperson of the Committee w.e.f. 25 October, 2023

²Mr. Veerappan V was appointed as Chairman of the Committee w.e.f. 10 November, 2023

³Dr. Lakshmi Lingam was appointed as Member of the Committee w.e.f. 10 November, 2023

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





Status of investors' queries/complaints during FY 2023-24 is given below:

Particulars	Q1	Q2	Q3	Q4	Total
Number of Shareholders' complaints received	11	6	5	2	24
Number of queries/complaints not solved to the satisfaction of Shareholders	0	0	0	0	0
Number of pending queries/complaints	0	0	0	0	0

RISK MANAGEMENT COMMITTEE

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

During FY 2023-24, two meetings of Risk Management Committee were held on 7 June, 2023 and 12 December, 2023 respectively. It may please be noted that the Company inadvertently conducted two Risk Management Committee Meetings with a gap of more than 180 days. Relevant details regarding Risk Management Committee Meetings held during FY 2023-24 are given below:

Name of the Director	Designation	Meeting held on 7 June, 2023	Meeting held on 12 December, 2023
Mr. Sanjay Koul	Chairman		X
Mr. Avishrant Keshava	Member		
Mr. Veerappan V	Member	X	




 : Present X : Leave of Absence

The Role of Risk Management Committee includes Roles described in Part D(C) of 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 an Independent Director.

During FY 2023-24, one meeting of the Corporate Social Responsibility Committee was held on 9 May, 2023. Relevant details regarding Corporate Social Responsibility Committee Meeting held during FY 2023-24 are given below:

Name of the Director	Designation	Meeting held on 9 May, 2023
Mr. Sanjay Koul	Chairman	
Mr. Avishrant Keshava	Member	
Mrs. N S Rama ¹	Member	
Dr. Lakshmi Lingam ²	Member	NA

 : Present NA : Not Applicable

¹Mrs. N S Rama ceased to be Member of the Committee w.e.f. 25 October, 2023

²Dr. Lakshmi Lingam was appointed as Member of the Committee w.e.f. 10 November, 2023

SENIOR MANAGEMENT

As per the Listing Regulations, 'Senior Management' includes personnel of the Company who are members of the core management team excluding the Board of Directors and shall comprise all members of the management one level below the Chief Executive Officer and Manager and shall specifically include the functional heads and Company Secretary and the Chief Financial Officer.

Details regarding Senior Management Personnel of the Company are given hereunder:

Name of Senior Management Personnel	Designation	Change during the year (Yes/No)	Nature of change
Sanjay Koul	Chairman & Managing Director	No	NA
Avishrant Keshava	Business Controller – India, CFO & Whole-time Director	No	NA
Rajeev Kumar Saraswat	General Manager, Plant Operations, Jamshedpur	No	NA
Sanjay Kumar Mishra	General Manager, Plant Operations, Bharuch	No	NA
Sujit Kumar Pattanaik	Assistant Business Controller India and Controller APO	No	NA
Aditya Roy	General Manager – Sales India	No	NA
Srinivasan Sarangapani	General Manager India Supply Chain & Global Sourcing	No	NA
Mandar Vasmatkar	Company Secretary & Chief – Compliance	No	NA
Tarun Beniwal	Deputy Manager - Corporate Communications	No	NA
Shesh Kumar	Head - Marketing, India	Yes	He was working as Head – Pricing. Later, he was appointed as Head - Marketing, India with effect from 1 February, 2024.
Adi Narayan Rao	Head - Facilities & Administration	No	NA
Vamanamoorthy H	Head - CI, Strategic Projects, Sustainability & ESG	Yes	He was entrusted with ESG function of the Company w.e.f. 1 August, 2023.

Mr. Gouri Shankar Roy ceased to be General Manager - Milltec Operations w.e.f. 25 October, 2023. Ms. Shyamlee Minz ceased to be General Manager HR – India w.e.f. 20 February, 2024. Mr. Sudharsan G was working as National Marketing Manager and during the year, he was appointed as Head – Production at Timken group entity plant effective 1 February, 2024.

REMUNERATION OF DIRECTORS FOR FY 2023-24

Except for sitting fees paid to the Independent Directors for attending meetings of the Board / 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.

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 the beginning of the year broadly taking into account EBITDA 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/>. Details of remuneration paid to Directors during FY 2023-24 are hereunder:

Non-Executive Directors

Name of the Director	Sitting Fees (in ₹)
Mr. P S Dasgupta	6,00,000
Mrs. N S Rama	2,55,000
Mr. George J Ollapally	6,75,000
Mr. Veerappan V	6,00,000
Mr. Ajay Sood	2,85,000
Dr. Lakshmi Lingam	2,85,000
Mr. Douglas Smith	Nil
Mr. Hansal Patel	Nil

Executive Directors (In ₹)

Name of the Director	Salary & Allowances	Perquisites	Performance Incentive
Mr. Sanjay Koul	25,503,499	21,388,690	12,975,359
Mr. Avishrant Keshava	8,065,583	2,168,615	1,565,933

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.

GENERAL BODY MEETINGS

Location, date and time of last three AGMs:

Financial year	Location	Date	Day	Time	No. of Special Resolutions
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
2021-22	Timken India Limited, 39-42, Electronic City, Phase II, Hosur Road, Bangalore - 560 100. (through VC/OAVM)	23 August, 2022	Tuesday	03.00 pm	2
2022-23	Timken India Limited, 39-42, Electronic City, Phase II, Hosur Road, Bangalore - 560 100. (through VC/OAVM)	21 August, 2023	Monday	03.00 pm	2

Notes: (a) No special resolution was required to be passed in FY 2023-24 through Postal Ballot.

(b) Two special resolutions were passed for appointment of Mr. Ajay Sood (DIN: 03517303) and Dr. Lakshmi Lingam (DIN: 10181197) as Independent Directors of the Company during FY 2023-24.

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). Presentation made to the investors during financial year 2023-24 is available <https://www.timken.com/en-in/investors/statutory-compliances/>.

GENERAL SHAREHOLDERS INFORMATION

1	AGM	Monday, 19 August, 2024 through VC/OAVM	
2	Financial Year	1 April, 2023 to 31 March, 2024	
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 2024-25.	

TIMKEN INDIA LIMITED

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, 2024	Promoter : Timken Singapore Pte Limited : 57.80% Non-promoter Public Shareholding : 42.20% 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-23	3046.70	2704.60	3048.00	2703.75	61,112.44	18,534.40
		May-23	3396.00	2885.05	3398.00	2885.95	62,622.24	18,534.40
		Jun-23	3575.95	3100.30	3564.75	3134.15	64,718.56	19,189.05
		Jul-23	3525.00	3200.00	3527.60	3200.15	66,527.67	19,753.80
		Aug-23	3567.50	3132.00	3569.85	3128.40	64,831.41	19,253.80
		Sep-23	3302.45	3035.00	3270.00	3031.00	65,828.41	19,638.30
		Oct-23	3109.85	2889.25	3114.90	2886.85	63,874.93	19,079.60
		Nov-23	3036.70	2842.00	3010.00	2840.05	66,988.44	20,133.15
		Dec-23	3296.90	2920.00	3298.00	2921.00	72,240.26	21,731.40
		Jan-24	3488.95	3133.40	3482.95	3132.05	71,752.11	21,725.70
		Feb-24	3393.65	2655.00	3410.00	2667.60	72,500.30	21,982.80
		Mar-24	2910.00	2490.05	2910.45	2524.50	73,651.35	22,326.90
11	Distribution of Shareholding	The distribution of shareholding as on 31 March, 2024 is given below:						
		Range (Shares)	No. of Shares	No. of Folios	% (Shares)	% (Folios)		
		1 – 5000	4055125	62963	5.391	97.649		
		5001 – 10000	562215	739	0.747	1.147		
		10001 – 20000	522995	358	0.695	0.555		
		20001 – 30000	208116	82	0.277	0.127		
		30001 – 40000	186641	53	0.248	0.082		
		40001 – 50000	128782	28	0.171	0.043		
		50001 – 100000	481915	65	0.641	0.101		
		100001 - 500000	1896998	84	2.522	0.130		
		50001 - 100000	2761597	39	3.671	0.060		
100001 and above	64414350	68	85.637	0.106				

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, name correction, 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 as Central Depository Services (India) Limited ('CDSL') for Demat facility. As on 31 March, 2024, 99% 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	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. The Company has adopted ISO: 31000 as a reference and developed its enterprise risk management system around framework and principles of ISO: 31000. For detailed comments on commodity price risk and foreign exchange risk, please refer Note No. 39A to Financial Statements.
17	Plant locations	The Company's Plants are located at : Jharkhand : Bara, P.O. Agrico, Jamshedpur - 831 009 Gujarat : Plot no 109A, 109B, 1 -B- C, Narmadanagar, Bharuch - 392015

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 2023-24. Senior management personnel have declared that during FY 2023-24, 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 - III** 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

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.

Vigil Mechanism/Whistle Blower Policy

Code of conduct, the Standards of Business Ethics Policy, is a framework for Turning Ethics into Action. This means that each associate must uphold the four principles namely honesty, fairness, respect and integrity, which define our core value of ethics and integrity. Associates at all levels must act according to the principles set forth in our code of conduct, the Standards of Business Ethics Policy. To protect values and reputation, the Company encourages to speak up if something just doesn't seem right or when there is a question. It enables us to better uphold our values and fulfill our commitments to one another, our Shareholders, customers, suppliers and the global community. The Vigil Mechanism/Whistle Blower Policy of the Company is disclosed on the Company's website at <https://www.timken.com/en-in/investors/policies/>.

Vigil Mechanism/Whistle Blower Policy enables associates, business partners of the Company to raise and resolve their concern or question. The Company follows Open Door Policy of the Company which 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. The Company understands that there may be times when associates might be reluctant to discuss concerns or questions with supervisor or

another individual inside the Company. For this reason, the Timken HelpLine has been established and is available online and via telephone. The Timken HelpLine is answered by an external third party who receives your questions and concerns and forwards the information to a representative of the Company who will then conduct an independent investigation. Reports made to the Timken HelpLine are not traced or recorded. Reports to Timken Helpline can be made anonymous without disclosing name or identity. The Company investigates all reports promptly, thoroughly and fairly and takes 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. Further, a report can also made to the Chairman of the Audit Committee. The Company affirms that no personnel was denied access to the Audit Committee.

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 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 FY 2023-24, the Company has not given loans and advances to firms/companies in which any Directors of the Company are interested.

Disclosures with respect to Suspense Escrow Demat Account

The Company has opened a Suspense Escrow Demat Account to credit shares in physical folios to aforesaid account in case of non-receipt of demat request from the securities holder/claimant within 120 days of the date of Letter of Confirmation. Details of number of shares transferred to the said account during the year are provided hereunder:

Opening balance in Suspense Escrow Demat Account as on 1 April, 2023		Additions to Suspense Escrow Demat Account during FY 2023-24		Shares transferred from Suspense Escrow Demat Account during FY 2023-24		Closing balance in Suspense Escrow Demat Account as on 31 March, 2024	
No. of shareholders	No. of shares	No. of shareholders	No. of shares	No. of shareholders	No. of shares	No. of shareholders	No. of shares
3	304	5	454	4	404	4	354

It may please be noted that as on 31 March, 2023, 304 shares held by 3 Shareholders were kept in Suspense Escrow Demat Account and same were transferred back to them during the financial year 2023-24.

Disclosure of certain types of agreements binding listing entities

There are no agreements that require disclosure under clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations.

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 generally complied with the mandatory requirements in terms of Regulation 27 and Schedule V(C) of Listing Regulations except as otherwise disclosed in this Report. The status on compliance with non-mandatory requirements is as below:

- Chairman of the Board of Directors is an Executive Director under the designation of 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 2023-24 does not contain any qualification.
- KPMG Assurance and Consulting Services LLP acted as the Internal Auditors for FY 2023-24 and during the tenure they reported to the Audit Committee of the Board.

During FY 2023-24, the Company has generally complied with applicable compliance norms relating to Corporate Governance except as otherwise disclosed in this Report.

For and on behalf of the Board of Directors

Sd/-

Sanjay Koul

Chairman & Managing Director

DIN: 05159352

Date: 1 July, 2024

Place: Bengaluru

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Corporate Identity No : L29130KA1996PLC048230
Name of the Company : TIMKEN INDIA LIMITED
Authorised Capital : INR 113,00,00,000
Paid up Capital : INR 75,21,87,340

To

The Members of Timken India Limited,

I have examined all the relevant records of Timken India Limited for the purpose of certifying compliance of Corporate Governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (hereinafter collectively referred to as "Listing Regulations") for the financial year ended March 31, 2024. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification.

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

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In my opinion and to the best of my information and according to the explanations and information furnished to me and the representations made by the Directors and the management, I certify that the Company has complied with all the mandatory conditions of Corporate Governance as stipulated in the said Listing Regulations except below:

- According to Regulation 21(3C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the gap between two Risk Management Committee meetings shall not be more than 180-day. However, upon reviewing the provided information and documentation, I observe that the meeting was held with a delay of 8 days between consecutive Risk Management Committee meetings, resulting in a gap of 188 days.

As regards to 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.

Sd/-

Nagarjun Y G
Practicing Company Secretary
Membership No. 52406 | CP: 19301
Peer Review Certificate No.: 1466/2021
Place: Bengaluru
Date: 9 May, 2024
UDIN: A052406F000340221

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, 2024.

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

Sd/-

Sanjay Koul

Chairman & Managing Director
DIN: 05159352

Date: 1 July, 2024
Place: Bengaluru

Form No. MR-3

SECRETARIAL AUDIT REPORT

[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]

For the Financial Year Ended March 31, 2024

To,
The Members of
TIMKEN INDIA LIMITED
39-42, Electronic City, Phase II, Hosur Road,
Bengaluru - 560100

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

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 (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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024, 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 Byelaws framed thereunder.
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. There was no External Commercial Borrowing, Overseas Direct Investment by the Company during the period under review.
- 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.
 - 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 and Sweat Equity) Regulations, 2021. **(Not Applicable to the Company during the Audit Period)**.
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(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, 2021 **(Not Applicable to the Company during the Audit Period)**.
 - h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)** and
 - i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi. Other laws applicable specifically to the Company namely:
 - a. The Environment Protection Act, 1986
 - b. The Water (Prevention & Control of Pollution) Act, 1974
 - c. The Air (Prevention & Control of Pollution) Act, 1981

- d. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
- e. The Competition Act, 2002
- f. The Indian Contract Act, 1872
- g. The Sales of Goods Act, 1930
- h. Legal Metrology Act, 2009
- i. The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.
- ii. Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

We have not examined compliance by the Company 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.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above except the following:

- 1. *"As per Regulation 21(3C) of the SEBI LODR Regulation 2015 gap between two Risk Management Committee meetings shall not exceed 180 days. However, the company has conducted two Risk Management committee meetings with 188 days gap between the two meetings."*
- 2. *"As per Rule 3(5) of the Companies (Accounts) Rules 2014, it is mandated that the backup of the company's books of account and other relevant documents maintained in electronic format, including those stored outside India, must be stored on servers physically located within India on a daily basis. The company has not maintained backup of books of accounts on daily basis in electronic mode in a server physically located in India."*

We 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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.

We further report that Risk Management Committee of the Board of Directors is empowered to monitor compliances applicable to the Company and 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.

We further report that during the audit period, there was no event/ action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.,

For **V SREEDHARAN & ASSOCIATES**

Company Secretaries

Sd/-

(Pradeep B. Kulkarni)

Partner

FCS: 7260; CP No. 7835

Place: Bengaluru

Date: 9 May, 2024

UDIN: F007260F000339702

Peer Review Certificate No. 5543/2024

This report 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 of
TIMKEN INDIA LIMITED
39-42, Electronic City, Phase II, Hosur Road,
Bengaluru - 560100

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management 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. Our 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.

For **V SREEDHARAN & ASSOCIATES**
Company Secretaries

Sd/-
(Pradeep B. Kulkarni)
Partner
FCS: 7260; CP No. 7835
Place: Bengaluru
Date: 9 May, 2024
UDIN: F007260F000339702
Peer Review Certificate No. 5543/2024

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)

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 arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis					
During FY 2023-24, 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	Date(s) of approval by the Board/ Shareholders, if any	Amount paid as advances, if any
The Timken Corporation (Fellow Subsidiary)	Purchase of Goods - 969.52	All these transactions are ongoing in nature.	Based on Transfer Pricing guidelines/ market rates	Board Approval: 17 May, 2023 Shareholders' Approval: 21 August, 2023	Not applicable
	Sale of Goods - 2908.84				
	Purchase of Property, Plant & Equipment - 30.20				
	Agency Commission (Income)- 10.04				
	Expense Receivable - 3.02				
The Timken Company (Ultimate Holding Company)	Purchase of Goods - 519.82			Board Approval: 17 May, 2023 Shareholders' Approval: 21 August, 2023	Not applicable
	Sale of Goods - 1509.19				
	Expense Receivable - 21.56				
	Expense Payable - 200.93				
	Agency Commission (Income)- 3.98				
	Purchase of Property, Plant & Equipment - 4.70				
	Royalty - 703.46				
Timken Engineering and Research-India Pvt. Ltd (Fellow Subsidiary)	Expense Receivable - 34.83			Board Approval: 17 May, 2023 Shareholders' Approval: 21 August, 2023	Not applicable
	Expense Payable - 137.22				
	Purchase of Goods - 1,773.78				
	Sale of Goods - 170.68				
Timken Wuxi Bearings Co. Ltd. (Fellow Subsidiary)	Purchase of Goods - 3594.64			Board Approval: 17 May, 2023 Shareholders' Approval: 21 August, 2023	Not applicable
	Sale of Goods - 20.06				
	Expense Receivable - 0.2				

*Note: Transaction with a related party is considered material as per definition given under Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For and on behalf of the Board of Directors

Sd/-

Sanjay Koul
Chairman & Managing Director
DIN: 05159352

Date: 1 July, 2024
Place: Bengaluru

Annual Report on CSR activities for FY 2023-24

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 during FY 2023-24:				
	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. Avishrant Keshava	Member/ Whole-time Director	1	1
	3.	Mrs. N S Rama*	Member/ Independent Director	1	1
	4.	Dr. Lakshmi Lingam**	Member/ Independent Director	NA	NA
	<p>*Mrs. N S Rama ceased to be Member of the Committee effective 25 October, 2023. **Dr. Lakshmi Lingam was appointed as Member of the Committee effective 10 November, 2023.</p>				
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.	(a)	Average net profit of the Company as per sub-section (5) of Section 135 of the Companies Act, 2013	Rs. 3,85,49,88,165/-		
	(b)	Two percent of average net profit of the Company as per sub-section (5) of Section 135 of the Companies Act, 2013	Rs. 7,70,99,763/-		
	(c)	Surplus arising out of the CSR Projects or Programmes or Activities of the previous financial years	Nil		
	(d)	Amount required to be set off for FY 2023-24, if any	Nil		
	(e)	Total CSR obligation for FY 2023-24 (b+c-d)	Rs. 7,70,99,763/-		

6.	(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)		Rs. 4,59,15,409/-					
	(b)	Amount spent in Administrative Overheads		Rs. 1,96,719/-					
	(c)	Amount spent on Impact Assessment, if applicable		Nil					
	(d)	Total amount spent for FY 2023-24 [(a)+(b)+(c)]		Rs. 4,61,12,128/-					
	(e)	CSR amount spent or unspent for the current financial year:							
		Total Amount Spent in FY 2023-24 (in ₹)	Amount Unspent in FY 2023-24						
		Total amount transferred to Unspent CSR Account as per sub-section 6 of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section 5 of section 135					
		Amount (in ₹)	Date of transfer	Amount (in ₹)	Date of transfer				
	4,61,12,128	3,09,87,635	2 April, 2024	Nil					
(f)	Excess amount for set-off, if any		Nil						
7.	Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:								
	1	2	3	4	5	6		7	8
	Sl. No.	Preceding financial year(s)	Amount transferred to Unspent CSR Account under subsection (6) of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of Section 135 (in ₹)	Amount Spent in FY 2023-24 (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
						Amount (in ₹)	Date of Transfer		
	1.	2022-23	2,46,63,101	Nil	2,46,63,101	Nil	Nil	Nil	Nil
2.	2021-22	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
3.	2020-21	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
8.	Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year				No				
9.	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135				Not Applicable				

For and on behalf of the Board of Directors

Sd/-

Sanjay KoulChairman & Managing Director
(Chairman – CSR Committee)

DIN: 05159352

Date: 1 July, 2024
Place: Bengaluru

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 FY 2023-24;	Employee to CMD* Ratio: 36.3 Employee to WTD* Ratio: 11.2 Independent Directors are paid only sitting fees. Non-executive Directors are not paid any remuneration.
(ii) the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in FY 2023-24;	5%-10%
(iii) the percentage increase in median remuneration of employees in FY 2023-24;	8.43%
(iv) the number of permanent employees on the rolls of Company;	1,279 as on 31 March, 2024 (including Union & Salaried Operators)
(v) average percentile increase already made in the salaries of employees other than the managerial personnel in FY 2023-24 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	9.98% 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 Nomination and 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, 2024

Place: Bengaluru

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Conservation of Energy

As an engineering company, we are focused to deliver sustainable products with greater and efficient use of energy. The Company is aiming to generate renewable energy at sites in India. During the last few years, the Company has been targeting to improve energy efficiency and reduction of energy use and CO₂ emission. The Company is committed to reduce energy use and to produce more energy efficient products. The Company at globally and at India level is exploring opportunities to source greater percentage of energy through renewables.

The Company has implemented ISO 50001 - Energy Management System at plant level. In alignment with said ISO standards, several energy performance indicators are identified pertaining to energy efficiency. Special focus is given to some areas such as identification of significant energy use areas, opportunities for energy performance improvement by retrofitting, technology upgradation, new system implementation, equipments operating at optimum level of efficiency, energy efficiency by design-procurement of energy efficient product/equipments, close loop control of existing systems, real time monitoring of LPG, electricity, on time monitoring of process parameters, in-house technical capability to identify, appraise, develop and implement energy efficiency and conservation projects and energy management awareness across organization. The Company has state of the art Energy Monitoring System where we monitor electricity and LPG consumption of each section through supervisory control and data acquisition (SCADA). All energy equipments are being monitored through SCADA on real time basis and moving parts of the machineries, air conditions are being interlocked for idle running. The process fluids like LPG, Nitrogen, compressed air are also monitored on real time basis. Most machines and compressors on shop floor have VFDs optimizing electricity consumption. Awareness sessions are conducted for associates in the areas of energy conservation. Suggestion boxes are kept at multiple locations to invite suggestions from associates.

1. The steps taken/impact on conservation of energy

Both Plants at Jamshedpur and Bharuch are following ISO 50001 - Energy Management System and below are few energy conservation initiatives taken at Jamshedpur and Bharuch Plant during FY 2023-24:

JAMSHEDPUR

- Installed highly efficient coolant chillers for standard bearing plant.
- Replaced DEE Cell package AC with AHU.
- Thyristor control heating in all 2B furnaces & TS RHF.
- Replaced old motors by IE3 energy efficient motors in TS face grinding.
- Digitalization of utility monitoring & automatic control.
- Variable speed control with close-loop system in process CT & coolant filtration system.
- Improved power factor from 0.99 to 0.997 by regular monitoring and controls.

BHARUCH

- Improved power harmonics generation by 15%.
- Replaced old MS compressed airline by new aluminum pipeline.
- Replaced old motors by IE3 energy efficient motors in rings grind.
- Upgraded 1500 KVA transformer to reduce iron and copper losses.
- Maintain power factor above 0.997 through regular monitoring and controls.
- Replaced older version of HVAC units with new energy efficient HVAC units in assembly area.

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

JAMSHEDPUR

Rooftop solar plant with capacity of 1.2 MW was installed in Jamshedpur. This plant is fully operational and continues to provide solar power to Jamshedpur Plant.

BHARUCH

- 1 MW roof top solar plant is installed in Bharuch Plant.

3. The capital investment on energy conservation equipments

The Company has invested ₹ 8.0 crores during FY 2023-24 on energy conservation projects.

B. Technology Absorption

- 1. The efforts made towards technology absorption of the Company:** Following efforts were made for technology absorption:

JAMSHEDPUR

- New generation control implemented on superfriction, moving towards digitalization effort, digital grading implementation on quick line with data retention facility.
- TS lines migrated to 50 W – lazer source for TS grind lines.
- Double extended grind line marking machine updated for digitalization.
- Robust unloading and loading at real cone cup phase grinder.
- Roller grind line moved to server controls.
- In order to reduce carbon footprints, direct heating converted to indirect heating for coating lines.

BHARUCH

- Hightech UPS system installed for back ups.
- Servo dresser installed on grind lines.
- State of the art ECT machine with multi-channel & multi frequency introduced.
- Vibration test machine with digitization installed.
- High frequency spindles migrated to new gauging systems.

- 2. Benefits derived from technology absorption:** Technology absorption has helped the Company to develop new part numbers and 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 our 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.

Our 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 a continuous process.

- 4. Expenditure incurred on Research and Development:** Nil

C. Foreign exchange earnings and outgo

Particulars	FY 2023-24 (Rs./million)	FY 2022-23 (Rs./million)
Foreign Exchange Earnings	6,010.20	8,634
Foreign Exchange Outgo	8,748.26	7,185

For and on behalf of the Board of Directors

Sd/-

Sanjay Koul

Chairman & Managing Director

DIN: 05159352

Date: 1 July, 2024

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, 2024 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 ended on that date and notes to the financial statements, including a summary of material 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, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 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 ("SAs") specified under section 143(10) of the Act. 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 matters to be communicated in our report.

Sl. No.	Key Audit Matter	Auditor's Response
1.	<p>Capital work-in-progress/ Capital Advances/ 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 Rs. 1041.28 million; additions to Property, Plant and Equipment (PPE) during the year amounted to Rs. 758.09 million and capital advances amounted to Rs. 1357.60 million.</p> <p>Given the nature and size of the aforesaid expansion projects, the underlying assets acquired (including Capital Advances given) 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 included the following:</p> <p>We tested the design, implementation and operating effectiveness of controls in respect of review of capital work in progress and capital advances 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 and capital advances 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 evidence obtained during the audit.</p> <p>We reviewed the 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 Corporate Governance Report, Ratio of Remuneration, Annual Report on CSR activities, Management Discussion & Analysis, Business Responsibility & Sustainability Report and other Annexures to the Board's 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.

Responsibilities of Management and Those Charged with Governance 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 accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. 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 statements 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 and Board of Directors 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls 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 with reference to financial statements 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 financial controls 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 except for not keeping backup on a daily basis of such books of account maintained in electronic mode in a server physically located in India (refer Note 43 to the financial statements).
 - 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 relevant 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.
 - g) With respect to the adequacy of the internal financial controls with reference to financial statements 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 with reference to financial statements.
 - (h) 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.
 - i) 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 - Refer Note 34 to the 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, other than as disclosed in the note 42(e) to the financial statements no funds 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, other than as disclosed in the note 42(f) to the financial statements, no funds 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 performed that have 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(c) to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

- vi. Based on our examination, which included test checks, the Company has used an accounting software(s) for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software(s). Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

- 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)

Sd/-
Sathya P. Koushik
Partner

(Membership No. 206920)
UDIN: 24206920BKANYN7643

Chennai, May 09, 2024

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Timken India Limited ("the Company") as at March 31, 2024 in conjunction with our audit of the Ind AS 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 with reference to financial statements based on the internal control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements 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)

Sd/-
Sathya P. Koushik
Partner
(Membership No. 206920)
UDIN: 24206920BKANYN7643

Chennai, May 09, 2024

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, 2024, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories except for goods-in-transit and stocks held with third parties were physically verified during the year by the Management at reasonable intervals. In our opinion and based on 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. For stocks held with third parties, written confirmations have been obtained during the year and in respect of goods in transit at the year-end, the goods have been received subsequent to the year end. 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 the 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, to companies, firms, Limited Liability Partnerships or any other parties during the year. The Company has granted unsecured loans during the year to other parties (employees).
 - (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to any other entity during the year and hence reporting under clause (iii)(a) of the Order is not applicable.
 - (b) In our opinion, the terms and conditions of the grant of loans, during the year to employees are, prima facie, not prejudicial to the Company's interest.
 - (c) In respect of loans granted to employees, the schedule of repayment of principal has been stipulated and the repayment of principal amounts are regular as per stipulation. The Loans granted to employees are interest free.
 - (d) According to the information and explanations given to us and based on the audit procedures performed, in respect of loans granted to employees, there is no overdue amount remaining outstanding as at the balance sheet date.
 - (e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
 - (f) According to the information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) 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 generally been regularly deposited by it with the appropriate authorities 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, 2024, 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, 2024, 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, 2017-18	25.11	21.61
		Income Tax Appellate Tribunal	FY 2016-17	92.91	71.41
Various State	Various Sales Tax	Various Appellate Authorities	2005-06	5.95	5.79
Various State Tax Acts	Various Sales Tax	Deputy Commissioner Appeals	2009-10 to 2015-16	20.81	13.53
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
Goods & Service Tax, 2017	Goods & Service Tax	Commissioner Appeals	2017-18	13.80	12.42
		Commissioner of Sales Tax - Raipur	2017-18	0.27	0.27
		Commissioner of Sales Tax Chennai	2017-18	0.52	0.52

- (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 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) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act.

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

Sd/-
Sathya P. Koushik
Partner

(Membership No. 206920)
UDIN: 24206920BKANYN7643

Chennai, May 09, 2024

BALANCE SHEET

₹ in million

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	3	4,990.46	5,006.24
(b) Right-of-use assets	4	1,177.32	1,015.66
(c) Capital work-in-progress	5	1,041.28	534.54
(d) Investment Property	6	98.42	100.61
(e) Goodwill	7	1,813.11	1,813.11
(f) Other Intangible assets	8	449.75	497.45
(g) Financial assets			
(i) Investments	9 A	0.30	0.30
(ii) Loans	10 A	0.65	0.82
(iii) Other financial assets	11 A	162.11	104.71
(h) Non-current tax assets (net)		204.01	157.02
(i) Other non-current assets	12 A	1,450.93	218.01
Total non-current assets		11,388.34	9,448.47
2 Current assets			
(a) Inventories	13	6,666.86	5,694.90
(b) Financial assets			
(i) Investments	9 B	1,604.91	2,358.93
(ii) Trade receivables	14	6,519.49	5,757.35
(iii) Cash & Cash equivalents	15 A	3,282.09	1,584.01
(iv) Bank balances other than cash & cash equivalents mentioned above	15 B	31.52	33.10
(v) Loans	10 B	1.26	1.31
(vi) Other financial assets	11 B	102.38	74.37
(c) Other current assets	12 B	278.95	612.90
Total current assets		18,487.46	16,116.87
Total Assets		29,875.80	25,565.34
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	752.19	752.19
(b) Other equity	17	23,420.45	19,619.53
Equity attributable to owners of the Company		24,172.64	20,371.72
LIABILITIES			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	18	165.31	6.32
(ii) Other financial liabilities	24 A	2.40	2.40
(b) Provisions	19 A	479.76	502.52
(c) Deferred tax liabilities (Net)	20 A	225.93	263.86
(d) Other non-current liabilities	21 A	97.80	145.26
2 Total non-current liabilities		971.20	920.36
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	22	60.43	294.40
(ii) Lease liabilities	18	27.88	4.74
(iii) Trade payables	23		
Total outstanding dues of micro enterprises and small enterprises		366.47	373.21
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,490.81	3,070.98
(iv) Other financial liabilities	24 B	196.14	129.99
(b) Other current liabilities	21 B	158.60	106.86
(c) Provisions	19 B	86.30	44.51
(d) Current tax liabilities (net)	25	345.33	248.57
Total current liabilities		4,731.96	4,273.26
Total Liabilities		5,703.16	5,193.62
Total Equity and Liabilities		29,875.80	25,565.34

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

Chennai, May 09, 2024

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

Chennai, May 09, 2024

STATEMENT OF PROFIT AND LOSS

₹ in million

Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
Income			
Revenue from Operations	26	29,095.41	28,066.10
Other Income	27	407.65	531.75
I. Total Income		29,503.06	28,597.85
Expenses			
Cost of materials consumed		9,051.64	9,223.77
Purchases of Stock-in-Trade		8,971.99	7,429.92
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	28	(857.41)	(55.90)
Employee benefits expenses	29	1,639.53	1,590.89
Finance costs	30	37.89	28.13
Depreciation and amortisation expenses	31	851.68	871.99
Other expenses	32	4,565.60	4,273.84
II. Total Expenses		24,260.92	23,362.64
III. Profit before tax (I-II)		5,242.14	5,235.21
Tax expenses:			
(i) Current tax (includes reversal relating to earlier years)		1,358.65	1,343.97
(ii) Deferred tax		(37.93)	(16.21)
IV. Total Tax Expenses	20 B	1,320.72	1,327.76
V. Profit for the year (III - IV)		3,921.42	3,907.45
Other Comprehensive Income			
Items that will not to be reclassified to profit or loss:			
(i) Re-measurement gains/ (losses) on defined benefit plans		(10.23)	10.26
(ii) Income tax (losses)/gains effect on above		2.57	(2.58)
VI. Other comprehensive income / (loss) for the year, net of tax		(7.66)	7.68
VII. Total Comprehensive Income for the year (V + VI)		3,913.76	3,915.13
VIII. Earnings per equity share (₹ 10 each) in INR: Basic & Diluted	33	52.13	51.95

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. KoushikPartner
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Chennai, May 09, 2024

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

Sd/-

Mandar VasmatkarCompany Secretary & Chief - Compliance
Chennai, May 09, 2024

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, 2022	75,218,734	752.19	-	-	752.19
Changes in equity share capital during the year	-	-	-	-	-
As at March 31, 2023	75,218,734	752.19	-	-	752.19
Changes in equity share capital during the year	-	-	-	-	-
As at March 31, 2024	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, 2022 (a)	260.00	5,348.67	10,208.56	15,817.23
Profit for the year (b)	-	-	3,907.45	3,907.45
Other comprehensive income/ (loss) for the year, net of tax (c)	-	-	7.68	7.68
Total comprehensive income (d) = (b+c)	-	-	3,915.13	3,915.13
Equity dividend paid for the year 2021-22 (e)	-	-	(112.83)	(112.83)
Balance as at March 31, 2023 (f) = (a+d+e)	260.00	5,348.67	14,010.86	19,619.53
Profit for the year (g)	-	-	3,921.42	3,921.42
Other comprehensive income/ (loss) for the year, net of tax (h)	-	-	(7.66)	(7.66)
Total comprehensive income (i) = (g+h)	-	-	3,913.76	3,913.76
Equity dividend paid for the year 2022-23 (j)	-	-	(112.84)	(112.84)
Balance as at March 31, 2024 (k) = (f+i+j)	260.00	5,348.67	17,811.78	23,420.45

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
Chennai, May 09, 2024

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Chairman & Managing Director
DIN: 05159352

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

Sd/-
Mandar Vasmatkar
Company Secretary & Chief - Compliance
Chennai, May 09, 2024

STATEMENT OF CASH FLOWS

₹ in million

	For the year ended March 31, 2024		For the year ended March 31, 2023	
A. Cash Flow from Operating Activities :				
Profit for the year		3,921.42		3,907.45
Adjustments for :				
Income tax expenses	1,320.72		1,327.76	
Depreciation and amortisation expenses	851.68		871.99	
Interest income	(145.33)		(34.42)	
Finance costs	37.89		28.13	
Dividend Income on current investments- Non trade		(167.48)		(104.48)
(Profit)/Loss on disposal of Property, Plant & Equipment (Net)		(13.04)		(5.29)
Provision for doubtful debts, deposits & advance	10.26		10.04	
Provision no longer required written back	(7.19)		(17.98)	
Deferred government grant income	(47.46)		(49.01)	
Unrealised foreign exchange loss / (gain)	1.78		(24.47)	
		1,841.83		2,002.27
Operating profit before working capital changes		5,763.25		5,909.72
Changes in working capital				
(Increase) / Decrease in Trade receivables	(752.93)		(389.21)	
(Increase) / Decrease in Loans, other financial assets and other assets	163.49		(651.08)	
(Increase) / Decrease in Inventories	(971.96)		(110.05)	
Increase / (Decrease) in Trade payables	395.67		171.26	
Increase / (Decrease) of Short term borrowings	(233.97)		(3.37)	
Increase/(Decrease) in Other financial liabilities, other liabilities & provisions	341.94		22.88	
		(1,057.76)		(959.57)
Cash generated from Operations		4,705.49		4,950.15
Direct taxes paid (net of refund)		(1,306.30)		(1,538.57)
Net Cash generated from Operating Activities (A)		3,399.19		3,411.58
B. Cash Flow from Investing Activities :				
Purchase of Property, Plant & Equipment including capital work in progress and capital advances		(2,616.54)		(620.42)
Proceeds from disposal of property, plant & equipment		23.20		9.88
Dividend received		167.48		104.48
Interest received		145.33		34.42
Redemption/ maturity of bank deposits (net) (having original maturity of more than three months)		-		0.03
Net Cash used in Investing Activities (B)		(2,280.53)		(471.61)

Statement of Cash Flows

(Contd.)

₹ in million

	For the year ended March 31, 2024		For the year ended March 31, 2023	
C. Cash Flow from Financing Activities :				
Interest paid		(37.89)		(28.13)
Repayment of lease liabilities		(23.00)		(11.96)
Dividend paid		(112.83)		(112.83)
Net Cash used in Financing Activities (C)		(173.72)		(152.92)
Net Increase in Cash & Cash equivalents (A + B + C)		944.94		2,787.05
Cash & Cash equivalents - Opening Balance		3,942.94		1,137.46
Effect of exchange differences on restatement of foreign currency cash & cash equivalents		(0.88)		18.43
Cash & Cash equivalents - Closing Balance		4,887.00		3,942.94

Cash & 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 & cash equivalents included in the statement of cash flows comprises the following balance sheet amounts :

₹ in million

	As at March 31, 2024	As at March 31, 2023
Balance with banks (Refer. Note 15A)	3,282.09	1,584.01
Short term Investments (Refer Note 9B)	1,604.91	2,358.93
Cash & Cash equivalents	4,887.00	3,942.94

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
Chennai, May 09, 2024

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
Chennai, May 09, 2024

Sd/-

Avishrant Keshava

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

Notes to financial statements as at and for the year ended March 31, 2024

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, 2024, were authorised for issue in accordance with the resolution of the Board of Directors on May 9, 2024.

2. BASIS OF PREPARATION AND PRESENTATION, MATERIAL ACCOUNTING POLICY INFORMATION

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').

Notes to financial statements as at and for the year ended March 31, 2024

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

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

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	2.7.8	40
4	Recognition of current and deferred taxes	2.7.9	20 A, 25
5	Goodwill Impairment and future cashflow projection	-	7
6	Impairment of Trade receivables: Expected credit loss	2.7.6.1.3	14
7	Measurement and likelihood of occurrence of contingencies	-	34

2.6 Initial application of the amended Ind AS effective from financial year starting from April 01, 2023

Ind AS 1-Presentation of Financial Statements

The Company has adopted the amendments to Ind AS 1 by evaluating the current policies, making modifications to ensure compliance. The amendments change the requirements in Ind AS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in Ind AS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However not all accounting policy information relating to material transactions, other events or conditions is itself material.

2.7 MATERIAL ACCOUNTING POLICY INFORMATION

2.7.1 Property, Plant and Equipment

- All items of Property, Plant and Equipment including freehold land, are initially recorded at cost. Cost comprises the purchase price including import duties and non-refundable, purchase taxes (net of taxes credits wherever applicable) and erection /

Notes to financial statements as at and for the year ended March 31, 2024

commissioning & any incidental expenses which are directly attributable in bringing the asset to its working condition for the intended use. Subsequent to initial recognition, property, plant and equipment other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses. Freehold land has an unlimited useful life and therefore is not depreciated.

- Plant and Equipment acquired in a business combination are recognised at fair value at the acquisition date.
- 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 2.7.7).
- 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".

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 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.
 - 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.
- 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 is determined based on various technical parameters / assessments and aligned to the prescribed useful life specified under schedule II of the Companies Act, 2013.

Notes to financial statements as at and for the year ended March 31, 2024

2.7.3 Leases and Right-of-use assets

The Company lease asset classes primarily consist of leases for land, buildings, plant and machinery, furniture & fixtures and motor vehicles. The Company, at the inception of a contract, assesses whether the contract is a lease or contain a lease.

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.
- **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 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, 2024

2.7.5 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.
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.

2.7.6 Financial Instruments

2.7.6.1 Financial Assets:

Company's financial assets broadly comprise the following:

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

2.7.6.1.1 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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

2.7.6.1.2 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 2.7.6.1.3

Notes to financial statements as at and for the year ended March 31, 2024

(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.

2.7.6.1.3 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, 2024

2.7.6.2 Financial liabilities and Equity instruments issued by the Company:

2.7.6.2.1 Financial liabilities:

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

2.7.6.2.1.1 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.

2.7.6.2.1.2 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

2.7.6.2.1.3 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.

2.7.6.3 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.

2.7.7 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.

Notes to financial statements as at and for the year ended March 31, 2024

2.7.8 Employee benefits

2.7.8.1 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.

2.7.8.2 Other than short term employee benefits:

2.7.8.2.1 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 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.

2.7.8.2.2 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.

2.7.8.2.3 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.

2.7.8.2.4 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

2.7.8.2.5 The current and non-current classification of gratuity, compensated absences and death benefit scheme liabilities is based on the independent actuarial valuation reports.

2.7.9 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.

Notes to financial statements as at and for the year ended March 31, 2024

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.

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.

2.7.10 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, estimated based on the expected value of outflow 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.

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.

Notes to financial statements as at and for the year ended March 31, 2024

NOTE 3 : PROPERTY, PLANT & EQUIPMENT

Refer Note 2.7.1 for material accounting policy information on Property, Plant and Equipment

₹ in million

Gross carrying amount	Buildings	Plant & Equipment	Office Equipment	Computer Equipment	Furniture & Fixtures	Vehicles	Total
Balance as at April 1, 2022	1,648.96	6,901.62	61.77	78.84	21.91	14.70	8,727.80
Additions	193.21	491.91	2.61	10.71	5.02	1.85	705.31
Disposals	-	(46.10)	(0.21)	(15.95)	-	-	(62.26)
Balance as at March 31, 2023	1,842.17	7,347.43	64.17	73.60	26.93	16.55	9,370.85
Additions	84.93	638.62	1.33	19.25	1.81	12.15	758.09
Disposals	-	(63.35)	(1.03)	(0.11)	-	(1.69)	(66.18)
Balance as at March 31, 2024	1,927.10	7,922.70	64.47	92.74	28.74	27.01	10,062.76

Accumulated Depreciation and Impairment	Buildings	Plant & Equipment	Office Equipment	Computer Equipment	Furniture & Fixtures	Vehicles	Total
Balance as at April 1, 2022	237.42	3,307.52	18.29	59.34	7.67	2.59	3,632.83
Depreciation	76.83	695.33	0.41	12.51	2.54	1.80	789.42
Eliminated on disposals	-	(41.82)	(0.06)	(15.76)	-	-	(57.64)
Balance as at March 31, 2023	314.25	3,961.03	18.64	56.09	10.21	4.39	4,364.61
Depreciation	83.02	659.98	0.24	15.20	2.79	2.48	763.71
Eliminated on disposals	-	(53.19)	(1.03)	(0.11)	-	(1.69)	(56.02)
Balance as at March 31, 2024	397.27	4,567.82	17.85	71.18	13.00	5.18	5,072.30
Net carrying amount as at March 31, 2023	1,527.92	3,386.40	45.53	17.51	16.72	12.16	5,006.24
Net carrying amount as at March 31, 2024	1,529.83	3,354.88	46.62	21.56	15.74	21.83	4,990.46

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

Notes to financial statements as at and for the year ended March 31, 2024

NOTE 4 : RIGHT OF USE ASSETS

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

₹ in million

Gross carrying amount	Land usage rights	Buildings	Plant and Machinery	Furniture & Fixtures	Vehicles	Total
Balance as at April 1, 2022	1,093.77	26.23	1.15	-	2.56	1,123.71
Additions	-	1.31	-	-	1.33	2.64
Disposals	-	(1.04)	-	-	(0.93)	(1.97)
Balance as at March 31, 2023	1,093.77	26.50	1.15	-	2.96	1,124.38
Additions	-	185.83	-	9.84	4.16	199.83
Disposals	-	(22.38)	-	-	(1.63)	(24.01)
Balance as at March 31, 2024	1,093.77	189.95	1.15	9.84	5.49	1,300.20
Accumulated Depreciation	Land usage rights	Buildings	Plant and Machinery	Furniture & Fixtures	Vehicles	Total
Balance as at April 1, 2022	70.23	11.85	0.13	-	0.99	83.20
Depreciation	17.93	8.00	0.25	-	1.24	27.42
Eliminated on disposals	-	(0.97)	-	-	(0.93)	(1.90)
Balance as at March 31, 2023	88.16	18.88	0.38	-	1.30	108.72
Depreciation	17.93	16.64	0.25	1.39	1.55	37.76
Eliminated on disposals	-	(21.97)	-	-	(1.63)	(23.60)
Balance as at March 31, 2024	106.09	13.55	0.63	1.39	1.22	122.88
Net carrying amount as at March 31, 2023	1,005.61	7.62	0.77	-	1.66	1,015.66
Net carrying amount as at March 31, 2024	987.68	176.40	0.52	8.45	4.27	1,177.32

NOTE 5 : CAPITAL WORK IN PROGRESS (CWIP)

Refer Note 2.7.1 for material accounting policy information on Property, Plant and Equipment

₹ in million

CWIP	As at March 31, 2024					As at March 31, 2023				
	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	917.12	118.21	5.95	-	1,041.28	484.20	48.15	2.10	0.09	534.54
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
Total	917.12	118.21	5.95	-	1,041.28	484.20	48.15	2.10	0.09	534.54

Expected completion of Capital Work -In-Progress which has exceeded the original time line:

₹ in million

CWIP	As at March 31, 2024					As at March 31, 2023				
	To be completed in				Total	To be completed in				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	-	-	-	-	-	-	-	-	-	-
Project -1	78.65	-	-	-	78.65	100.69	-	-	-	100.69
Project -2	-	-	-	-	-	14.28	-	-	-	14.28
Project -3	139.60	-	-	-	139.60	-	-	-	-	-
Project -4	12.88	-	-	-	12.88	-	-	-	-	-
Project -5	11.23	-	-	-	11.23	-	-	-	-	-
Others*	11.22	-	-	-	11.22	22.91	-	-	-	22.91
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
Total	253.58	-	-	-	253.58	137.88	-	-	-	137.88

* Individual Projects less than ₹10 million have been clubbed together in Others

None of the projects in CWIP exceeded cost compared to original plan, hence no disclosure is given for the same.

Notes to financial statements as at and for the year ended March 31, 2024

NOTE 6 : INVESTMENT PROPERTY

Refer Note 2.7.2 for material accounting policy information on Investment Property

₹ in million

Gross carrying amount	Land	Buildings	Total
Balance as at April 1, 2022	47.11	61.45	108.56
Additions	-	-	-
Disposals	-	-	-
Balance as at March 31, 2023	47.11	61.45	108.56
Additions	-	-	-
Disposals	-	-	-
Balance as at March 31, 2024	47.11	61.45	108.56

Accumulated Depreciation	Land	Buildings	Total
Balance as at April 1, 2022	-	5.76	5.76
Depreciation	-	2.19	2.19
Eliminated on disposals	-	-	-
Balance as at March 31, 2023	-	7.95	7.95
Depreciation	-	2.19	2.19
Eliminated on disposals	-	-	-
Balance as at March 31, 2024	-	10.14	10.14
Net carrying amount as at March 31, 2023	47.11	53.50	100.61
Net carrying amount as at March 31, 2024	47.11	51.31	98.42

Fair Value of Investment property

₹ in million

Particulars	As at March 31, 2024	As at March 31, 2023
Land	49.44	50.41
Building	66.38	66.95

The fair value of investment property is based on a valuation carried out by an independent valuer during the financial year 2023-24, 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.

Amounts recognised in the statement of Profit or Loss for investment property

₹ in million

Particulars	As at March 31, 2024	As at March 31, 2023
Depreciation charge on investment property (refer Note 31)	2.19	2.19
Rental income (refer Note 27)	5.29	5.04

Notes to financial statements as at and for the year ended March 31, 2024

NOTE 7 : GOODWILL

Refer Note 2.7.4 for material accounting policy information on Intangible assets

₹ in million

Particulars	As at March 31, 2024	As at March 31, 2023
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, 2024:

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 management considers the entire business operations of the Company as 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, 2024, the testing did not result in any impairment in the carrying amount of goodwill.

Sensitivity Analysis:

Reasonable sensitivities in key assumptions is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating unit.

NOTE 8 : OTHER INTANGIBLE ASSETS

Refer Note 2.7.4 for material accounting policy information on Intangible assets

₹ in million

Gross carrying amount	Computer Software	Tradename and Trademark	Developed Technology	Customer Relationship	Total
Balance as at April 1, 2022	37.24	119.00	476.00	119.00	751.24
Additions	0.19	-	-	-	0.19
Disposals	-	-	-	-	-
Balance as at March 31, 2023	37.43	119.00	476.00	119.00	751.43
Additions	0.32	-	-	-	0.32
Disposals	-	-	-	-	-
Balance as at March 31, 2024	37.75	119.00	476.00	119.00	751.75
Accumulated amortisation	Computer Software	Tradename and Trademark	Developed Technology	Customer Relationship	Total
Balance as at April 1, 2022	22.38	31.06	124.28	23.30	201.02
Amortisation	7.35	7.93	31.73	5.95	52.96
Eliminated on disposals	-	-	-	-	-
Balance as at March 31, 2023	29.73	38.99	156.01	29.25	253.98
Amortisation	2.41	7.93	31.73	5.95	48.02
Eliminated on disposals	-	-	-	-	-
Balance as at March 31, 2024	32.14	46.92	187.74	35.20	302.00
Net carrying amount as at March 31, 2023	7.70	80.01	319.99	89.75	497.45
Net carrying amount as at March 31, 2024	5.61	72.08	288.26	83.80	449.75

Notes to financial statements as at and for the year ended March 31, 2024

NOTE 9 : INVESTMENTS

Refer Note 2.7.6.1 for material accounting policy information on Financial assets

A: NON-CURRENT INVESTMENTS

	Face Value	Holdings as at March 31, 2024		Face Value	Holdings as at March 31, 2023	
	₹ 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, 2024	Holdings as at March 31, 2023
At Fair Value Through Profit and Loss (FVTPL) Unquoted Instruments		
Investments in Mutual Funds	1,604.91	2,358.93
Total	1,604.91	2,358.93

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

NOTE 10: LOANS

Refer Note 2.7.6.1 for material accounting policy information on Financial assets

A: Non current

(at amortised cost. Unsecured, considered good)

₹ in million

	As at March 31, 2024	As at March 31, 2023
Loans to employees	0.65	0.82
Total	0.65	0.82

B: Current

(at amortised cost. Unsecured, considered good)

₹ in million

	As at March 31, 2024	As at March 31, 2023
Loans to employees	1.26	1.31
Total	1.26	1.31

- (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, 2024

NOTE 11 : OTHER FINANCIAL ASSETS

Refer Note 2.7.6.1 for material accounting policy information on Financial assets

A : Non current

(at amortised cost. Unsecured, considered good)

₹ in million

	As at March 31, 2024	As at March 31, 2023
Security Deposits	162.11	104.71
Total	162.11	104.71

B : Current

(at amortised cost. Unsecured, considered good)

₹ in million

	As at March 31, 2024	As at March 31, 2023
Security Deposits	86.07	64.83
Deposits with accrued interest	-	0.65
Advances to employees	0.27	0.13
Other receivables	5.79	0.38
Expense receivables from related parties (Refer Note 37)	10.25	8.38
Total	102.38	74.37

- (i) Advances to employees include for March 31, 2024 ₹ NIL (March 31, 2023 ₹ NIL) 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)

₹ in million

	As at March 31, 2024	As at March 31, 2023
Secured, considered good		
Capital advances	1,032.65	199.49
Unsecured, considered good		
Capital advances	324.95	9.16
Deposits paid under protest	3.29	5.79
Prepaid expenses	3.32	3.57
Trade advances to suppliers	86.72	-
Total	1,450.93	218.01

B : Current

(at amortised cost)

₹ in million

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Balance with Statutory/ Government authorities	170.94	510.23
Prepaid expenses	24.24	21.89
Export incentives	17.41	32.91
Trade advances to suppliers	66.36	47.87
Unsecured, doubtful		
Trade advances to suppliers	0.95	0.95
Allowance for doubtful advances	(0.95)	(0.95)
Total	278.95	612.90

Notes to financial statements as at and for the year ended March 31, 2024

NOTE 13 : INVENTORIES

Refer Note 2.7.5 for material accounting policy information on Inventories

₹ in million

	As at March 31, 2024	As at March 31, 2023
Raw materials *	1,310.26	1,222.28
Work - in - progress	620.02	701.12
Finished stock*	1,130.06	1,127.42
Stock-in-trade*	3,286.71	2,350.84
Stores and Spares *	319.81	293.24
Total	6,666.86	5,694.90

* Including goods in transit :

₹ in million

	As at March 31, 2024	As at March 31, 2023
Raw Materials	87.38	104.27
Finished Stock	180.22	249.80
Stock-in-trade	980.41	569.58
Stores & Spares	1.44	2.11

NOTE 14 : TRADE RECEIVABLES (at amortised cost)

Refer Note 2.7.6.1 for material accounting policy information on Financial assets

₹ in million

	Current	
	As at March 31, 2024	As at March 31, 2023
Trade receivables		
Secured, considered Good	19.12	17.75
Unsecured		
- considered Good	6,520.66	5,754.93
- which have significant increase in Credit Risk	3.26	5.14
- credit impaired	1.42	1.42
	6,544.46	5,779.24
Allowance for Expected credit losses	(24.97)	(21.89)
Total	6,519.49	5,757.35

(i) Movement of expected credit loss allowance

Particulars	₹ in million
Expected credit loss allowance on April 1, 2022	29.83
Change in Expected credit loss allowance	(7.94)
Expected credit loss allowance on March 31, 2023	21.89
Change in Expected credit loss allowance	3.08
Expected credit loss allowance on March 31, 2024	24.97

Notes to financial statements as at and for the year ended March 31, 2024

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 2024							
	Not Yet Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Unbilled trade receivables	Total
(i) Undisputed Trade Receivables - Considered Good	4,202.28	2,240.95	8.60	-	-	-	87.94	6,539.77
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	3.27	-	-	-	-	3.27
(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	-	-	-	-	-	-	-	(24.97)
	4,202.28	2,240.95	11.87	-	-	1.42	87.94	6,519.49

₹ in million

Particulars	Outstanding for the following period from due date of payments as at 31 March 2023							
	Not Yet Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Unbilled trade receivables	Total
(i) Undisputed Trade Receivables - Considered Good	3,622.94	2,043.11	3.04	1.36	-	-	102.23	5,772.68
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	4.36	0.78	-	-	-	5.14
(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	-	-	-	-	-	-	-	(21.89)
	3,622.94	2,043.11	7.40	2.14	-	1.42	102.23	5,757.35

Notes to financial statements as at and for the year ended March 31, 2024

NOTE 15: CASH & CASH EQUIVALENTS AND OTHER BANK BALANCES

A : CASH & CASH EQUIVALENTS

₹ in million

	As at March 31, 2024	As at March 31, 2023
Cash & Cash Equivalents :		
Balance with Banks		
Current Accounts	582.47	243.43
Deposit Accounts with original maturity less than three months	2,678.43	1,312.68
Foreign Currency Account (USD)	21.19	27.90
Total	3,282.09	1,584.01

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 & CASH EQUIVALENTS

₹ in million

	As at March 31, 2024	As at March 31, 2023
Earmarked balances with Banks- Unpaid dividend accounts	31.52	33.10
Total	31.52	33.10

Earmarked bank balances on unpaid 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, 2024	As at March 31, 2023
Authorised :		
87,000,000 (March 31, 2023: 87,000,000) Equity Shares of ₹ 10/- each	870.00	870.00
2,600,000 (March 31, 2023: 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, 2023: 75,233,884) Equity Shares of ₹10/- each	752.34	752.34
Subscribed and fully paid-up:		
75,218,734 (March 31, 2023: 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, 2024 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, 2024

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, 2024		As at March 31, 2023	
	No. of Shares	₹ in million	No. of Shares	₹ in million
At the beginning of the year	75,218,734	752.19	75,218,734	752.19
Movement during the year	-	-	-	-
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 ₹ 2.50 per equity share (March 31, 2023 - ₹ 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 2022-23 proposed by the Board and approved by the shareholders at the 36th Annual General Meeting, has been paid to the eligible shareholders during the year ended March 31, 2024.

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, 2024			As at March 31, 2023		
	No. of Shares*	₹ in million	% of share holding	No. of Shares*	₹ in million	% of share holding
Timken Singapore PTE Limited	43,399,988	434	57.70%	50,999,988	510	67.80%

(i) Out of the total shares issued, 43,399,988 (March 31, 2023: 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, 2024	As at March 31, 2023
a) Capital Redemption Reserve Capital Redemption Reserve created on redemption of preference shares in earlier years	260.00	260.00
b) Securities Premium Account Amounts received on issue of shares in excess of the par value has been classified as securities premium.	5,348.67	5,348.67
c) Retained Earnings (refer (i) & (ii) below) Surplus in Statement of Profit & Loss	17,811.78	14,010.86
Total - Other equity	23,420.45	19,619.53

(i) Movement in Retained Earnings

₹ in million

Opening Balance	14,010.86	10,208.56
Add: Profit for the year	3,921.42	3,907.45
Other Comprehensive income for the year, net of tax	(7.66)	7.68
Less: Appropriations		
Final Equity Dividend of ₹ 1.50 /- per equity share for FY 2022-23 (FY 2021-22 - ₹ 1.50/- per equity share)	(112.84)	(112.83)
Closing Balance	17,811.78	14,010.86

(ii) Retained earnings comprises of the amounts that can be distributed by the Company as dividends to its equity share holders.

Notes to financial statements as at and for the year ended March 31, 2024

NOTE 18 : LEASE LIABILITIES

(at amortised cost)

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

The following is the movement in lease liabilities:

₹ in million

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Carrying amount at the beginning of the year	11.06	19.56
Additions	199.83	2.64
Deletions	(0.40)	(0.40)
Add : Finance cost accrued during the period	5.70	1.22
Less: Repayment of lease liabilities	(23.00)	(11.96)
Carrying amount at the end of the year	193.19	11.06
Non current Lease Liabilities	165.31	6.32
Current Lease Liabilities	27.88	4.74
Total	193.19	11.06

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

₹ in million

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Less than one year	41.66	5.31
Total	41.66	5.31
Non-current		
One to five years	168.84	3.70
More than five years	52.47	17.54
Total	221.31	21.24

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

Amounts recognised in the statement of Profit or Loss

Particulars	As at March 31, 2024	As at March 31, 2023
Depreciation charge on Right-of-use asset (refer Note 31)	37.76	27.42
Interest expense (refer Note 30)	5.70	1.22
Short term lease payments (refer Note 32)	13.53	11.41

Amounts recognised in the statement of cash flows

Particulars	As at March 31, 2024	As at March 31, 2023
Cash outflows for lease payments	23.00	11.96

Notes to financial statements as at and for the year ended March 31, 2024

NOTE 19 : PROVISIONS

Refer Note 2.7.8 for material accounting policy information on Employee benefits

A: Non-Current

₹ in million

	As at March 31, 2024	As at March 31, 2023
Provision for Employee benefits :		
Employees' Death Benefit Scheme (refer Note 40)	12.00	14.45
Compensated absences (refer Note 40)	97.46	117.77
Total (a)	109.46	132.22
Others :		
Other provisions (refer note (ii) below)	370.30	370.30
Total (b)	370.30	370.30
Total (a) + (b)	479.76	502.52

B: Current

₹ in million

	As at March 31, 2024	As at March 31, 2023
Provision for Employee benefits :		
Employees' Death Benefit Scheme (refer Note 40)	7.66	8.69
Gratuity (refer Note 40)	55.80	10.52
Compensated absences (refer Note 40)	13.14	14.23
Total (a)	76.60	33.44
Others :		
Provision for Indirect taxes (refer note (i) below)	9.70	11.07
Total (b)	9.70	11.07
Total (a) + (b)	86.30	44.51

(i) Provision for Indirect taxes

₹ in million

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance	11.07	12.44
Additions during the year	-	-
Utilisation/Reversal during the year	(1.37)	(1.37)
Closing Balance	9.70	11.07

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 (PY ₹ 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 National Company Law Tribunal 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.
- (iii) All funds managed by Timken India Provident Fund Trust were transferred to EPFO by July 15, 2022.

Notes to financial statements as at and for the year ended March 31, 2024

NOTE 20 A: DEFERRED TAX LIABILITIES (net)

Refer Note 2.7.9 for material accounting policy information on Income taxes

₹ in million

	As at March 31, 2024	As at March 31, 2023
Deferred Tax Assets		
- Provision for employee benefits & other expenses	66.14	62.14
- Allowance of doubtful receivables and other assets	6.10	5.51
- Lease liabilities	48.62	2.79
Deferred Tax Assets	122.86	70.44
Deferred Tax Liabilities		
- Depreciation and amortisation differences	(299.06)	(331.77)
- Right-of-use assets	(47.73)	(2.53)
Deferred Tax Liabilities	(246.79)	(334.30)
Deferred Tax Liabilities (net)	(225.93)	(263.86)

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

₹ in million

Particulars	2023-2024				
	Balance as at March 31, 2023	Recognised in the statement of profit and Loss	Recognised in OCI	Recognised through Balance Sheet	Balance as at March 31, 2024
Deferred Tax Assets					
Provision for employee benefits & other expenses	62.14	4.00	-	-	66.14
Allowance of doubtful receivables and other assets	5.51	0.59	-	-	6.10
Lease liabilities	2.79	45.83	-	-	48.62
Deferred Tax Liabilities					
Depreciation and amortization differences	(331.77)	32.71	-	-	(299.06)
Right-of-use assets	(2.53)	(45.20)	-	-	(47.73)
Deferred Tax Assets/ Liabilities (Net)	(263.86)	37.93	-	-	(225.93)

Notes to financial statements as at and for the year ended March 31, 2024

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

₹ in million

Particulars	2022-2023				
	Balance as at March 31, 2022	Recognised in the statement of profit and Loss	Recognised in OCI	Recognised through Balance Sheet	Balance as at March 31, 2023
Deferred Tax Assets					
Provision for employee benefits & other expenses	63.25	(1.11)	-	-	62.14
Allowance of doubtful receivables and other assets	7.51	(2.00)	-	-	5.51
Amortisation of merger expenses	11.57	(11.57)	-	-	-
Lease liabilities	4.93	2.14	-	-	2.79
Deferred Tax Liabilities					
Depreciation and amortization differences	(363.06)	31.29	-	-	(331.77)
Right-of-use assets	(4.26)	1.73	-	-	(2.53)
Deferred Tax Assets/ Liabilities (Net)	(280.06)	16.20	-	-	(263.86)

- (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, 2024	For the year ended March 31, 2023
Profit before Tax (a)	5,242.14	5,235.21
Tax Expense (b)	1,320.72	1,327.76
Tax rate as a % of PBT (b)/(a)	25.19%	25.36%
At India's statutory income tax rate of 25.168% (March 31, 2023: 25.168%)	1,319.34	1,317.60
Adjustments:		
Tax on Permanent Disallowances / (Exempt Income)	20.95	18.15
Other adjustments {includes reversal of ₹ 21.99 million (March 31, 2023 - net charge of ₹ 30.09 million) relating to earlier years}	(19.57)	(7.99)
Income tax expense reported in the statement of profit and loss	1,320.72	1,327.76

Notes to financial statements as at and for the year ended March 31, 2024

NOTE 21 : OTHER LIABILITIES

A: Non-Current

Refer Note 2.7.7 for material accounting policy information on Government grants

₹ in million

	As at March 31, 2024	As at March 31, 2023
Government Grants		
Opening Balance	145.26	194.27
Received during the year	-	-
Released to the statement of profit and loss (refer Note 27)	(47.46)	(49.01)
Total	97.80	145.26

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, 2024	As at March 31, 2023
Statutory liabilities	80.89	55.26
Advances from Customers	77.71	51.60
Total	158.60	106.86

NOTE 22: SHORT-TERM BORROWINGS

(at amortised cost, unsecured)

Refer Note 2.7.6.2 for material accounting policy information on Financial liabilities

₹ in million

	As at March 31, 2024	As at March 31, 2023
Bills discounted with bank	60.43	294.40
Total	60.43	294.40

Bills discounted with banks are with recourse to the Company with various maturity dates ranging from 1- 3 months. Interest payable is 9% of the overdue bills.

Notes to financial statements as at and for the year ended March 31, 2024

NOTE 23 : TRADE PAYABLES

(at amortised cost)

Refer Note 2.7.6.2 for material accounting policy information on Financial liabilities

₹ in million

	As at March 31, 2024	As at March 31, 2023
Trade Payables :		
a) Total outstanding dues of micro and small enterprises (refer note below)	366.47	373.21
b) Total outstanding dues of creditors other than micro and small enterprises (for dues to related parties refer note 37)	3,490.81	3,070.98
Total Trade Payables	3,857.28	3,444.19

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, 2024	As at and for the year ended March 31, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal	331.75	320.99
Interest	0.62	1.20
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.	6.14	9.11
The amount of interest accrued for the year and remaining unpaid at the end of each accounting year	29.94	23.80
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, 2024	As at March 31, 2023
Total outstanding dues of micro and small enterprises	366.47	373.21
Accrued payables	(101.98)	(82.70)
Capital creditors	67.26	30.48
MSME principal	331.75	320.99

Notes to financial statements as at and for the year ended March 31, 2024

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, 2024					Unbilled trade payables	Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	231.60	85.49	9.27	2.05	12.46	25.60	366.47
(ii) Others	1,255.63	1,983.28	4.89	3.30	3.30	240.41	3,490.81
(iii) Disputed dues MSME	-	-	-	-	-	-	-
(iv) Disputed dues Others	-	-	-	-	-	-	-
Total	1,487.23	2,068.77	14.16	5.35	15.76	266.01	3,857.28

₹ in million

Particulars	Outstanding for the following period from due date of payments as on March 31, 2023					Unbilled trade payables	Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	216.47	110.28	2.32	3.37	10.50	30.27	373.21
(ii) Others	1,046.86	1,739.74	3.47	1.59	4.36	274.96	3,070.98
(iii) Disputed dues MSME	-	-	-	-	-	-	-
(iv) Disputed dues Others	-	-	-	-	-	-	-
Total	1,263.33	1,850.02	5.79	4.96	14.86	305.23	3,444.19

NOTE 24 : OTHER FINANCIAL LIABILITIES

(at amortised cost, unsecured)

Refer Note 2.7.6.2 for material accounting policy information on Financial liabilities

A: Non-Current

₹ in million

	As at March 31, 2024	As at March 31, 2023
Lease deposit	2.40	2.40
Total	2.40	2.40

Notes to financial statements as at and for the year ended March 31, 2024

NOTE 24 : OTHER FINANCIAL LIABILITIES (Contd.)

B: Current

₹ in million

	As at March 31, 2024	As at March 31, 2023
Security deposits received from Customers (refer note (i))	25.90	24.65
Interest accrued on Security deposit from customers	2.23	2.26
Unpaid dividends (refer note (ii))	31.52	33.10
Capital creditors	136.49	69.98
Total	196.14	129.99

- (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 2.7.9 for material accounting policy information on Income taxes

₹ in million

	As at March 31, 2024	As at March 31, 2023
Income tax payable (net of advance tax of ₹ 4,585.36 million (March 31, 2023 - ₹ 3,395.35 million))	345.33	248.57
Total	345.33	248.57

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 2.7.10 for material accounting policy information on Revenue recognition

₹ in million

	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from contracts with customers		
Sale of Products	26,868.82	26,292.49
Sale of Services	2,088.31	1,586.05
Other operating revenue		
Export incentives (refer note (i) below)	138.28	187.56
Revenue from operations	29,095.41	28,066.10

- (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, 2024

NOTE 27 : OTHER INCOME

₹ in million

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Income recognised on Financial assets, recognised at amortised cost	145.33	34.42
Dividend Income on current investments - non-trade (refer note (i) below)	167.48	104.48
Profit on sale of property, plant and equipment (net)	13.04	5.29
Gain on foreign currency transaction and translation (net)	-	221.11
Provision no longer required written back	7.19	17.98
Deferred Government grant income (refer note (ii) below)	47.46	49.01
Rental Income	5.29	5.04
Government Grants (refer note (iii) below)	-	75.30
Miscellaneous Income	21.86	19.12
Total	407.65	531.75

(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.

(iii) Government grant of ₹ 75.30 million received relating to Comprehensive Project Investment Subsidy (Jharkhand) against investments made in plant & machinery during the period April 2016-December 2017.

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

Refer Note 2.7.5 for material accounting policy information on Inventories

₹ in million

	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the beginning of the year		
Work in Progress	701.12	596.13
Finished Goods (Including in transit)	1,127.42	1,074.05
Stock-in-trade (Including in transit)	2,350.84	2,453.30
(A)	4,179.38	4,123.48
Inventories at the end of the year		
Work in Progress	620.02	701.12
Finished Goods (Including in transit)	1,130.06	1,127.42
Stock-in-trade (Including in transit)	3,286.71	2,350.84
(B)	5,036.79	4,179.38
(Accretion)/Decretion to Inventories (A)-(B)	(857.41)	(55.90)

During the year ended March 31, 2024 ₹ 50.08 million (March 31, 2023 ₹ (26.36) million) was recognised as reversal /(expenses) for inventories carried at net realisable value.

NOTE 29 : EMPLOYEE BENEFITS EXPENSES

Refer Note 2.7.8 for material accounting policy information on Employee benefits

₹ in million

	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, Wages and Bonus	1,337.91	1,308.24
Contribution to provident and other funds (Note 40)	162.57	132.29
Staff welfare expense	139.05	150.36
Total	1,639.53	1,590.89

Notes to financial statements as at and for the year ended March 31, 2024

NOTE 30 : FINANCE COSTS

₹ in million

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Expense	37.89	28.13
Total	37.89	28.13

Includes interest expense on lease liabilities for year ended March 31, 2024 ₹ 5.70 million (March 31, 2023 ₹ 1.22 million)

NOTE 31 : DEPRECIATION AND AMORTISATION EXPENSES

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

₹ in million

	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on Property, plant and equipment (refer Note 3)	763.71	789.42
Depreciation on Right of use assets (refer Note 4)	37.76	27.42
Depreciation on Investment Property (refer Note 6)	2.19	2.19
Amortisation of Intangible assets (refer Note 8)	48.02	52.96
Total	851.68	871.99

NOTE 32 : OTHER EXPENSES

₹ in million

	For the year ended March 31, 2024	For the year ended March 31, 2023
Consumption of stores and spares (refer note (i) below)	934.86	1,030.05
Power & Fuel	445.73	410.78
Repairs and Maintenance		
-Buildings	17.88	18.00
-Machineries	168.97	172.59
-Others	110.43	112.88
Royalty	703.46	630.64
Rent	13.53	11.41
Rates and Taxes (refer note (ii) below)	36.76	31.71
Insurance	24.71	20.96
Freight, Delivery and Shipping charges	685.02	612.73
Travelling	92.07	91.94
Services outsourced	548.59	470.72
Professional Fees (refer note (iii) below)	319.73	247.19
Inter company Service Charges	127.06	118.39
ERP and other applications expenses	77.74	68.67
CSR Expenditure (refer note (iv) below)	77.10	58.92
Provision for doubtful debts, deposits & advance	10.26	10.04
Foreign Exchange Loss (net)	6.57	-
Other Expenses	165.13	156.22
Total	4,565.60	4,273.84

- (i) Consumption of stores and spares includes packaging cost for year ended March 31, 2024 ₹ 312.41 million (March 31, 2023 ₹ 347.27 million)
- (ii) Rates & Taxes includes GST paid on stocks written off, issue of free samples/supplies and other items covered under section 17(5)(h) of GST Act 2017.

Notes to financial statements as at and for the year ended March 31, 2024 Contd.

NOTE 32 : OTHER EXPENSES (Contd.)

(iii) Professional Fees include:

₹ in million

Auditor's remuneration (exclusive of GST)	For the year ended March 31, 2024	For the year ended March 31, 2023
Statutory Audit		
As Auditors		
- For Statutory Audit	3.28	2.97
- For Limited Reviews	2.06	1.88
- For out-of-pocket expenses	1.10	0.10
For Other Matters		
- For Tax Audit	1.03	0.93
- For Other Services	0.32	0.51

(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 2023-24, the Company has spent ₹ 46.11 million on CSR activities primarily covering three areas namely promoting education including vocational skills, sports and preventive healthcare. An amount of ₹ 30.99 million is transferred to 'unspent CSR account', which is related to ongoing project.

₹ in million

	For the year ended March 31, 2024	For the year ended March 31, 2023
Gross amount required to be spent by the Company during the year	77.10	58.92
Amount spent during the year :		
i) On purposes of promotion of education, sports and preventive healthcare	46.11	34.26
ii) Amount transferred to 'unspent CSR account'	30.99	24.66
Total	77.10	58.92
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, 2024

NOTE 33 : EARNINGS PER SHARE (EPS)

	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Profit attributable to equity shareholders of the Company (₹ in million)	3,921.42	3,907.45
b) Weighted average number of equity shares outstanding @ ₹ 10/- each	75,218,734	75,218,734
Earnings per share - Basic & Diluted* (a)/(b)(in ₹)	52.13	51.95

* There are no dilutive potential equity shares.

NOTE 34 : CONTINGENT LIABILITIES AND COMMITMENTS

A. CONTINGENT LIABILITIES

₹ in million

	As at March 31, 2024	As at March 31, 2023
Claims against the Company not acknowledged as debts		
a) Indirect tax matters (refer Note below)	43.35	44.07
b) Direct tax matters (refer Note below)	118.02	118.02
c) Other claims (refer Note below)	3.19	3.19

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, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for; (net of advance of ₹ 1,357.60 million (March 31, 2023 - ₹ 208.65 million))	3,065.21	2,490.77

Notes to financial statements as at and for the year ended March 31, 2024

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, 2024 ₹ 29,095.41 million (March 31, 2023 ₹ 28,066.10 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, 2024	For the year ended March 31, 2023
Revenue from Operations		
India	23,260.08	20,477.85
Outside India		
- USA	3,092.10	4,927.45
- Others	2,743.23	2,660.80
	5,835.33	7,588.25
Total	29,095.41	28,066.10

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, 2024	As at March 31, 2023
Non-current assets other than financial assets		
India	11,225.28	9,342.64
Outside India	-	-
Total	11,225.28	9,342.64

- c) Revenue from one of the customer group amounted to ₹ 5,698.93 million (March 31, 2023 : ₹ 7,721.19 million) arising from sale of products & services.

Notes to financial statements as at and for the year ended March 31, 2024

NOTE 36 : UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars of unhedged foreign currency exposure as at the reporting date

Particulars	Currency	As at March 31, 2024		As at March 31, 2023	
		Amount in Foreign Currency (in million)	Value (₹ in million)	Amount in Foreign Currency (in million)	Value (₹ in million)
a) Trade Receivables	USD	22.47	1,839.08	23.73	1,911.54
	EURO	0.06	5.32	0.01	1.07
b) Trade Payables and capital creditors	USD	24.38	2,066.21	19.15	1,597.85
	EURO	0.01	1.23	0.06	5.86
	GBP	-	-	0.01	0.65
	JPY	-	-	3.07	1.93
c) EEFC Bank account	USD	0.26	21.19	0.35	27.90

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 Industrial Services, LLC, US 3) Timken UK Limited 4) Timken Do Brazil Comercial Importadora LTDA. 5) Timken Korea Limited Liability Corp 6) Timken South Africa (PTY) Limited 7) Timken Romania SA 8) Yantai Timken Co., Ltd. 9) Australian Timken Proprietary Limited 10) Timken Polska SP z.o.o. 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 (Chengdu) Aerospace and Precision Products Co., Ltd. 19) Timken (Hunan) Bearing Co., Ltd 20) Timken SMO LLC 21) Timken Italia S.r.l. 22) Cone Drive Operations Inc 23) Timken GmbH 24) Baier & Koppel GMBH & Co KG 25) Rollon India Pvt Ltd 26) Jiangyin Huafang New Energy Tech Co 27) Groeneveld Transport Efficiency BV

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 (Till 31st March 2024)
 Non-executive director - Mrs. N S Rama (Till 24th October 2023)
 Non-executive director - Mr. Douglas H Smith
 Non-executive director - Mr. Bushen Lal Raina (Till 1st August 2022)
 Non-executive director - Mr. George J Ollapally (From 1st June 2022)
 Non-executive director - Mr. Veerappan V (From 1st June 2022)
 Non-executive director - Mr. Hansal Patel (From 1st June 2022)
 Non-executive director - Mr. Ajay Sood (From 1st October 2023)
 Non-executive director - Dr. Lakshmi Lingam (From 1st October 2023)
 Firms where a director is a Partner - 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, 2024

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, 2024		March 31, 2023	
1	The Timken Company, US	Ultimate holding company	Purchase of goods	519.82	119.52	711.10	239.68
			Sale of goods	1,509.19	436.45	1,635.28	375.63
			Expense receivable	21.56	20.30	0.30	-
			Expense payable	200.93	34.64	218.68	44.52
			Agency Commission (Income)	3.98	0.40	4.44	0.24
			Royalty	703.46	451.36	630.64	157.97
			Purchase of Property, Plant & Equipment	4.70	-	3.04	-
2	Timken Singapore PTE Limited	Holding company	Sale of goods	196.75	0.46	266.54	21.23
			Agency Commission (Income)	28.17	1.23	8.65	0.03
			Purchase of goods	12.82	1.31	16.21	3.22
			Expense receivable	6.76	0.18	15.12	0.96
			Expense payable	-	-	2.42	-
			Dividend paid	65.10	-	76.50	-
3	The Timken Corporation	Fellow Subsidiary	Purchase of goods	969.52	201.35	1,072.40	274.56
			Sale of goods	2,908.84	892.95	4,304.85	1,056.18
			Purchase of Property, Plant & Equipment	30.20	0.11	24.88	2.94
			Agency Commission (Income)	10.04	0.97	12.13	1.14
			Expense Receivables	3.02	1.38	-	-
4	Timken Industrial Services, LLC, US	Fellow Subsidiary	Sale of goods	0.31	-	-	-
5	Timken UK Limited	Fellow Subsidiary	Sale of goods	65.33	22.16	85.95	6.35
			Purchase of goods	0.11	-	-	-
6	Timken Do Brazil . Comercial Importadora LTDA	Fellow Subsidiary	Sale of goods	136.34	38.41	197.61	32.33
			Purchase of goods	9.39	2.70	6.00	2.86
			Expense payable	-	-	7.38	6.57
7	Timken Korea Limited Liability Corp	Fellow Subsidiary	Agency Commission (Expense)	14.34	2.92	3.75	-
8	Timken South Africa (PTY) Limited	Fellow Subsidiary	Sale of goods	108.06	8.23	264.31	25.67
			Purchase of goods	61.74	23.21	30.54	8.28
9	Timken Romania SA	Fellow Subsidiary	Purchase of goods	935.25	364.41	580.55	211.34
			Sale of goods	9.67	9.51	11.63	6.10
			Expense payable	16.85	2.73	14.06	1.02
			Expense receivable	-	-	1.02	-
10	Yantai Timken Co., Ltd.	Fellow Subsidiary	Purchase of goods	544.16	91.35	517.95	152.80
			Purchase of Property, Plant & Equipment	4.52	0.51	9.06	1.50
			Expense receivable	7.33	-	-	-
			Sale of goods	92.19	22.37	66.85	11.84
11	Australian Timken Proprietary Limited	Fellow Subsidiary	Sale of goods	113.00	5.32	112.38	7.52
			Purchase of goods	2.69	0.01	6.42	3.85
			Expense receivable	10.36	0.73	7.06	0.76

Notes to financial statements as at and for the year ended March 31, 2024

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, 2024	March 31, 2024	March 31, 2023	March 31, 2023
12	Timken Polska SP z.o.o	Fellow Subsidiary	Purchase of goods Sale of goods Expense receivable Purchase of Property, Plant & Equipment	150.43 0.33 1.52 -	47.89 - - -	194.94 - - 1.67	41.75 0.60 - -
13	Timken (Wuxi) Bearings Co., Ltd.	Fellow Subsidiary	Purchase of goods Expense receivable Sale of goods	3,594.64 0.20 20.06	647.93 - 1.03	2,467.44 - 20.50	401.85 0.92 2.28
14	Timken (Shanghai) Distribution and Sales Co., Ltd	Fellow Subsidiary	Sale of goods Purchase of goods	283.45 16.70	21.85 1.29	110.53 5.72	17.43 0.67
15	MPB CORPORATION	Fellow Subsidiary	Agency Commission (Income)	-	-	0.04	-
16	Timken PWP SRL	Fellow Subsidiary	Expense receivable Purchase of goods Sale of goods	7.42 0.07 2.08	0.17 - 0.32	- - 9.62	- - 0.02
17	Timken Engineering and Research - India Private Limited	Fellow Subsidiary	Expense receivable Expense payable Purchase of goods Sale of goods	34.83 137.22 1,773.78 170.68	3.79 4.78 43.56 8.64	33.04 97.72 1,494.88 217.19	3.28 4.75 40.50 3.32
18	Timken De Mexico, S.A. De C.V.	Fellow Subsidiary	Sale of goods Purchase of goods	37.20 2.75	14.48 0.02	378.58 0.06	92.96 0.04
19	Timken Canada LP	Fellow Subsidiary	Purchase of goods Sale of goods	0.81 0.03	0.17 -	0.99 1.66	0.24 -
20	Timken (Chengdu) Aerospace and Precision Products Co., Ltd.	Fellow Subsidiary	Purchase of goods	1.56	0.15	2.73	0.27
21	Timken (Hunan) Bearing Co., Ltd	Fellow Subsidiary	Purchase of goods	-	-	112.28	-
22	Timken SMO LLC	Fellow Subsidiary	Agency Commission (Income)	1.06	-	1.06	-
23	Timken Italia S.r.l.	Fellow Subsidiary	Purchase of goods	-	-	14.47	-
24	Cone Drive Operations Inc	Fellow Subsidiary	Purchase of Property, Plant & Equipment Purchase of goods	- 0.20	- -	1.85 -	- -
25	Timken GmbH	Fellow Subsidiary	Expense Payable	15.88	2.82	13.87	1.04
26	Baier & Koppel GMBH & Co KG	Fellow Subsidiary	Purchase of goods Purchase of Property, Plant & Equipment	22.37 0.24	5.03 0.24	14.72 -	3.01 -
27	Rollon India Pvt Ltd	Fellow Subsidiary	Expense receivable	0.26	-	0.26	0.00
28	Jiangyin Huafang New Energy Tech Co	Fellow Subsidiary	Purchase of goods Purchase of Property, Plant & Equipment	35.04 0.63	- -	0.06 -	0.06 -
29	Groeneveld Transport Efficiency B V	Fellow Subsidiary	Purchase of goods	0.69	0.69	-	-

Notes to financial statements as at and for the year ended March 31, 2024

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, 2024	March 31, 2024	March 31, 2023	March 31, 2023
30	Timken India Provident Fund	Trust managed by the Company	Provident fund expense	-	-	20.79	-
31	Timken India Gratuity Fund	Trust managed by the Company	Gratuity fund expense	12.01	-	37.61	-
32	Timken India Superannuation Fund	Trust managed by the Company	Superannuation fund expense	8.47	-	6.05	-
33	ABC Bearings Employees Gratuity Fund	Trust managed by the Company	Gratuity fund expense	-	-	0.01	-
34	Asia Law Offices LLP	Firm where a director is a partner	Expense Paid	-	-	0.53	-
35	P S Dasgupta	Non-executive director	Sitting fees paid	0.60	-	0.57	-
36	Bushen Lal Raina	Non-executive director	Sitting fees paid	-	-	0.25	-
37	N S Rama	Non-executive director	Sitting fees paid	0.26	-	0.70	-
38	George J Ollapally	Non-executive director	Sitting fees paid	0.68	-	0.47	-
39	Veerappan V	Non-executive director	Sitting fees paid	0.60	-	0.53	-
40	Ajay Sood	Non-executive director	Sitting fees paid	0.29	-	-	-
41	Lakshmi Lingam	Non-executive director	Sitting fees paid	0.29	-	-	-
42	Sanjay Koul, Avishrant Keshava and Mandar Vasmatkar	Key management personnel	Short-term employee benefits	72.66	-	69.45	-
			Post-employment benefits	1.82	-	1.64	-
			Other long-term benefits	1.46	-	1.31	-

₹ in million

Total of transactions with key managerial personnel	Nature of transactions Amount for	Transaction as at the year ended	Outstanding Amount for	Transaction as at the year ended	Outstanding
		March 31, 2024	March 31, 2024	March 31, 2023	March 31, 2023
	Sitting fees paid	2.70	-	2.52	-
	Short-term employee benefits	72.66	-	69.45	-
	Post-employment benefits	1.82	-	1.64	-
	Other long-term benefits	1.46	-	1.31	-
Total		78.64	-	74.92	-

Notes to financial statements as at and for the year ended March 31, 2024

NOTE 38 : CATEGORIES OF FINANCIAL INSTRUMENTS

Refer Note 2.7.6 for material accounting policy information on Financial instruments

₹ in million

	As at March 31, 2024	As at March 31, 2023
Financial Assets		
Break up of financial assets carried at amortised cost		
Loans - non-current (refer Note 10 A)	0.65	0.82
Trade receivables-current (refer Note 14)	6,519.49	5,757.35
Cash and bank balances (refer Note 15 A & 15 B)	3,313.61	1,617.11
Loans - current (refer Note 10 B)	1.26	1.31
Other non-current financial assets (refer Note 11 A)	162.11	104.71
Other current financial assets (refer Note 11 B)	102.38	74.37
Total financial assets carried at amortised cost	10,099.50	7,555.67
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	1,604.91	2,358.93
Total financial assets carried at fair value through profit or loss	1,605.21	2,359.23
Financial Liabilities		
Break up of financial liabilities carried at amortised cost		
Non-current lease liabilities (refer Note 18)	165.31	6.32
Other non-current financial liabilities (refer Note 24 A)	2.40	2.40
Short term borrowings (refer Note 22)	60.43	294.40
Trade payables-current (refer Note 23)	3,857.28	3,444.19
Current lease liabilities (refer Note 18)	27.88	4.74
Other current financial liabilities (refer Note 24 B)	196.14	129.99
Total financial liabilities carried at amortised cost	4,309.44	3,882.04

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, 2024

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.

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, 2024.

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, 2024

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, 2024	As at March 31, 2023
USD	(1.65)	4.92
EURO	0.05	(0.05)
GBP	-	(0.01)
JPY	-	(3.07)

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, 2024		As at March 31, 2023	
	Profit & Loss	Equity	Profit & Loss	Equity
USD	(13.96)	(13.96)	41.07	41.07
EURO	0.43	0.43	(0.48)	(0.48)
GBP	-	-	(0.06)	(0.06)
JPY	-	-	(0.19)	(0.19)
Total	(13.53)	(13.53)	40.34	40.34

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, 2024 would decrease / increase by ₹ 0.31 million (Year ended March 31, 2023 ₹ 0.29 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 within 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 within 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, 2024	As at March 31, 2023
Investments (unquoted) in Equity shares	0.30	0.30
Investments (unquoted) in mutual funds	1,604.91	2,358.93

Notes to financial statements as at and for the year ended March 31, 2024

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, 2024:			
Assets measured at fair value:			
Investments in mutual funds	1,604.91	-	-
Investment in equity shares	-	-	0.30
Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2023:			
Assets measured at fair value:			
Investments in mutual funds	2,358.93	-	-
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, 2024	As at March 31, 2023
Total Debt	22	60.43	294.40
Total Equity	16 and 17	24,172.64	20,371.72
Debt to Equity %		0.25%	1.45%

Total amount of Debt ₹ 60.43 million (March 31, 2023 ₹ 294.40 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 2.7.8 for material accounting policy information 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. Certain employees who has completed more than 25 years of service gets 20 days salary for every completed year of service in excess of 25 years upto 30 years and completed more than 30 years of service gets one month salary for every completed year of service in excess of 30 years.

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 Board of Trustees of Timken India Provident Fund Trust decided to shift the management of Provident Fund to Employees Provident Fund Organisation managed by the Regional office at Jamshedpur (EPFO) with effect from April 1, 2018. Consequently, the Company deposits provident fund dues to the Regional Provident Fund Commissioner, Jamshedpur, Jharkhand. The entire fund managed by Timken India Provident Fund Trust was transferred to EPFO by July 15, 2022 along with requisite interest. Post this date, the Provident Fund management is with the EPFO. Prior to this date, for certain employees, the Company had a separate Provident Fund Trust (funded) whereby, the employees were entitled to benefits as per Provident Fund Act/Trust Deed. Any short fall for the Trust was borne by the Company, hence the same was treated as a defined benefit scheme. The actuary had provided a valuation and determined the fund assets and obligations as at March 31, 2022. The corresponding disclosures mentioned below were 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, 2024

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, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
I) Expenses recognised in the Statement of Profit & Loss						
1) Current service cost and Past service Cost	48.50	25.82	0.30	0.37	-	-
2) Interest cost	0.29	1.42	1.32	1.43	-	-
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)	48.79	27.24	1.62	1.80	-	-
Expense recognised in OCI						
6) Net remeasurement (gain) / loss recognised in the year	8.45	(14.78)	-	1.60	-	-
7) Total Expense	57.24	12.46	1.62	3.40	-	-
II) Net Asset/ (Liability) recognised in the Balance Sheet						
1) Present Values of Defined Benefit Obligation	527.77	478.09	19.66	23.14	-	-
2) Fair value of Plan Assets	471.97	467.57	-	-	-	-
3) Net Asset/ (Liability)	(55.80)	(10.52)	(19.66)	(23.14)	-	-
III) Change in Obligation during the year						
1) Present Value of Defined Benefit Obligation at the beginning of the year	478.09	460.11	23.14	26.92	-	26.88
2) Current service cost/ Plan amendments	48.50	25.82	0.30	0.37	-	2.61
3) Acquisitions (Credits)/cost	0.28	4.52	-	-	-	-
4) Interest Cost	32.58	28.54	1.32	1.43	-	-
5) Benefit Paid	(41.06)	(28.32)	(6.88)	(7.18)	-	(20.80)
6) Net changes to other reported provisions	-	-	-	-	-	(8.69)
7) Remeasurement (Gain)/ Losses						
Arising from the change in experience	13.01	3.85	1.72	2.01	-	-
Arising from the change in financial assumptions	(3.63)	(16.43)	0.06	(0.41)	-	-
Total	9.38	(12.58)	1.78	1.60	-	-
8) Present Values of Defined Benefit Obligation at the end of the year (disclosed in Provisions in note 19)	527.77	478.09	19.66	23.14	-	-
IV) Change in the Fair Value of Plan Assets						
1) Plan assets at the beginning of the year	467.57	424.44	-	-	-	-
2) Expected return on plan assets	32.27	27.11	-	-	-	-
3) Contribution by employer	11.98	37.61	-	-	-	-
4) Actual benefit paid	(41.06)	(28.32)	-	-	-	-
5) Return of Plan Assets greater/ (lesser) than discount rate	0.93	2.21	-	-	-	-
6) Remeasurement (Gain)/ Losses	-	-	-	-	-	-
7) Acquisition adjustments	0.28	4.52	-	-	-	-
8) Plan Asset at the end of the year	471.97	467.57	-	-	-	-

V) In FY 2024-25, the Company expects to contribute ₹ 56 million (FY 2023-24: ₹ 12 million) to gratuity fund.

Notes to financial statements as at and for the year ended March 31, 2024

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, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
1) Discount Rate	6.90% to 7.00%	7.10% to 7.20%	7.10%	7.10%	NA	NA
2) Expected rate of return on plan asset	NA	NA	NA	NA	NA	NA
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	55	54	NA	NA
5) Average past service (years)	12	13	30	29	NA	NA
6) Employee Turnover Rate	0.10% - 10.00%	0.10% - 10.00%	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, 2024	For the year ended March 31, 2023
1) Discount Rate	6.90% to 7.00%	7.10% to 7.20%
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	Bharuch: 3% 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%,	Bharuch: 3% 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, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Weighted average duration of the defined benefit obligation	7 years	7 years	5 years	5 years	NA	NA
Not later than 1 year (₹ in million)	62.37	39.68	7.92	8.99	NA	NA
Later than 1 year and not later than 5 years (₹ in million)	465.79	277.77	19.78	6.44	NA	NA
More than 5 years (₹ in million)	427.39	349.84	8.22	3.88	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, 2024

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, 2024	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
1. Gratuity					
Defined Benefit Obligation	527.77	478.09	460.11	436.21	413.44
Plan Assets	471.97	467.57	424.44	418.18	378.89
Surplus/ (Deficit)	(55.80)	(10.52)	(35.67)	(18.03)	(34.55)
Experience (Gain)/ loss adjustment on plan liabilities	13.01	3.85	15.23	(0.68)	(1.20)
Experience (Gain)/ loss adjustment on plan assets	-	-	-	-	-

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

a) Gratuity (Funded)

₹ in million

	March 31, 2024		March 31, 2023	
	Discount rate		Discount rate	
	1% increase	1% decrease	1% increase	1% decrease
	Impact on defined benefit obligation (Increase/ (decrease))	(50.82)	55.58	(23.49)

₹ in million

	March 31, 2024		March 31, 2023	
	Salary Growth		Salary Growth	
	1% increase	1% decrease	1% increase	1% decrease
	Impact on defined benefit obligation (Increase/ (decrease))	55.56	(50.83)	23.96

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, 2024		March 31, 2023	
	Discount rate		Discount rate	
	1% increase	1% decrease	1% increase	1% decrease
	Impact on employee death benefits obligation (Increase/ (decrease))	(0.42)	0.44	(0.56)

₹ in million

	March 31, 2024		March 31, 2023	
	Salary Growth		Salary Growth	
	1% increase	1% decrease	1% increase	1% decrease
	Impact on employee death benefits obligation (Increase/ (decrease))	0.26	(0.25)	0.25

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, 2024

NOTE 41 : FINANCIAL RATIOS

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

₹ in million

Ratios / measures

Current Assets (A)
 Current Liabilities (B)

Current ratio (C) = (A) / (B)

%Change from previous year

	As at March 31, 2024	As at March 31, 2023
	18,487.46	16,116.87
	4,731.96	4,273.26
	3.91	3.77
	4%	

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

₹ in million

Ratios / measures

Borrowings (A)
 Shareholder's equity (B)

Debt equity ratio (C) = (A) / (B)

%Change from previous year

	As at March 31, 2024	As at March 31, 2023
	60.43	294.40
	24,172.64	20,371.72
	0.00	0.01
	-75%	

The ratio has decreased from 0.01 in March 2023 to 0.002 in March 2024 because of decrease in the borrowings.

Notes to financial statements as at and for the year ended March 31, 2024

NOTE 41 : FINANCIAL RATIOS (Contd.)

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

₹ in million

Ratios / measures

Profit after tax for the year (A)

Add: Non cash operating expenses and finance cost

Depreciation and Amortisation expenses (B)

Finance costs (C)

Loss on sale of PPE (D)

Provision for doubtful debts, deposits & advance (E)

Earnings available for debt services (F) = (A)+(B)+(C)+(D)+(E)

Finance costs (G)

Borrowings (H)

Lease liabilities (I)

Debt service (J) = (G) + (H) + (I)

Debt service coverage ratio (K) = (F) / (J)

%Change from previous year

	As at March 31, 2024	As at March 31, 2023
	3,921.42	3,907.45
	851.68	871.99
	37.89	28.13
	-	-
	10.26	10.04
	4,821.25	4,817.61
	37.89	28.13
	60.43	294.40
	193.19	11.06
	291.51	333.59
	16.54	14.44
	15%	

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

₹ in million

Ratios / measures

Profit after tax for the year (A)

Closing shareholder's equity (B)

Average shareholder's equity [(opening + closing) / 2] (C)

Return on equity [%] (D) = (A)/(C) *100

%Change from previous year

	As at March 31, 2024	As at March 31, 2023
	3,921.42	3,907.45
	24,172.64	20,371.72
	22,272.18	18,470.57
	17.61%	21.16%
	-17%	

Notes to financial statements as at and for the year ended March 31, 2024

NOTE 41 : FINANCIAL RATIOS (Contd.)

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

₹ in million

Ratios / measures

Cost of goods sold* (A)
 Closing Inventory (B)
 Average inventory [(opening + closing) /2] (C)

As at March 31, 2024	As at March 31, 2023
17,166.22	16,597.79
6,666.86	5,694.90
6,180.88	5,639.88
2.78	2.94
-6%	

Inventory turnover ratio (D) = (A)/(C)

%Change from previous year

* 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

₹ in million

Ratios / measures

Revenue from operations (A)
 Closing Trade Receivables
 Average Trade Receivables [(opening + closing) /2] (B)

As at March 31, 2024	As at March 31, 2023
29,095.41	28,066.10
6,519.49	5,757.35
6,138.42	5,572.45
4.74	5.04
-6%	

Trade receivables turnover ratio (C) = (A) / (B)

%Change from previous year

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

₹ in million

Ratios / measures

Total purchases * (A)
 Closing Trade Payables
 Average Trade Payables [(opening + closing) /2] (B)

As at March 31, 2024	As at March 31, 2023
21,731.82	20,871.63
3,857.28	3,444.19
3,650.74	3,364.79
5.95	6.20
-4%	

Trade payables turnover ratio (C) = (A) / (B)

%Change from previous year

* 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, 2024

NOTE 41 : FINANCIAL RATIOS (Contd.)

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

₹ in million

Ratios / measures

Revenue from operations (A)
 Working Capital (Current Assets - Current Liabilities) (B)

Net capital turnover ratio (C) = (A)/ (B)

%Change from previous year

As at March 31, 2024	As at March 31, 2023
29,095.41	28,066.10
13,755.50	11,843.61
2.12	2.37
-11%	

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

₹ in million

Ratios / measures

Profit after tax for the year (A)
 Revenue from operations (B)

Net profit [%] (C) = (A) / (B) *100

%Change from previous year

As at March 31, 2024	As at March 31, 2023
3,921.42	3,907.45
29,095.41	28,066.10
13.48%	13.92%
-3%	

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

₹ in million

Ratios / measures

Profit after tax for the year (A)

Adjustments

Add: Total tax expenses (B)
 Add: Finance costs (C)

Earnings before interest and tax (D) = (A) + (B) + (C)

Total equity (E)
 Borrowings (F)
 Current and Non-current lease liabilities (G)
 Deferred tax liabilities (net) (H)

Capital Employed (I) = (E) + (F) + (G) + (H)

Return on capital employed [%] (J) = (D) / (I) *100

%Change from previous year

As at March 31, 2024	As at March 31, 2023
3,921.42	3,907.45
1,320.72	1,327.76
37.89	28.13
5,280.03	5,263.34
24,172.64	20,371.72
60.43	294.40
193.19	11.06
225.93	263.86
24,652.19	20,941.04
21.42%	25.13%
-15%	

Notes to financial statements as at and for the year ended March 31, 2024

NOTE 41 : FINANCIAL RATIOS (Contd.)

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

Ratios / measures

Income generated from investments (A)
Closing Investments
Average Investments [(opening + closing) /2] (B)

Return on Investment [%] (C) = (A) / (B) *100

%Change from previous year

₹ in million	
As at March 31, 2024	As at March 31, 2023
167.48	104.48
1,605.21	2,359.23
1,982.22	1,674.56
8.45%	6.24%
35%	

The ratio has increased primarily due to increase in average investments compared to the previous year.

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.

NOTE 43 : Pursuant to the amendments in Rule 3(5) of the Companies (Accounts) Rules, 2014 from August 5, 2022, back-up of the books of account and other books and papers of the Company maintained in electronic mode, including at a place outside India, if any, shall be kept in servers physically located in India on a 'daily' basis. The Company is in the process of implementing this requirement.

Notes to financial statements as at and for the year ended March 31, 2024

NOTE 44: 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 1-44 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
Chennai, May 09, 2024

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
Chennai, May 09, 2024

Sd/-

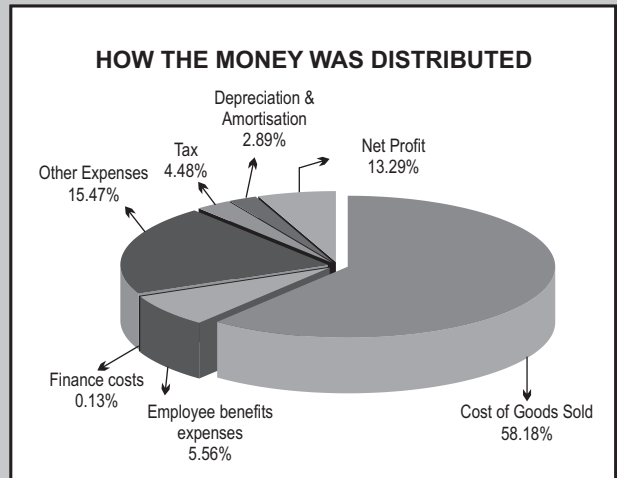
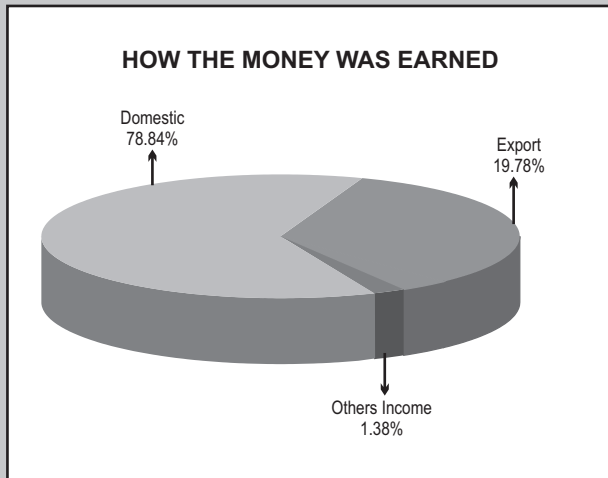
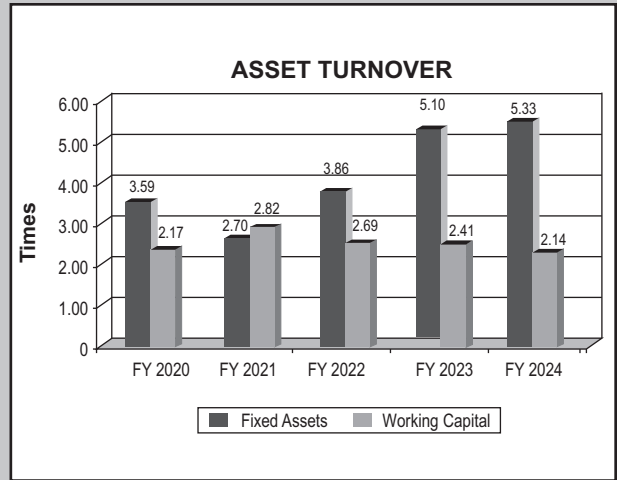
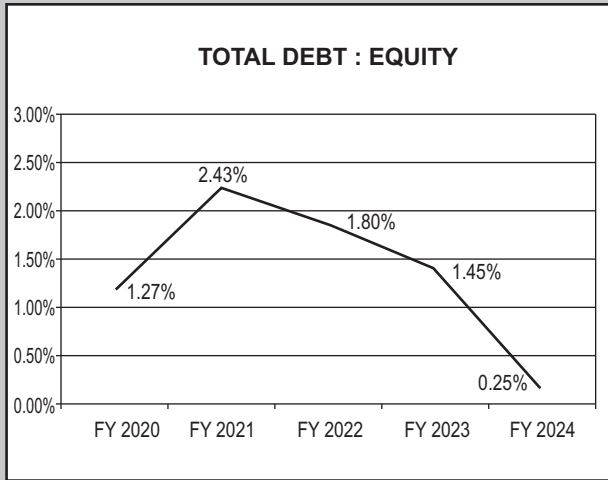
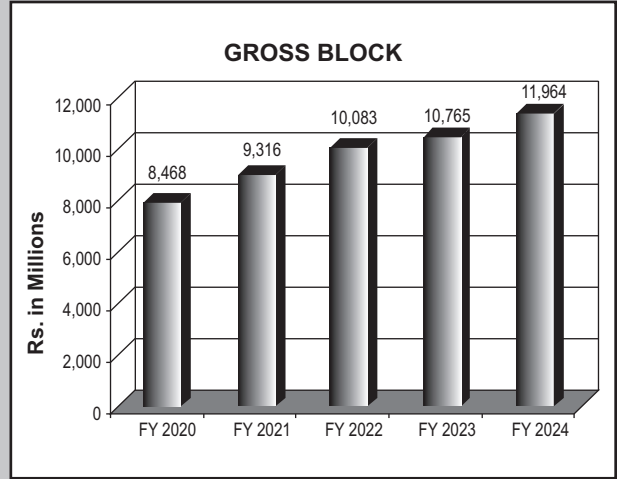
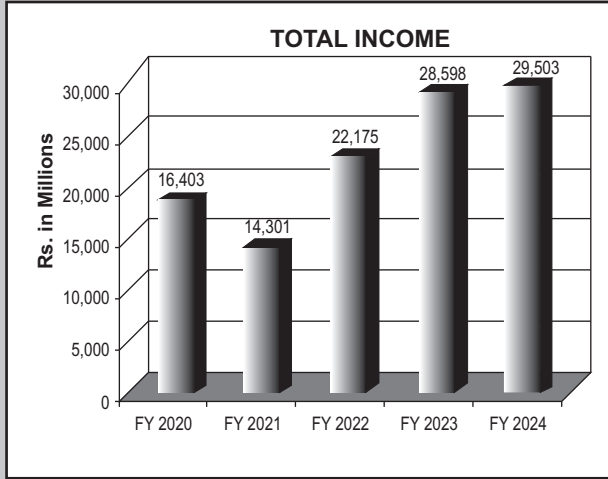
Avishrant Keshava

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

FIVE YEARS AT A GLANCE

	Year Ended 31.03.2024	Year Ended 31.03.2023	Year Ended 31.03.2022	Year Ended 31.03.2021	Year Ended 31.03.2020
Rs/millions					
Profit & Loss Account					
(i) Total Income					
(a) Domestic	23,260	20,478	15,525	10,661	12,147
(b) Export	5,835	7,588	6,508	3,444	4,022
(c) Other income	408	532	143	196	234
Total (a+b+c)	29,503	28,598	22,175	14,301	16,403
(ii) EBITDA	6,132	6,135	5,250	2,714	3,860
(iii) Profit Before Tax (PBT)	5,242	5,235	4,382	1,951	3,064
(iv) Profit After Tax (PAT)	3,921	3,907	3,271	1,432	2,461
Balance Sheet					
(i) Gross Block (includes CWIP)	11,964	10,765	10,083	9,316	8,468
(ii) Net Block	5,539	5,604	5,748	5,304	4,575
(iii) Net Current Assets	13,756	11,844	8,242	5,077	7,555
(iv) Capital Employed	25,144	21,292	17,580	14,512	16,918
(v) Total Debt	60	294	298	327	200
(vi) Total Equity	24,173	20,372	16,569	13,435	15,767
Other Comparative Data					
(i) Net Profit (%)	13.48%	13.92%	14.85%	10.15%	15.22%
(ii) Return on Equity (%)	17.61%	21.15%	21.80%	9.81%	16.87%
(iii) E.P.S (Rs)	52.13	51.95	43.49	19.03	32.72
(iv) Total Debt to Total Equity (%)	0.25%	1.45%	1.80%	2.43%	1.27%
(v) Total Debt to Capital Employed (%)	0.24%	1.38%	1.69%	2.25%	1.18%
(vi) Fixed Asset Turnover (times)	5.33	5.10	3.86	2.70	3.59
(vii) Working Capital Turnover (times)	2.14	2.41	2.69	2.82	2.17
(viii) Current Ratio (times)	3.91	3.77	2.89	2.16	3.62
(ix) Interest Cover (times)	139.35	187.11	180.07	136.37	112.36
(x) Total Income/Employee (Rs/millions)	23.07	21.26	16.83	11.11	12.93

- Notes:** (i) EBITDA is not a GAAP measurement and used internally to measure the company's performance.
(ii) Return on Equity is profit after tax divided by average total equity.
(iii) Fixed Asset Turnover is total income divided by net fixed assets as at the end of the year.
(iv) Working Capital Turnover is total income divided by net current asset as at the end of the year.
(v) Current ratio is current assets divided by current liabilities.
(vi) Interest Cover is profit before interest and taxation divided by net interest expenses.



TIMKEN INDIA LIMITED

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

(CIN: L29130KA1996PLC048230)

Phone No. 080-41362000

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

Notice

Notice is hereby given that 37th Annual General Meeting ('AGM') of Timken India Limited will be held on Monday, 19 August, 2024 at 3.00 PM (IST) through Video Conferencing ('VC')/Other Audio-Visual Means ('OAVM') to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31 March, 2024 and reports of the Board of Directors and the Statutory Auditors.
2. To declare dividend of Rs. 2.5/- per equity share of Rs. 10/- each fully paid up for the financial year ended 31 March, 2024.
3. To appoint a Director in place of Mr. Hansal Patel (DIN: 09607506), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. Re-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 read with Schedule-IV of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or amendments or re-enactments thereof) and based on recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, consent of the Members be and is hereby accorded for re-appointment of Mr. George J Ollapally (DIN: 09607523) as an Independent Director of the Company for a further period of 3 years w.e.f. 1 June, 2024."

5. Appointment of Mr. Soumitra Hazra (DIN: 02293182) 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 read with Schedule-IV of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or amendments or re-enactments thereof) and based on recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, consent of the Members be and is hereby accorded for appointment of Mr. Soumitra Hazra (DIN: 02293182), as an Independent Director of the Company for a period of 2 years w.e.f. 31 May, 2024."

6. 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. 6,30,000/- (Rupees Six Lakhs and Thirty Thousand 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 Cost Audit for the financial year 2024-25 be and is hereby ratified and approved."

7. 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 the meaning of Regulation 2(1)(zb) of the Listing Regulations, for financial year 2024-25, 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.”

8. 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 the meaning of Regulation 2(1)(zb) of the Listing Regulations, for financial year 2024-25, 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.”

9. 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 the meaning of Regulation 2(1)(zb) of the Listing Regulations, for financial year 2024-25, 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.”

10. 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 the meaning of Regulation 2(1)(zb) of the Listing Regulations, for financial year 2024-25, 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, 2024
Place: Bengaluru

Sd/-
Mandar Vasmatkar
Company Secretary
& Chief - Compliance

NOTES :

1. The Ministry of Corporate Affairs vide its Circular dated 25 September, 2023 read with Circulars dated 8 April, 2020, 13 April, 2020, 5 May, 2020, 28 December, 2022 (collectively referred to as "MCA Circulars") has allowed to conduct 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. The deemed venue for the AGM shall be the Registered Office of the Company. 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. Statement pursuant to Section 102 of the Companies Act, 2013 (the 'Act') in respect of item nos. 4 to 10 is annexed hereto. Applicable details relating to Directors pursuant to Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Secretarial Standard-2 ('SS-2') are also annexed to this Notice.
3. Those Members who have not encashed their dividend warrants relating to payment of dividend for financial years 2016-17, 2017-18, 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23 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 not encashed by them.
4. 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 financial year 2016-17 relating to Timken India Limited and ABC Bearings Limited (amalgamated) is due for transfer to IEPF in the month of September, 2024 and October, 2024 respectively.
5. Dividend on equity shares, as recommended by the Board of Directors (Rs. 2.5/- per equity share of Rs.10/- each fully paid up), if declared at 37th AGM of the Company, will be paid to those Members whose names will appear on the Register of Members of the Company or in the statement as may be furnished by the depositories for this purpose as at the close of business on 26 July, 2024.
6. Beneficial Owners of shares in demat form are advised to get particulars of their bank accounts and PAN details updated with the Depository Participants.
7. 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 the 37th 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 law.
8. In compliance with MCA Circulars read with SEBI Circular dated 7 October, 2023, Annual Report and Notice of AGM are being sent only by e-mail to those Members who have registered their e-mail addresses with the Company/Depository Participant(s). Copies of Annual Report for financial year 2023-24 and Notice of 37th AGM are available on the website of the Company at <https://www.timken.com/en-in/investors/financial-report/#annual>.
9. 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.
10. It may please be noted that dividend to security holders holding shares in physical form shall be paid only after updating all KYC details (i.e. PAN, contact details, mobile number, bank details and specimen signature) with the Company. It may also be noted that dividend for the financial year 2023-24, if declared at 37th AGM, shall be paid only through electronic mode to all shareholders. All relevant forms (i.e. Forms ISR-1, ISR-2, ISR-3, ISR-4, ISR-5, SH-13 and SH-14) for updating KYC details are available on the website of the Company at <https://www.timken.com/en-in/investors/statutory-compliances/#download-application>.
11. Pursuant to Finance Act 2020, dividend income is taxable in the hands of Shareholders effective April 1, 2020 and the Company is required to deduct tax at source from dividend paid to the Members at the rates prescribed in the Income Tax Act, 1961 ('the IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company/Registrars and Transfer Agents by sending documents through e-mail within 7 days of the record date as mentioned in Note 5 above, to enable the Company to determine the appropriate TDS/withholding tax rate applicable, verify the documents and provide exemption. Detailed process is available on the Company's website at <https://www.timken.com/en-in/investors/statutory-compliances/#dividend>. For any tax related query, you may write to TIL.TDS@timken.com.

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

Item No. 4

Mr. George J Ollapally (DIN: 09607523) ('Mr. Ollapally') was appointed as an Independent Director of the Company effective 1 June, 2022 for a period of 2 years. As per Section 149 of the Act, Mr. Ollapally is eligible to be re-appointed as an Independent Director of the Company for another term.

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 NRC Policy and since he met with the criteria laid down and possesses the skills and capabilities required for the role, recommended his re-appointment as an Independent Director of the Company for a further period of 3 years w.e.f. 1 June, 2024. In the opinion of the Board of Directors, Mr. Ollapally fulfills the conditions specified in the Act and the Rules made thereunder and he is independent of the management. The Board has also identified skills/expertise required in the context of business. Mr. Ollapally possess required skills to be on the Board of the Company. For more details regarding skills possessed by Mr. Ollapally, please refer Corporate Governance Report forming a part of the Board's Report. The Board of Directors, based on performance evaluation of first tenure and considering his knowledge, expertise and contribution, believes that continued association of Mr. George will be of immense benefit to the Company and therefore, approved re-appointment of Mr. Ollapally as an Independent Director of the Company for a further period of 3 years w.e.f. 1 June, 2024, subject to approval of Members.

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.

The Company has also received from Mr. Ollapally:

- a) Consent in Form DIR-2
- b) Intimation in Form DIR-8 and
- c) Declaration to the effect that he meets the criteria of independence in terms of Section 149 of the Act and Regulation 16 of Listing Regulations.

Brief profile of Mr. Ollapally and relevant details as per SS-2 are provided as a part of this Notice. Mr. Ollapally is not debarred/disqualified to act as Director.

The proposal for re-appointment of Mr. Ollapally as an Independent Director of the Company is therefore, placed before the Members for approval as set out under item no. 4 of the accompanying Notice. The Board recommends Resolution set out under item no. 4 for approval of the Members.

Memorandum of Interest

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

Item No. 5

Based on recommendation of the Nomination and Remuneration Committee, the Board has approved appointment of Mr. Soumitra Hazra (DIN: 02293182) ('Mr. Hazra') as an Independent Director of the Company effective 31 May, 2024 for a period of two years subject to approval of the Members of the Company. The Company is in receipt of a notice under Section 160 of the Act from a Member proposing candidature of Mr. Hazra for the office of Independent Director of the Company.

The Company has received from Mr. Hazra:

- a) Consent in Form DIR-2
- b) Intimation in Form DIR-8 and
- c) Declaration to the effect that he meets the criteria of independence in terms of Section 149 of the Act and Regulation 16 of Listing Regulations.

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. Hazra taking into consideration personal specifications and aspects covered in the NRC Policy and since he met with criteria laid down and possesses the skills and capabilities required for the role, the Nomination and Remuneration Committee recommended his appointment as an Independent Director of the Company. The Board also

evaluated candidature of Mr. Hazra considering skills, expertise required in the context of business and after deliberation, felt that his skills, expertise will add value to the Board to function effectively.

Mr. Hazra had served as Company Secretary and Chief – Compliance of the Company in the past and superannuated in 2019. Since then, he did not have any material pecuniary transaction with the Company. He fulfils the criteria of independence provided in the Act and Listing Regulations. Brief profile of Mr. Hazra and relevant details as per SS-2 are provided as a part of this Notice.

The proposal for appointment of Mr. Hazra as an Independent Director of the Company is therefore, placed before the Members for approval as set out under item no. 5 of the accompanying Notice. In the opinion of Board of Directors, Mr. Hazra fulfils the conditions specified in the Act and he is independent of the management. The Board recommends Resolution set out under item no. 5 for approval of the Members.

Memorandum of Interest

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

Item No. 6

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 financial year 2024-25 at a remuneration of Rs. 6,30,000/- (Rupees Six Lakhs and Thirty Thousand Rupees only) plus applicable taxes and 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. 6 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. 7, 8, 9 & 10

The Company is listed on BSE Ltd and National Stock Exchange of India Limited with majority of its share capital held by Timken Singapore Pte. Limited. The Company anticipates material related party transactions with the following four related parties during financial year 2024-25:

- The Timken Company: Ultimate Holding Company
- The Timken Corporation: Fellow Subsidiary
- Timken Engineering and Research- India Pvt Ltd (TERI): Fellow Subsidiary
- Timken Wuxi Bearings Co Ltd (Timken Wuxi): Fellow Subsidiary

Summary of material related party transactions is as under:

(₹ in Million)

Name of Related Party (1)	Nature of Transactions (2)	Actual transactions for year ended 31 March, 2024 (3)	Estimated transactions for FY 2024-25 (4)	Estimated transaction as % to turnover of FY 2023-24 (5)
The Timken Company	Purchase of Goods	519.82	990.00	-
	Sale of Goods	1,509.19	2,130.00	-
	Expense Receivable	21.56	80.00	-
	Expense Payable	200.93	290.00	-
	Agency Commission (Income)	3.98	50.00	-
	Purchase of Property, Plant & Equipment	4.70	100.00	-
	Royalty	703.46	820.00	-
Total		2,963.64	4,460.00	15%

TIMKEN INDIA LIMITED

(₹ in Million)

Name of Related Party (1)	Nature of Transactions (2)	Actual transactions for year ended 31 March, 2024 (3)	Estimated transactions for FY 2024-25 (4)	Estimated transac- tion as % to turn- over of FY 2023-24 (5)
The Timken Corporation	Purchase of Goods	969.52	1,400.00	-
	Sale of Goods	2,908.84	6,710.00	
	Purchase of Property, Plant & Equipment	30.20	590.00	
	Expense Receivable	3.02	50.00	
	Expense Payable	-	100.00	
	Agency Commission (Income)	10.04	50.00	
Total		3,921.62	8,900.00	31%
Timken Engineering and Research-India Pvt. Ltd.	Expense Receivable	34.83	90.00	-
	Expense Payable	137.22	180.00	
	Purchase of Goods	1,773.78	3,380.00	
	Sale of Goods	170.68	530.00	
	Purchase of Property, Plant & Equipment	-	80.00	
Total		2,116.51	4,260.00	15%
Timken Wuxi Bearings Co. Ltd.	Purchase of goods	3,594.64	6,380.00	-
	Expense Payable	-	60.00	
	Expense Receivable	0.2	60.00	
	Sale of Goods	20.06	60.00	
	Purchase of Property, Plant & Equipment	-	85.00	
Total		3,614.90	6,645.00	23%

Note: It may 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.

Brief about transactions with The Timken Company

The Timken Company was founded by Mr. Henry Timken in 1899 with the innovation and patent of the first tapered roller bearing. With its rich history of 125 years and expertise in materials science, friction management, and mechanical power transmission, The Timken Company plays a pivotal role in enhancing the performance and reliability of industrial machinery and equipment globally. Based in Canton, Ohio, USA, The Timken Company has continually evolved, serving a broad spectrum of industries including aerospace, mining, railroads, construction, automotive, energy, and the wind sector, as well as various after-market sectors. Through its strategic acquisitions, The Timken Company has expanded its global footprint and diversified its business operations, enabling it to launch innovative products and services. The Company mainly buys or sells products or their components from/to The Timken Company. The Company has been granted license by The Timken Company to use its tradename and technology for which the Company pays royalty to The Timken Company.

Brief about transactions with The Timken Corporation

The Timken Corporation works as the distribution center of Timken Group companies through whom all the exports and imports of the Company are routed through for better distribution of Timken products and services. Instead of buying and selling products to individual Timken entities across the world or to final customer, the Company mainly buys or sells products from/to The Timken Corporation.

Brief about transactions with TERI

TERI has technology center in Bangalore which caters to inhouse requirements of Timken group companies. TERI has a manufacturing plant in Chennai. This plant is located in a Special Economic Zone. The Company avails services from this technology center in the areas of product engineering, information technology, manufacturing technology and other general enterprise level administrative services. The Company buys products manufactured by TERI Chennai plant for further sale in India.

Brief about transactions with Timken Wuxi

Timken Wuxi inter alia manufactures wind bearings and components. The Company buys mainly wind bearings and rollers (components) from Timken Wuxi to cater domestic demands.

Rationale or justification for transactions with aforesaid related parties

Timken is a well recognized brand in India and all over the world. The Company derives significant branding strength by using Timken tradename. Transactions with aforesaid related parties are undertaken mainly to buy and sale finished products or components thereof. Timken group companies across the world use same quality standards including in India. When transactions with aforesaid related parties are undertaken, it is assured that quality of products is same. Timken has worldwide presence; likewise many of its customers also have worldwide presence. Global customers having presence in India or outside would like buy products from the Company as they are ensured that quality of product is same at all locations, and they don't face issues on this account. This helps the Company to enlarge the customer reach and market with business ease. Further, when the Company sells the products to aforesaid related party it does not face issues in payment recovery which otherwise it may face in the event of sale to end customer in other geographies. Transactions with these related parties provide access to valuable management expertise and deep industry knowledge and also facilitate the integration of cutting-edge proprietary technologies and a robust synergy between the Company and related parties which promotes a conducive environment for mutual growth and innovation. These related party transactions have helped the Company so far and is expected to continue to help achieve lean supply chain, cost efficiency, quick payment recovery and administrative convenience.

Other Disclosures

- These transactions are undertaken at arm's length price and are in ordinary course of business.
- 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, 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 2024-25 is estimated to exceed ten per cent of annual turnover of the Company as per the last audited financial statements as on 31 March, 2024.
- 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 financial year 2024-25 etc. The Audit Committee, after deliberation, has approved aforesaid related party transactions.

The Board recommends Resolutions set out under item nos. 7, 8, 9 and 10 for approval of Members.

Memorandum of Interest

No Director, Key Managerial Personnel or their relatives is concerned or interested in the Resolutions except Mr. Hansal Patel for item nos. 7 and 8 and Mr. Sanjay Koul for item no. 9.

Date: 1 July, 2024
Place: Bengaluru

By Order of the Board

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 the 37th 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
16 August, 2024 from 9.00 A.M.	18 August, 2024 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 12 August, 2024 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 9 December, 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"> 1. 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. 2. 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 3. 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.

Type of shareholders	Login Method
	<p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;">NSDL Mobile App is available on</p> <p style="text-align: center;">  App Store  Google Play </p> <div style="display: flex; justify-content: center; gap: 20px;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi/Easiest, they can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing Myeasi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on 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 able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>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.</p>

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 details for individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL are hereunder:

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.com or call at 022 - 4886 7000
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 toll free no. 1800 22 55 33

B. Login Method for e-Voting and joining virtual meeting:

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

- 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.
- 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 eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices 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 register with the Company. For example if Folio number is 001*** and EVEN number 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 Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
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 Shareholder, 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) by email to tilinvestor@timken.com.
- 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) by email to tilinvestor@timken.com. 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.](#)
- c. Alternatively Shareholder/Members may send a request to evoting@nsdl.com for procuring user ID and password for e-voting by providing above mentioned documents.
- d. In terms of SEBI circular dated December 9, 2020 Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

INSTRUCTIONS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of AGM is same as mentioned above for remote e-Voting.
2. Only those Members/Shareholders, 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.
3. 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.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS ATTENDING AGM THROUGH VC/OAVM:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against Company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. 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, 5 (five) days before the AGM date. The same will be replied by the Company suitably in the meeting.
6. 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/SHAREHOLDERS

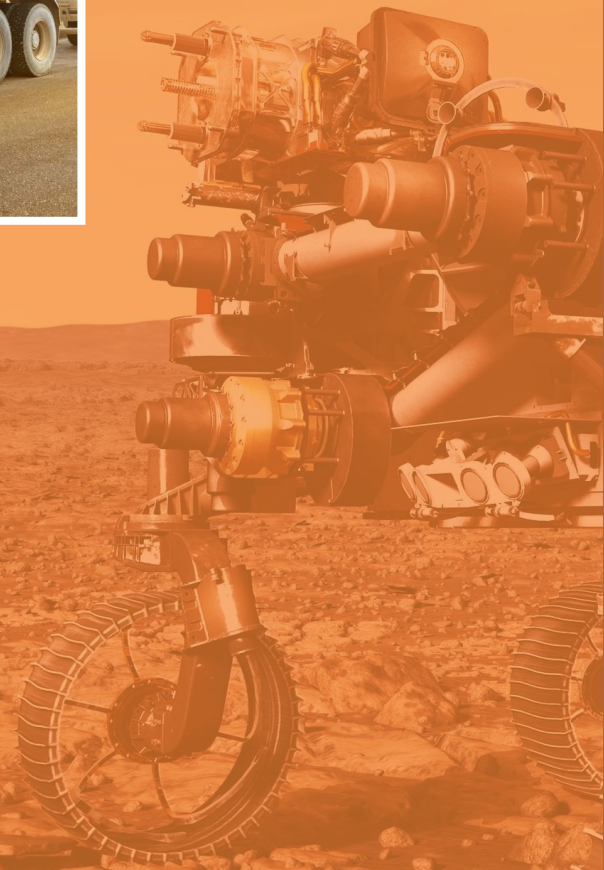
1. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer, by e-mail to csa9@yggpcs.com with a copy marked to evoting@nsdl.com. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.
2. 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.
3. 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 : 022-48867000 or send request at evoting@nsdl.com.
4. 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 cut-off date of 12 August, 2024.
5. 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.
6. 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.
7. Nagarjun Y G, Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize remote e-Voting and e-Voting on the day of AGM in a fair and transparent manner.
8. 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, not later than two 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.
9. Results declared along with the report of the Scrutinizer shall be placed on the Company's website at <https://www.timken.com/en-in/investors/statutory-compliances/#general> 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. Hansal Patel	Mr. George J Ollapally	Mr. Soumitra Hazra
Brief resume of the Director	<p>Mr. Hansal Patel currently an executive officer of The Timken Company is serving as Vice President, General Counsel and Secretary.</p> <p>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.</p> <p>As Corporate Secretary, Mr. Patel leads the Timken's corporate social responsibility and corporate governance initiatives. He has been instrumental in the Timken's acquisition strategy to expand its power transmission product offering.</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 ('BOD') 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>	<p>Mr. Soumitra Hazra is an accomplished finance and legal professional with overall experience of 40 years. Mr. Hazra has diverse professional qualifications and has a unique blend of finance and legal skills. Mr. Hazra has a proven track record in financial management, audit, board and corporate governance and legal matters.</p> <p>Mr. Hazra started his career as an Article Clerk with Pricewaterhouse & Co. and after getting qualified as a Chartered Accountant, worked with them as an Officer. Later, he worked with CESC Limited in Corporate Secretarial for 11 years. Thereafter, he moved to Timken and served Timken for 23 years. He superannuated from Timken as Company Secretary & Chief-Compliance in September 2019. During his professional career of 40 years, Mr. Hazra has worked extensively in finance, audit, corporate secretarial and legal areas. He has rich experience in corporate restructuring, fund raising, merger and amalgamations, litigation management, business ethics management.</p>
Date of Birth/Age	03 May, 1980/44 years	01 February, 1953/71 Years	25 September, 1959/64 Years
Date of first appointment	01 June, 2022	01 June, 2022	31 May, 2024
Expertise in specific functional areas	<ul style="list-style-type: none"> Legal & Corporate Secretarial Mergers and acquisitions Corporate Governance <p>For more details, please refer Corporate Governance Report</p>	<ul style="list-style-type: none"> Human Resource Management Business Management <p>For more details, please refer Corporate Governance Report</p>	<ul style="list-style-type: none"> Financial Management Legal & Corporate Secretarial Corporate Governance
Qualifications	<ul style="list-style-type: none"> Bachelor's degree from The Ohio State University Juris Doctor from Case Western Reserve University 	<ul style="list-style-type: none"> BA (HONS) Economics - St. Joseph's College, Bangalore PGDBM – Xavier Institute, Jamshedpur 	<ul style="list-style-type: none"> B.Com, Calcutta University Member of The Institute of Chartered Accountants of India (ICAI) Member of The Institute of Company Secretaries of India (ICSI)
List of listed companies in which Directorship/ Committee position is held as on 31 March, 2024 (other than Timken India Limited)	Nil	Nil	Nil
Listed entities from which the Director has resigned in the past three years	Nil	Nil	Nil

TIMKEN INDIA LIMITED

Name of Director	Mr. Hansal Patel	Mr. George J Ollapally	Mr. Soumitra Hazra
Chairman/Member of the Committees of the Board of the listed Companies in which he/she is a Director as on 31 March, 2024	Timken India Limited Member: Stakeholders Relationship Committee Member: Nomination and Remuneration Committee	Timken India Limited: Member: Audit Committee Chairman: Nomination and Remuneration Committee	Nil
Shareholding in the Company including beneficial ownership	Nil	Nil	2 Equity Shares
Relationship with other Directors/KMP	No relationship with other Directors/KMP	No relationship with other Directors/KMP	No relationship with other Directors/KMP
No. of Board Meetings attended in FY 2023-24	4	4	NA
Terms of Appointment/ Re-appointment	Liable to retire by rotation	3 Years w.e.f. 1 June, 2024 (For more details, please refer "Terms of appointment of Independent Director" hosted on the website of the Company at www.timken.com/en-in)	2 Years w.e.f. 31 May, 2024 (For more details, please refer "Terms of appointment of Independent Director" hosted on the website of the Company at www.timken.com/en-in)
Remuneration paid in FY 2023-24	Nil	Except for sitting fees of Rs 6.75 lakhs, no other remuneration was paid.	Nil
Remuneration sought to be paid	Nil	Sitting fees as approved by the Board of Directors will be paid	Sitting fees as approved by the Board of Directors will be paid



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