

29 December, 2017

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

Dear Sirs,

Subject: Intimation of the Notices to shareholders and creditors with respect to the Scheme of Amalgamation and Arrangement between ABC Bearings Limited and Timken India Limited and their respective shareholders and creditors

With reference to the captioned subject, we herewith enclose the Notices convening meetings of the Equity Shareholders and Unsecured Creditors of Timken India Limited pursuant to the Order of National Company Law Tribunal, Bengaluru Bench ("Tribunal") dated 14 December, 2017.

The above notices are available on the website of the Company www.timken.com/en-in.

We request you to kindly take this on record.

Thanking you,

Yours faithfully

For **TIMKEN INDIA LIMITED**

for 

Soumitra Hazra
Company Secretary
& Chief- Compliance

Registered office:
Timken India Limited
39-42, Electronic City
Phase II, Hosur Road
Bangalore 560 100, Karnataka
India

TIMKEN INDIA LIMITED

CIN: L29130KA1996PLC048230

PAN: AABCT0596J

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

EmailID:tilinvestor@timken.com

TelNo: 080-41362000, Fax No: 080-41362010

Website: www.timken.com/en-in

MEETING OF THE EQUITY SHAREHOLDERS OF TIMKEN INDIA LIMITED CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH

MEETING:

Day	Thursday
Date	February 01, 2018
Time	10:00 a.m. (IST)
Venue	Tangerine Conference Hall, Lemon Tree Hotel, Plot No. 54B/55A, Hosur Main Road, Electronic City, Phase I, Bangalore - 560 100

POSTAL BALLOT AND REMOTE E-VOTING:

Start Date and Time	January 02, 2018 at 09:00 a.m. (IST)
End Date and Time	January 31, 2018 at 05:00 p.m. (IST)

INDEX

Sr. No.	Particulars	Page No.
1.	Notice convening meeting of the equity shareholders of Timken India Limited under the provisions of Sections 230 to 232 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016	3-7
2.	Explanatory Statement under Section 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016	8-22
3.	<u>Annexure 1</u> Scheme of Amalgamation and Arrangement between ABC Bearings Limited and Timken India Limited and their respective shareholders and creditors	23-36
4.	<u>Annexure 2</u> Valuation Report issued by SSPA & Co. dated July 04, 2017	37-43
5.	<u>Annexure 3</u> Fairness Opinions issued by JM Financial Institutional Securities Limited, a Category-I Merchant Banker dated July 04, 2017 and by SBI Capital Markets Limited, a Category-I Merchant Banker dated October 27, 2017	44-53
6.	<u>Annexure 4</u> Observation Letters issued to Timken India Limited by BSE Limited (" BSE ") dated November 03, 2017 and by National Stock Exchange of India Limited (" NSE ") dated November 06, 2017	54-57
7.	<u>Annexure 5</u> Complaints reports filed with BSE and NSE by Timken India Limited	58-63
8.	<u>Annexure 6</u> Observation Letter issued to ABC Bearings Limited by BSE dated November 03, 2017	64-65
9.	<u>Annexure 7</u> Unaudited Financial Statements of Timken India Limited for the period ended June 30, 2017	66-67
10.	<u>Annexure 8</u> Unaudited Financial Statements of ABC Bearings Limited for the period ended September 30, 2017	68-69
11.	<u>Annexure 9</u> Report pursuant to Section 232(2)(c) read with Section 102 and other applicable provisions of the Companies Act, 2013	70
12.	<u>Annexure 10</u> Form of Proxy	71
13.	<u>Annexure 11</u> Attendance Slip and Route Map of the Meeting Venue	72
14.	Postal Ballot Form	75-76

Form No. CAA 2
[Pursuant to Section 230(3) and Rule 6 and 7]
Company Application No.CA(CAA)85/BB/2017
BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH

In the matter of the Companies Act, 2013

AND

In the matter of **TIMKEN INDIA LIMITED**

AND

In the matter of Sections 230 to 232 of the Companies Act, 2013

AND

In the matter of Scheme of Amalgamation and Arrangement between ABC Bearings Limited and
Timken India Limited and their respective shareholders and creditors

Timken India Limited

A Company incorporated under the Companies
Act, 1956, having its Registered Office at
39-42, Electronic City, Phase II,
Hosur Road, Bangalore – 560 100,
Karnataka, India

...Applicant Company/Transferee Company

**NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF
TIMKEN INDIA LIMITED, THE APPLICANT COMPANY (“MEETING”)**

To,

The Equity Shareholder(s) of Timken India Limited
(“the Applicant Company” or “the Company” or “the Transferee Company”)

NOTICE is hereby given that by an order dated December 14, 2017, in the abovementioned Company Application No.CA(CAA)85/BB/2017, the Bengaluru Bench of the National Company Law Tribunal (“**Tribunal**”) has directed a Meeting to be held of the equity shareholders of Timken India Limited, for the purpose of considering and if thought fit, approving with or without modification, the arrangement, proposed in the matter of Scheme of Amalgamation and Arrangement between ABC Bearings Limited and Timken India Limited and their respective shareholders and creditors (“**Scheme**”).

TAKE FURTHER NOTICE that in pursuance of the said order and as directed therein, further notice is hereby given that a Meeting of the equity shareholders of the Applicant Company will be held to transact the following business at Tangerine Conference Hall, Lemon Tree Hotel, Plot No. 54B/55A, Hosur Main Road, Electronic City, Phase I, Bangalore - 560 100, on February 01, 2018 at 10 a.m. (IST) at which time and place, you are requested to attend.

TAKE FURTHER NOTICE that copy of the Scheme, explanatory statement under section 230(3) of the Companies Act, 2013 read with Section 102 of the Companies Act, 2013, form of proxy, attendance slip and postal ballot form as stated in the index are enclosed herewith.

The Hon'ble Tribunal has appointed Mr. Sanjay Koul, Chairman & Managing Director of the Applicant Company or in his absence, Mr. Avishrant Keshava, Business Controller – India, CFO & Whole-time Director of the Applicant Company to be the Chairman of the Meeting. The above Scheme if approved by the equity shareholders, will be subject to the subsequent approval of the Hon'ble Tribunal.

In accordance with the applicable regulatory provisions, in addition to casting of votes at the Meeting, the Company has provided the equity shareholders with facility of casting their votes by way of postal ballot or by way of remote e-voting facility offered by the National Securities Depository Limited (NSDL). The shareholders may refer to the "Notes" to this notice for further details on postal ballot and remote e-voting.

The Audit Committee and the Board of Directors of the Applicant Company at their respective meetings held on July 04, 2017, have approved the Scheme, subject to approval by the requisite majority of equity shareholders of the Applicant Company, as may be required and subject to the sanction of this Hon'ble Tribunal and such other authorities as may be necessary.

The voting rights of the equity shareholders shall be in proportion to their shareholding in the Company as on the close of business hours on December 26, 2017 ("**Cut-Off Date**").

The equity shareholders are requested to attend, to consider and, if thought fit, to pass with or without modification(s), the following resolution under Sections 230 to 232 of the Companies Act, 2013 (including any statutory modification(s) thereof for the time being in force):

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 (including any statutory modification(s) thereof for the time being in force) and other applicable provisions of the Memorandum and Articles of Association of the Company and subject to the approval of the National Company Law Tribunal at Bengaluru and Mumbai and subject to such other approvals and permissions, which may be prescribed or imposed by the respective Benches of the Hon'ble National Company Law Tribunal or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "**Board**") which term shall be deemed to mean and include one or more committee(s) constituted/to be constituted by the Board or any other person authorized by it to exercise its power including the powers conferred by this resolution), the arrangement embodied in the Scheme of Amalgamation and Arrangement between ABC Bearings Limited ("**Transferor Company**") and Timken India Limited ("**Transferee Company**") and their respective shareholders and creditors (hereinafter referred to as "**Scheme**") placed before this Meeting and initialled by the Chairman of the Meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT any Director of the Company and the Company Secretary be and are hereby severally authorised to do all such acts, deeds, matters and things, as he/she it may, in his/her absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendment's, limitations and/or conditions, if any, which may be required and/or imposed by the Bengaluru bench and Mumbai bench of the Hon'ble National Company Law Tribunal while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper."

Place: Bengaluru
Date: December 20, 2017

Sanjay Koul
Chairman appointed for the Meeting

Registered Office:
39-42 Electronic City,
Phase II Hosur Road
Bangalore – 560100
CIN - L29130KA1996PLC048230

Notes:

- (1) This Notice is being sent to the equity shareholders whose names appear in the register of members/ record of depositories as at the close of business hours on December 08, 2017 in physical mode. Also this Notice is being sent additionally by email to the equity shareholders whose email address is registered with the Company/ Depository Participant(s) for communication.
- (2) This Notice may also be accessed on the Applicant Company's Website www.timken.com/en-in and of NSDL at www.evoting.nsdl.com.
- (3) An equity shareholder of the Applicant Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Applicant Company. The proxy form duly completed should, however, be deposited at the registered office of the Applicant Company not less than 48 (forty eight) hours before the commencement of the Meeting.

-
- (4) A person can act as proxy on behalf of shareholders not exceeding 50 (fifty) in number and/ or holding in aggregate not more than 10% (ten percent) of the total share capital of the Applicant Company. In case a proxy is proposed to be appointed by shareholder(s) holding more than 10% (ten percent) of the total share capital of the Applicant Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
 - (5) All alterations made in the form of proxy should be initialled.
 - (6) A person who is a minor cannot be appointed as proxy.
 - (7) A proxy can only cast vote but cannot speak at the meeting.
 - (8) Only registered equity shareholders of the Applicant Company may attend and vote (either in person or by proxy or by authorised representative under Section 112 and 113 of the Companies Act, 2013) at the equity shareholders' meeting. The authorised representative of a body corporate which is a registered equity shareholder of the Applicant Company may attend and vote at the Meeting, provided a certified true copy of the resolution of the Board or other governing body of the body corporate is deposited at the registered office of the Applicant Company not later than 48 (forty eight) hours before the Meeting authorising such representative to attend and vote at the equity shareholders' meeting.
 - (9) Foreign Institutional Investors (FIIs) who are registered equity shareholders of the Applicant Company would be required to deposit certified copies of custodial resolutions/power of attorney, as the case may be, authorizing the individuals named therein, to attend and vote at the Meeting on its behalf. These documents must be deposited at the registered office of the Applicant Company not later than 48 (forty eight) hours before the Meeting.
 - (10) Registered equity shareholders are informed that in case of joint holders attending the Meeting, only such joint holder whose name stands first in the register of members of the Applicant Company in respect of such joint holding will be entitled to vote.
 - (11) Shareholders are requested to hand over the enclosed attendance slip, duly signed in accordance with their specimen signature(s) registered with their respective depositories or with the Applicant Company for admission to the Meeting hall. Shareholders who hold shares in dematerialized form are requested to bring in their "Client ID" and "DP ID" numbers for identification.
 - (12) In compliance with Section 108 and 110 of the Companies Act, 2013 read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations'), the Applicant Company has also provided the facility to the shareholders to cast their votes either by way of postal ballot or through remote e-voting facility arranged by NSDL, prior to the Meeting.
 - (13) The voting period for postal ballot and remote e-voting shall commence on and from January 02, 2018 at 09:00 a.m. (IST) and end on January 31, 2018 at 05:00 p.m. (IST). The remote e-voting module shall be disabled by NSDL for voting at 05:00 p.m. (IST), on January 31, 2018. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
 - (14) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the Cut-Off Date only shall be entitled to avail the facility of postal ballot, remote e-voting as well as voting at the Meeting. Any person who acquires shares of the Applicant Company and becomes the member of the Applicant Company after the Cut-Off Date shall not be eligible to vote either through postal ballot, remote e-voting or at the Meeting. Any recipient of this Notice who has no voting rights as on the Cut-Off Date should treat the same as intimation only.
 - (15) The facility for voting through ballot paper shall be available at the venue of the Meeting and the members attending the Meeting who have not already cast their vote by postal ballot or remote e-voting shall be able to exercise their right at the Meeting.
 - (16) If an equity shareholder has opted for e-voting, then he/ she should not vote by postal ballot form and vice-versa. However, in case equity shareholder(s) cast their vote both via postal ballot and e-voting then voting validly done through e-voting shall prevail and voting done by postal ballot shall be treated as invalid.
 - (17) A postal ballot form along with self-addressed postage pre-paid envelope is also enclosed. Members are requested to carefully read the instructions printed in the postal ballot form and return the form duly completed with assent (for) and dissent (against), in the attached business reply envelope, so as to reach the scrutinizer on or before January 31, 2018, at 05:00 p.m. (IST).
 - (18) Shareholders can also download the postal ballot form from the Applicant Company's website www.timken.com/en-in. In case a shareholder is desirous of obtaining a printed duplicate postal ballot form, he or she may send an e-mail to rta@cbmsl.com. The Registrar and Share Transfer Agent shall forward the same along with postage prepaid self-addressed business reply envelope to the shareholder.

-
-
- (19) No other form or photocopy of the postal ballot form is permitted.
- (20) The particulars as required under Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 with regard to the postal ballot or e-voting shall be published through and advertisement in The Hindu in English language and Udyavaani in Kannada, both having the circulation in Bengalore.
- (21) In case equity shares held by companies, trusts, societies, etc., the duly completed postal ballot form should be accompanied by a certified true copy of the board resolution/ appropriate authorisation.
- (22) Relevant documents referred to in the notice and the explanatory statement are open for inspection by the Members of the Applicant Company at 39-42 Electronic City, Phase II Hosur Road Bengalore – 560100 between 10AM to 12 noon on any working day up to the date of the Meeting. The said documents shall also be available for inspection at the venue of the Meeting.
- (23) The instructions for the Members for e-voting are as under:

(A) In case of Members receiving an e-mail from NSDL [for Members whose e-mail ID's are registered with the Company/Dipository Participant(s)] :

- (i) Open e-mail and open PDF file viz "Timken India Limited remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains user ID and password/ PIN for remote e-voting. Please note that the password is an initial password.

Note: Shareholders already registered with NSDL for e-voting will not receive the PDF file "Timken India Limited remote e-voting.pdf"

- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>

(iii) Click on "Shareholder – Login".

(iv) Put your user ID and password. Click Login.

NOTE: shareholders who forgot the User Details/Password can use "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.

In case shareholders are holding shares in demat mode, USER-ID is the combination of (DPID + Client ID).

In case shareholders are holding shares in physical mode, USER-ID is the combination of (EVEN No + Folio No).

- (v) "Password change" menu appears. Change the password/ PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of "e-Voting" opens. Click on "remote e-Voting: Active Voting Cycles".

(vii) Select "EVEN" (Electronic Voting Event Number) of Timken India Limited.

(viii) Now you are ready for remote e-Voting as "Cast Vote" page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also click on "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG format) of the relevant Board Resolution/Appropriate Authorisation Letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the scrutinizer through e-mail at soumitra.hazra@timken.com with a copy marked to evoting@nsdl.co.in.

(B) In case Members receiving physical copy of the Notice of the meeting for Members whose e-mail ID's are not registered with the Company/Dipository Participant(s) or requesting physical copy :

(i) Use User ID and initial password is provided at the bottom of the Annexure to the Notice.

(ii) Please follow all steps from Sr. No. 23 A (ii) to 23 A (xii) above, to cast your vote.

-
- (C) If you are already registered with NSDL for e-voting then you can use your existing user ID and password for Login to cast your vote.
- (D) 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 Downloads section of NSDL’s e-voting website: www.evoting.nsdl.com or call on toll free no. 1800-222-990. In order to address any grievances related to e-voting, you may write to evoting@nsdl.co.in
- (E) Any person who acquires share of the Company and become Members of the Company after dispatch of the Notice and holding share as on cut off date i.e. December 26, 2017 may obtain login ID and password by sending a request at evoting@nsdl.co.in or at rta@cbmsl.com.
- (24) The Tribunal has appointed Mr. Soumitra Hazra, Company Secretary of the Transferee Company to act as scrutinizer to scrutinise votes cast either through remote e-voting or on postal ballot or on poll at the Meeting and submit a report on votes cast to the Chairman of the Meeting.
- (25) The result of the voting shall be announced by the Chairman, upon receipt of scrutinizer’s report and the same shall be placed on the Company’s website www.timken.com/en-in and on the website of NSDL at www.evoting.nsdl.com within three days of the passing of the resolution at the Meeting on February 01, 2018 and communicated to the BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”), where the shares of the Company are listed on the said date.

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
BENGALURU BENCH**

In the matter of the Companies Act, 2013

AND

In the matter of Sections 230 to 232 of the Companies Act, 2013

AND

In the matter of TIMKEN INDIA LIMITED

AND

In the matter of Scheme of Amalgamation and Arrangement between ABC Bearings Limited and
Timken India Limited and their respective shareholders and creditors

In

Company Application No.CA(CAA)85/BB/2017

Timken India Limited

A Company incorporated under the Companies
Act, 1956, having its Registered Office at
39-42, Electronic City, Phase II,
Hosur Road, Bangalore – 560 100,
Karnataka, India

.....Applicant Company/Transferee Company

**EXPLANATORY STATEMENT UNDER SECTION 230(3), 232(1) AND (2) AND 102 OF THE COMPANIES ACT, 2013 ('the Act')
READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 FOR THE
MEETING OF THE EQUITY SHAREHOLDERS OF TIMKEN INDIA LIMITED DIRECTED TO BE CONVENED BY HON'BLE NATIONAL
COMPANY LAW TRIBUNAL, BENGALURU BENCH**

Details of the Companies or Parties involved in the Scheme:

1. **ABC Bearings Limited** is referred to as "**Transferor Company**";
2. **Timken India Limited** is referred to as "**Transferee Company**";

The Scheme of Amalgamation and Arrangement between the above companies and their respective shareholders and creditors is referred to as "**the Scheme**" or "**this Scheme**" or "**Scheme**" and the Transferor Company is within the jurisdiction of National Company Law Tribunal, Mumbai. The Transferee Company is within the jurisdiction of National Company Law Tribunal, Bengaluru and is the "**Applicant Company**" in Company Application No.CA(CAA)85/BB/2017. Other definitions contained in the enclosed Scheme will apply to this Statement.

1. This is a Statement accompanying the Notice convening the meeting of the equity shareholders of the Transferee Company, pursuant to an order dated December 14, 2017 ("**Order**") passed by the Bengaluru Bench of the National Company Law Tribunal ("**Tribunal**") in the Company Application No.CA(CAA)85/BB/2017 referred to hereinabove the meeting of the equity shareholders of the Applicant Company is being convened and held on February 01, 2018 at Tangerine Conference Hall, Lemon Tree Hotel, Plot No. 54B/55A, Hosur Main Road, Electronic City, Phase I, Bangalore - 560 100 at 10:00 a.m. (IST), for the purpose of considering and, if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme.
2. In addition to voting through the ballot paper at the Tribunal Convened meeting of the equity shareholders of the Applicant Company, approval of the equity shareholders of the Applicant Company is also sought by way of Postal Ballot and remote e-Voting facility arranged by National Securities Depository Limited ("**NSDL**") in compliance with Section 108 and 110 of the Companies Act, 2013 read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**").

-
3. In accordance with the provisions of Sections 230 - 232 of the Act, the Scheme shall be acted upon only if a majority of persons representing three-fourths (3/4th) in value of the equity shareholders, of the Transferee Company, voting in person or by proxy or e-voting or postal ballot, agree to the Scheme.
 4. In terms of the said Order, the quorum for the said meeting is 30 (thirty) as prescribed under Section 103 of the Act, present in person. Further in terms of the said Order, NCLT has appointed Mr. Sanjay Koul, Chairman & Managing Director of the Applicant Company failing him, Mr. Avishrant Keshava, Business Controller - India, CFO & Whole-time Director of the Applicant Company to be the Chairman of the said meeting including for any adjournment or adjournments thereof.
 5. A copy of the Scheme as approved by the Board of Directors of the Applicant Company, after undertaking necessary modifications recommended by the Stock Exchanges is enclosed as **Annexure 1**. The proposed Scheme is envisaged to be effective from the Appointed Date (as defined in the Scheme) but shall be made operative from the Effective Date (as defined in the Scheme).
 6. The Scheme was placed before the Audit Committee and Board of Directors of the Transferee Company at their respective meetings held on July 04, 2017. In accordance with Circular No. CFD/DIL3/CIR/2017/21 dated 10th day of March, 2017, issued by the Securities and Exchange Board of India (referred to as "SEBI Circular"), the Audit Committee of the Company recommended the Scheme to the Board of Directors of the Transferee Company inter-alia taking into account:
 - a. The Valuation Report dated July 04, 2017 issued by M/s. SSPA & Co, Chartered Accountants for issue of shares by the Transferee Company pursuant to the Scheme;
 - b. The Fairness Opinion dated July 04, 2017, issued by M/s. JM Financial Institutional Securities Limited, a Category-I Merchant Banker to the Transferee Company;
 - c. Statutory Auditor's Certificate dated July 04, 2017 issued by M/s S.R. Batiboi & Co., Chartered Accountants, the then Statutory Auditors of the Transferee Company, in relation to the accounting treatment prescribed in the Scheme.

Subsequent to the approval of the Board of Directors of the Transferee Company and based on the recommendation of Stock Exchanges, the Transferee Company obtained another fairness opinion from SBI Capital Markets Limited, a Category-I Merchant Banker dated October 27, 2017.

Copy of the Valuation Report and Fairness Opinion obtained are enclosed as **Annexure 2** and **Annexure 3** to this Notice.

7. Details of the Companies:

7.1 Transferor Company

- (a) ABC Bearings Limited (the "Transferor Company") is a public limited company which was incorporated on May 30, 1961 under the name and style of 'Antifriction Bearings Corporation Limited' under the Companies Act, 1956. Subsequently, the name of the Transferor Company was changed from "Antifriction Bearings Corporation Limited" to "ABC Bearings Limited" and a fresh certificate of incorporation consequent on the change of name was issued to the Transferor Company on September 27, 2002. The Transferor Company is engaged in the business of (i) engineering, product design, manufacturing, distribution and sale of bearings including inter alia taper roller bearings, cylindrical roller bearings, spherical roller bearings and slewing bearings; and (ii) procurement, distribution and sale of other bearings, grease, oil and UJ Cross, not manufactured by the Transferor Company but sold by the Transferor Company under the "ABC" brand.
- (b) Corporate Identification Number (CIN): L29130MH1961PLC012028
- (c) The PAN of the Transferor Company is AAAC5018Q
- (d) The Registered Office of the Transferor Company is situated at 402 – B, Poonam Chambers, Dr. Annie Besant Road, Worli, Mumbai – 400 018. Email address: regdoff@abcbearings.com
- (e) There has been no change in the name and registered office of the Transferor Company during the last five (5) years. Objects Clause III of Memorandum of Association of the Transferor Company was altered by adding the new Clause No. 36 in the Annual General Meeting held on 3rd August, 2012. Apart from this, there has been no change in the object clause and registered office of the Transferor Company during the last five (5) years.

(f) The objects of the Transferor Company are set out in the Memorandum of Association. They are briefly as under:-

"III The objects for which the Company is established are:-

- (1) *To acquire and take over as a going concern the business now carried on at Lonavla (Maharashtra) in the firm name and style of Messrs. Dhirajal & Co., (Lonavla) and all or any of the assets and liabilities of the proprietors of the said business in connection therewith and with a view thereto to enter into the agreement referred to in Article 2 of the Articles of Association and to carry the same into effect with or without modifications.*
- (2) *To carry on all or any of the business of importing, exporting, dealing, manufacturing, buying, selling and distributing and generally dealing in ball bearings, cylindrical roller bearings, spherical roller bearings, taper roller bearings, thrust ball bearings, compound roller and thrust bearings, needle roller bearings, aircraft bearings, taper roller thrust bearings and any type of common or special bearings, steel rollers and steel balls for paint industries and other uses and any other articles and things allied or otherwise.*
- (3) *To carry on all or any of the trades or business of machine makers, metal-workers, tool makers, boiler-makers, mill-wrights, mechanics, iron-founders, iron and steel converters, compressor manufacturers, metallurgists, smelters, refiners, wood workers, electrical and mechanical engineers and contractors in all or any of their details, branches and processes and to manufacture, produce, buy, sell, hire, import, export, let out on hire, trade and deal in machinery and tools of all descriptions, mill-wrights, work engines, boilers, compressors, engineers and contractors plant and other articles, apparatus, appliances, substances, products and materials connected with the business aforesaid or any of them.*
- (4) *To carry on any business relating to the production and working of metals, and the production, manufacture, and preparation of any materials which may be usefully or conveniently combined with the manufacturing and other business of the Company.*
 - i. *To manufacture, purchase, put up and use all the apparatus now known or that may hereafter be invented, connected with the generation, accumulation, storage, distribution, supply and employment of electricity produced by harnessing wind energy, including all wind-mills, electric generators, storage batteries, cables, wires or appliances for connecting the apparatus at a distance with other apparatus and including the setting up of stations, sub-stations and to channelise all electrical power so generated into the state or national grid or to set up a distribution network and system for the purpose of making available the electrical energy to members of the public.*
 - ii. *To acquire, construct, erect, lay down, maintain, enlarge, alter, work and use all lands, buildings, easements, windmills, transmissions, towers, electric generators, storage batteries, power line networks and other works, machinery, plant, stock, pipes, motors, fittings, meters, apparatus, materials and things as may be necessary, incidental or convenient in connection with the production, use, storage regulation, measurement, supply and distribution of the electrical energy produced by the Company by harnessing wind energy.*
- (5) *To acquire, construct, carry out, equip, maintain, alter, improve, develop, manage, work, control and superintend any tanks, coolie, lines and houses and bustees, villages, roads, ways, tramways, water-courses, dykes, drains, wharves, furnaces, crushing works, hydraulic works, workshops, factories, warehouses, sheds, dwellings, offices, shops, stores, buildings and other works and conveniences which may seem directly or indirectly conducive to any of the objects of the Company and to contribute to subsidise or otherwise aid by taking part in any such operations.*
- (6) *To buy, sell, manufacture, repair, alter, improve, exchange, let out on hire, import, export and deal in all factories, works, plant, machinery, tools, utensils, appliances, apparatus, products, materials, substances, articles and things capable of being used in any business which this Company is competent to carry on or required by any customers of or persons having dealings with the Company or commonly dealt in by persons engaged in such business or which may seem capable of being profitably dealt with in connection therewith and to manufacture, experiment with, render marketable and deal in all products of residual and by-products incidental to or obtained in any of the business carried on by the Company.*
- (7) *To purchase, take on lease or tenancy or in exchange, hire, take options over or otherwise acquire any estate or interest whatsoever and to hold, develop, work, cultivate, deal with and turn to account concessions, grants, decrees, licences, privileges, claims, options, leases, property, real or personal or rights or powers of any kind which may appear to be necessary or convenient for any business of the Company and to purchase, charter, hire, build or otherwise acquire vehicles of any or every sort or description for use on or under land or water or in the air and to employ the same in the carriage of merchandise of all kinds or passengers and to carry on the businesses of owners of trucks, trams, lorries, motor cars and of ship-owners and lighter-men and owners of aircrafts in all or any of their respective branches.*

-
- (8) *To sell, exchange, mortgage, let on lease, royalty or tribute, grant licences, easements, options and other rights over and in any other manner deal with or dispose off the undertaking, property, assets, rights and effects of the Company or any part thereof for such consideration as may be thought fit and in particular for stock, shares whether fully or partly paid up or securities of any other Company.*
 - (9) *To advance, deposit with or lend money, securities and property to or receive loans or grants or deposits from the Government.*
 - (10) *To lend money, either or without security and generally to such persons and upon such terms and conditions as the Company may think fit.*
 - (11) *To undertake financial and commercial obligations, transactions and operations of all kinds.*
 - (12) *To guarantee the performance of the obligations of and the payment of dividends and interest on any stock, shares or securities of any company, corporation, firm or person in any case in which such guarantee may be considered likely directly or indirectly to further the objects of the Company or the interests of its shareholders.*
 - (13) *To guarantee the payment of money unsecured or secured by or payable under or in respect of promissory notes, bonds, debentures, debentures stocks, contracts, mortgages, charges, obligations instruments and securities of any company or of any authority, supreme, municipal, local or otherwise or of any persons whomsoever, whether incorporated or not incorporated and generally to guarantee or become sureties for the performance of any contracts or obligations.*
 - (14) *To subscribe for, absolutely or conditionally, purchase or otherwise acquire and to hold, dispose off and deal in shares, stocks and securities or obligations of any other Company whether Indian or foreign.*
 - (15) *To invest any moneys of the Company in such investments (other than shares or stock in the Company) as may be thought proper and to hold, sell or otherwise deal with such investments.*
 - (16) *To borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular by the issue of debentures or debenture - stock perpetual or otherwise, charged upon all or any of the Company's property (both present and future), including its uncalled capital and to purchase, redeem and pay off any such securities.*
 - (17) *To draw, make, accept, discount, execute and issue bills of exchange, Government of India and other promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments or securities.*
 - (18) *To apply for, purchase or otherwise acquire and protect, prolong and renew whether in India or elsewhere any patents, patent rights, brevets invention, trade marks, designs, licenses, protections, concessions and the like conferring any exclusive or non-exclusive or limited right to use any secret or other information as to any invention, process or privilege which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated directly or indirectly to benefit the Company and to use, exercise, develop, manufacture under or grant licences or privileges in respect of or otherwise turn to account the property rights and information so acquired and carry on any business in any way connected therewith.*
 - (19) *To spend money in experimenting on and testing and in improving or seeking to improve any patents, rights, inventions, discoveries, processes or information of the Company or which the Company may acquire or propose to acquire.*
 - (20) *To establish, provide maintain and conduct research laboratories, training colleges, schools and other institutions for the training education and instruction of students and others who may desire to avail themselves of the same and to provide for the delivery and holding of lectures, demonstrations, exhibitions, classes, meetings and conferences in connection therewith.*
 - (21) *To acquire and undertake all or any part of the business, property and liabilities of any person or Company carrying on any business which this Company is authorised to carry on or possessed of property suitable for the purposes of the Company.*
 - (22) *To take part in the management, supervision or control of the business or operations of any Company or undertaking and to act as Managing Agents or Secretaries thereof and for that purpose to appoint and remunerate any Directors, Accountants or other experts or agents.*
 - (23) *To procure the registration or incorporation or recognition of the Company in or under the laws of any place outside India.*
 - (24) *To form, incorporate or promote any company or companies, whether in India or in any foreign country, having amongst its or their objects the acquisition of all or any of the assets or control, management or development of the Company or any other objects or object which in the opinion of the Company could or might directly or indirectly assist the Company in the management of its business or the development of its properties or otherwise prove advantageous to the Company and to pay all or any of the costs and expenses incurred in connection with any such promotion or incorporation and to remunerate any person or Company in any manner it shall think fit for services rendered or to be rendered in obtaining subscriptions for or placing or assisting to place or to obtain subscriptions for or for guaranteeing the subscription or the placing of any shares in*

the capital of the Company or any bonds, debentures, obligations or securities of the Company or any stock, shares, bonds, debentures, obligations or securities of any other Company held or owned by the Company or in which the Company may have interest or in or about the formation or promotion of the company or the conduct of its business or in or about the promotion or formation of any other Company in which the Company may have an interest.

- (25) *To enter into partnership or into any arrangement for sharing profits or into any union of interests, joint-adventure, reciprocal concession or co-operation with any person or persons or Company or Companies carrying on, or engaged in, or about to carry on or engage in, or being authorised to carry on or engage in or any business or transaction which this company is authorised to carry on or engage in or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company.*
- (26) *To enter into any arrangements and to take all necessary or proper steps with governments or with other authorities imperial, supreme, national, local, municipal or otherwise of any place in which the Company may have interests and to carry on any negotiations or operations for the purpose of directly or indirectly carrying out the objects of the Company or effecting any modification in the constitution of the company or furthering the interest of its members and to oppose any such steps taken by any other Company, firm or person which may be considered likely directly or indirectly to prejudice the interests of the Company or its members and to promote or assist the promotion, whether directly or indirectly, of any legislation which may appear to be in the interests of the Company and to oppose and resist, whether directly or indirectly, any legislation which may seem disadvantageous to the Company and to obtain from any such government authority or any Company any charters, contracts, decrees, right, grants, loans, privileges or concessions which the Company may think it desirable to obtain and carry out, exercise and comply with any such arrangements, charters, contracts, decrees, rights, privileges or concessions.*
- (27) *To adopt such means of making known the products of the Company as may seem expedient and in particular by advertising in the press by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations.*
- (28) *To undertake and execute any trust, the undertaking of which may seem to the Company desirable, and either gratuitously or otherwise.*
- (29) *To apply the assets of the Company in any way in or towards the establishment, maintenance or extension of any association, institution or fund in any way connected with any particular trade or business or with trade, commerce generally including any association, institution or fund for the protection of the interests of masters, owners and employers against loss by bad debts, strikes, combinations, fire, accidents or otherwise or for the benefit of any clerks, workmen or others at any time employed by the Company or any of its predecessors in business or their families or dependents and whether or not in common with other persons or classes of persons and in particular of friendly, co-operative and other societies, reading rooms, libraries, educational and charitable institutions, refectories, dining and recreation rooms, churches, chapels, schools and hospitals and to grant gratuities, pensions and allowances and to contribute to any funds raised by public or local subscriptions for any purpose whatsoever.*
- (30) *To aid, pecuniarily or otherwise, any association, body or movement having for an object the solution, settlement, or surmounting of industrial or labour problems or troubles or the promotion of industry or trade.*
- (31) *To subscribe or guarantee money for any national, charitable, benevolent, political, public, general or useful object or for any exhibition.*
- (32) *To establish and support, or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit persons who are or have been directors of or who are or have been employed by or who are serving or have served the Company or any Company which is a subsidiary or associate of the Company or its predecessors in business or the dependent, or connections of such persons and to grant pensions and allowances and to make payments towards insurance.*
- (33) *To distribute all or any of the property of the Company amongst the members in specie or kind.*
- (34) *To carry on any other business whether manufacturing or otherwise that may seem to the company capable of being conveniently carried on in connection with the above objects or calculated directly, or indirectly to enhance the value of or render profitable any of the company's property or rights or which it may be advisable to undertake with a view to improving, developing, rendering valuable or turning to account any property real or personal belonging to the Company or in which the Company may be interested and to do all or any of the above things, either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with others, and either by or through agents, sub-contractors, trustees or otherwise.*

- (35) To do all such things as are incidental or conducive to the attainment of the above objects.
- (36) To acquire, amalgamate, absorb or merge or enter into any partnerships, joint ventures or undertake any business or any scheme of arrangement or restructuring with the creditors or shareholders of the company.”
- (g) The Authorized, Issued, Subscribed and Paid Up Share Capital of the Transferor Company as at March 31, 2017 is as follows:-

Particulars	Rupees
Authorized Capital	
1,20,00,000 Equity Shares of Rs. 10 each	12,00,00,000
Total	12,00,00,000
Issued, Subscribed and Paid-up	
1,15,50,000 Equity Shares of Rs. 10 each	11,55,00,000
Total	11,55,00,000

and as on 30 November 2017, there has been no change in the authorised, issued, subscribed and paid up share capital of the Transferor Company.

- (h) The shares of the Transferor Company are currently listed on BSE Limited ('BSE').
- (i) The details of the promoters and present directors of the Transferor Company along with their addresses are as follows:

Promoters		
Sl. No.	Name	Address
1.	Unnati Niren Kulur	402 B Poonam Chambers, Dr Annie Besant Road, Worli, Mumbai 400018
2.	Essex Properties LLP	402 B Poonam Chambers, Dr Annie Besant Road, Worli, Mumbai 400018
3.	Pradip Manubhai Patel (HUF)	402 C Poonam Chambers, Dr Annie Besant Road, Worli, Mumbai 400018
4.	Tanuj Manubhai Patel (HUF)	402 C Poonam Chambers, Dr Annie Besant Road, Worli, Mumbai 400018
5.	Nehal Pradip Patel	402 C Poonam Chambers, Dr Annie Besant Road, Worli, Mumbai 400018
6.	Maple Investments Company Pvt Ltd	402 C Poonam Chambers, Dr Annie Besant Road, Worli, Mumbai 400018
7.	Manoway Investments Pvt Ltd	402 D Poonam Chambers, Dr Annie Besant Road, Worli, Mumbai City MH 400018
8.	Tanuj Manubhai Patel	Turf View, A Wing Nehru Planetarium Road, Worli Mumbai 400018
9.	Sudhir Manubhai Patel	No 12, Second Floor, Dalamal Court 7/18 Worli Seaface Mumbai 400018
10.	Mipco Investments Pvt Ltd	402 B Poonam Chambers, Dr Annie Besant Road, Worli, Mumbai 400018
11.	Emsons Leasing Company Pvt Ltd	402 B Poonam Chambers, Dr Annie Besant Road, Worli, Mumbai 400018
12.	Pradip Manubhai Patel	318 Samudra Mahal Dr. Annie Besant Road, Worli, Mumbai 400018

Promoters		
Sl. No.	Name	Address
13.	Ziwani Properties Pvt. Limited	402 C Poonam Chambers, Dr Annie Besant Road, Worli, Mumbai Mumbai 400018
14.	Archana Tanuj Patel	Turf View, A Wing Nehru Planetarium Road, Worli Mumbai 400018
15.	TruptiPradip Patel	318 SamudraMahalDr. Annie Besant Road, Worli, Mumbai 400018
16.	Saturn Holdings And Properties Pvt Ltd	402 B Poonam Chambers, Dr Annie Besant Road, Worli, Mumbai Mumbai 400018
17.	Meena Sudhir Patel	NO 12, Second Floor, Dalamal Court 7/18 Worli Seaface Mumbai 400018
18.	M I Patel No 2 (HUF)	402 B Poonam Chambers, Dr Annie Besant Road, Worli, Mumbai 400018
19.	M I Patel HUF No 1	402 B Poonam Chambers, Dr Annie Besant Road, Worli, Mumbai 400018
20.	Neel Tanuj Patel	Turf View, A Wing Nehru Planetarium Road, Worli Mumbai 400018
21.	Rishabh Tanuj Patel	Turf View, A Wing Nehru Planetarium Road, Worli Mumbai 400018
Directors		
1.	Mr. Sudhir Manubhai Patel	No 12, Second Floor, Dalamal Court 7/18 Worli Seaface Mumbai 00018
2.	Mr. PradipManubhai Patel	318, Samudra Mahal Dr. Annie Besant Road, Worli, Mumbai 400018
3.	Mr. Sahir Sudhir Patel	9, Dalamal Court 7/18, Worli Seaface Mumbai 400018
4.	Mr. Tanuj Manubhai Patel	Turf View, A Wing Nehru Planetarium Road, Worli Mumbai 400018
5.	Mr. Jal R. Patel	Flat 33, Vaikunth, Behind Deepak Foundation, Gotri Road, Vadodara 90021
6.	Mr. Shishir Kisonlal Diwanji	Wyoming Little Gibbs Road Mumbai 400006
7.	Mr. Nalin Mansukhlal Shah	18A, Floor-18, Plot- 333, A, Great Eastern Royal, Jahangir Boman Behram Marg, Bellasis Bridge Tardeo Mumbai 400034
8.	Mr. Jolly Plammoottil Abraham	1a Sharon, IC Colony, Borivali West Mumbai 400103

7.2 Details of the Transferee Company

- (a) The Transferee Company was incorporated on June 15, 1987 as a public limited company under the name and style of 'Tata Timken Limited' under the Companies Act, 1956. The Transferee Company changed its registered office from the State of West Bengal to the State of Bihar under the order of the Company Law Board, Eastern Region Bench dated September 21, 1996 and the certificate of registration of order of the court confirming transfer of the registered office from one state to another was issued on December 12, 1996 by the Registrar of Companies, Bihar. Subsequently, the name of the Transferee Company was changed from "Tata Timken Limited" to "Timken India Limited" and a fresh certificate of incorporation consequent on the change of name was issued to the Transferee Company on July 02, 1999. Subsequently, the Transferee Company changed its registered office from the State of Bihar (now Jharkhand) to the State of Karnataka and under the order of Company Law Board, Eastern Region Bench dated September 09, 2008 and the certificate of registration of order of the court (Company Law Board) confirming transfer of the registered office from one state to another was issued on November 10, 2008 by the Registrar of Companies, Karnataka. The Transferee Company is engaged in the business of engineering and manufacturing bearings and mechanical power transmission components including gear drives, couplings belts and chain. The Transferee Company also provides industrial services including those in the nature of bearing repair and power train rebuild.

- (b) Corporate Identification Number (CIN): L29130KA1996PLC048230.
- (c) Permanent Account Number (PAN): AABCT0596J.
- (d) The registered office of the Applicant Company is situated at 39-42, Electronic City, Phase II, Hosur Road, Bengaluru – 560 100, Karnataka, India. Email: tilinvestor@timken.com
- (e) There has been no change in the name, registered office of the Transferee Company during the last 5 (five) years. There is no change in object clause of the Transferee Company during the last 5 (five) years.
- (f) The objects of the Transferee Company are set out in the Memorandum of Association.

“III. The objects for which the Company is established are:-

(A) The main objects to be pursued by the Company on its incorporation are:

- 1. To research and develop, manufacture, purchase for resale, sell, import and export, trade in, assemble, distribute, service, overhaul, repair and undertake maintenance of, all kinds of anti-friction bearings and other goods and products, raw materials, components, tools, accessories, parts, semi-finished and complete units of any of the foregoing or any combination thereof and devices and consumables (including devices and consumables used for the reduction of friction), whether or not related, and including, without limitation, those manufactured or used in any kind of plant, machinery (stationery or mobile and whether functioning alone or in conjunction with one or more other machines), equipment or process.*
- 2. To import, purchase for resale, export, trade, assemble, distribute, service, overhaul, repair, undertake maintenance and/or act as a sales agent, for commission and/or any other form of remuneration, in connection with products manufactured by the Timken Company and/or any of its subsidiaries or divisions and/or any other person (individual, firm, trust, partnership or corporate entity, including combinations and variations thereof), including, without limitation, all kinds of equipment, machinery, anti-friction bearings and other goods and products, raw materials, components, tools, accessories, parts, semi-finished and complete units of any of the foregoing or any combination thereof and devices and consumables (including devices and consumables used for the reduction of friction), whether or not related, and including, without limitation, those manufactured or used in any kind of plant, machinery (stationery or mobile and whether functioning alone or in conjunction with one or more other machines), equipment or process.*
- 3. To act as a sales agent earning commission or any other form of remuneration in relation to the business activities of the Company, to render any and all kinds of consultancy, advisory and technical services including, without limitation, in the areas of information technology, mechanical and electrical engineering, electronics, purchase and procurement, sales and marketing, human resources, finance and accounting.*
- 4. To carry on any other trade or business that can be conveniently or advantageously combined with the business activities of the Company and to do any and all acts or things that may be necessary or desirable to give effect to or in connection with any of the foregoing.”*

(g) The Authorized, Issued, Subscribed and Paid up share capital of the Transferee Company as on March 31, 2017 is as follows:-

Particulars	Rupees
Authorized Capital	
75,000,000 Equity Shares of Rs. 10/- each	750,000,000
2,600,000 9% Cumulative Redeemable Preference Shares of Rs. 100/- each	260,000,000
Total	1,010,000,000
Issued	
68,015,134 Equity Shares of Rs. 10/- each	680,151,340
Subscribed and fully paid up	
67,975,784 Equity Shares of Rs. 10/- each	679,757,840
Subscribed and partly paid up	
24,200 Equity Shares of Rs. 10/- each (net of calls in arrears)	130,000
Total	679,887,840

and as on November 30, 2017 the authorised, issued, subscribed and paid up share capital of the Transferee Company is as follows:

Particulars	Rupees
Authorized Capital	
75,000,000 Equity Shares of Rs. 10/- each	750,000,000
2,600,000 9% Cumulative Redeemable Preference Shares of Rs.100/- each	260,000,000
Total	1,010,000,000
Issued	
68,015,134 Equity Shares of Rs. 10/- each	680,151,340
Subscribed and fully paid up	
67,975,984 Equity Shares of Rs. 10/- each	679,759,840
Subscribed and partly paid up	
24,000 Equity Shares of Rs. 10/- each (net of calls in arrears)	129,250
Total	679,889,090

- (h) The shares of the Transferee Company are currently listed on BSE and NSE.
- (i) The details of the promoters and present directors of the Transferee Company along with their addresses are as follows:

Promoters		
Sl. No.	Name	Address
1.	Timken Singapore PTE Ltd.	51, Changi Business Park, Central 2, #08-06/07 The Signature Building Singapore – 486066
Directors		
1.	Mr. Ajay Kumar Das	House No. 6076, Kinloch Court NW, City-Massillon, State-Ohio, USA - 851101
2.	Mr. Sanjay Koul	AA-05, Concorde Silicon Valley, Doddathogur Village, Begur Hobli, South Taluk, Bangalore – 560100
3.	Mr. Avishrant Keshava	#C - 704, Divaysree Elan Homes, Sarjapur Main Road, Kaikondrahalli, Bangalore – 560035
4.	Mr. Priya Shankar Dasgupta	No. J-1810, Chittaranjan Park, New Delhi – 110019
5.	Ms. Rupa Mahanty	No. 201, Neel House, Road No. 5, 12 Circuit House Area, Jamshedpur – 831001

8. Board Approval:

The Board of Directors of the Transferor Company and the Transferee Company had approved the Scheme in their separate meetings held on July 04, 2017.

Details of directors of the Transferor Company and Transferee Company who voted in favour/against/ did not participate on resolution passed at the meeting of the Board of Directors of the Transferor Company and Transferee Company are given below:

ABC Bearings Limited			
Name of the Directors*	Voted in Favour	Voted Against	Abstain from voting
Mr. Sudhir Manubhai Patel	Yes	-	-
Mr. PradipManubhai Patel	Yes	-	-
Mr. TanujManubhai Patel	Yes	-	-
Mr. Sahir Sudhir Patel	Yes	-	-
Mr. NalinMansukhlal Shah	Yes	-	-
Mr. ShishirKisonlalDiwanji	Yes	-	-
Mr. Jolly Plammoottil Abraham	Yes	-	-
Timken India Limited			
Name of the Directors**	Voted in Favour	Voted Against	Abstain from voting
Mr. Sanjay Koul	Yes	-	-
Mr. Avishrant Keshava	Yes	-	-
Mr. Priya Shankar Dasgupta	Yes	-	-
Ms. Rupa Mahanty	Yes	-	-

Note:

*Mr. Jal Ratanshaw Patel did not attend the Board Meeting of the Transferor Company.

** Mr. Ajay Kumar Das and Mr. Jai Swaroop Pathak did not attend the Board Meeting of the Transferee Company physically but were connected over the call.

9. Description of the Scheme

The proposed Scheme contemplates the following with effect from the date on which the later of the orders of the Tribunal sanctioning the Scheme is passed:

- The merger of the Transferor Company as a going concern with the Applicant Company in accordance with sections 230 to 232 and/ or other applicable provisions of the Companies Act, 2013;
- As consideration for the amalgamation of the Transferor Company with the Applicant Company, for every 8 equity shares of face value of Rs. 10 each held in the Transferor Company on the record date (to be determined and agreed mutually by Transferee Company and the Transferor Company), shareholders of the Transferor Company shall receive 5 equity shares of Rs. 10 each fully paid of the Applicant Company;
- The equity shares issued by the Applicant Company to the shareholders of the Transferor Company pursuant to the amalgamation of the Transferor Company with the Applicant Company are proposed to be listed on BSE and NSE;
- The Transferor Company will stand dissolved due to operation of the Scheme without winding up.

10. Rationale and the Benefits of the Scheme as perceived by the Board of Directors of the Transferee Company to the Transferee Company and the Transferor Company and their respective Shareholders, Creditors and Other Stakeholders

- The Transferee Company is a subsidiary of The Timken Company, which is a US based leading manufacturer of taper roller bearings, which is the also the main product currently being manufactured by the Transferor Company. The Transferee Company is desirous of acquiring a capacity that meets the increasing demand for its products across the globe. The Transferor Company possess such manufacturing facility and is seeking to access new technology and new markets.*
- Both the Transferor Company and Transferee Company intend to and can achieve larger product portfolio, access new domestic and export markets, increase market share, economies of scale, efficiency, and other related economies through this Amalgamation. This Scheme intends to merge the operations of the Transferor Company with that of the Transferee Company to fulfil this objective.*

-
-
- c) *The Amalgamation would be beneficial to the respective shareholders, investors and creditors of the Transferor Company and the Transferee Company.*

11. Key salient features of the Scheme:

- a) *With effect from the Appointed Date, all the assets of the Transferor Company shall without any further act, instrument, deed or order to be transferred to and be vested with the Transferee Company as a going concern.*
- b) *On and from the Appointed Date, all debts, secured and unsecured liabilities, if any and obligations of every kind including tax liabilities of the Transferor Company to become the debts, liabilities and obligations of the Transferee Company from that date.*
- c) *All legal proceedings of whatsoever in nature by or against the Transferor Company shall be continued by or against the Transferee Company.*
- d) *The shareholders of the Transferor Company shall be allotted 5 (five) equity shares of the Transferee Company of Rs. 10 (Rupees ten only) each, fully paid up for every 8 (eight) equity shares of Rs. 10 (Rupees ten only) each held in the Transferor Company.*
- e) *'Appointed Date' means the opening hours of business on the date on which the last of the Sanction Orders is passed or such other date as the NCLT may direct*
- f) *'Effective Date' means the last of the dates on which all the conditions and matters referred to in Clause 20.1 of the Scheme have been fulfilled, obtained or waived, as applicable. References in the Scheme to the date of 'coming into effect of this Scheme' or 'Scheme becoming effective' shall be construed accordingly*
- g) *All the contracts and deeds of which the Transferor Company is a party shall remain in full force and effect against or in favour of the Transferee Company.*
- h) *The Scheme if approved will be effective from the Appointed Date.*
- i) *On and from the Appointed Date, the Transferor Company shall be deemed to have carried on and carry on their business for and on behalf of the Transferee Company.*
- j) *All the employees working in the Transferor Company shall become employees of the Transferee Company without any break or interruption in service and on terms of service not less favorable than those enjoyed by them.*

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the key provisions of the Scheme.

12. Summary of valuation report and fairness opinions

(a) Valuation report

Income approach has been considered to arrive at the value per share of the Transferor Company and Transferee Company. Further, the fair share exchange ratio i.e. 5(Five) equity shares of the Transferee Company of INR 10 (Rupees Ten Only) each fully paid for every 8(Eight) equity shares of the Transferor Company of INR 10 (Rupees Ten Only) each fully paid has been arrived based on the relative valuation after considering various qualitative factors relevant to the companies, business dynamics and growth potential of the businesses of the Transferor Company and Transferee Company.

(b) Fairness Opinions

The share exchange ratio recommended by the valuer is fair for the equity shareholders of the Transferee Company.

13. Capital Structure Pre and Post Amalgamation

- (a) The pre-Scheme capital structure of the Transferor Company is mentioned in paragraph 7 above. Post the amalgamation, the Transferor Company shall stand dissolved without being wound-up.
- (b) The pre-Scheme capital structure of the Transferee Company is mentioned in paragraph 7 above. Post amalgamation, as consideration, equity shares in the Transferee Company will be issued to the equity shareholders of the Transferor Company in accordance with the valuation report obtained from an independent Chartered Accountant.

14. Pre and Post Amalgamation Shareholding Pattern

- (a) The pre-Scheme shareholding pattern of the Transferor Company as on September 30, 2017, as filed with the Stock Exchange, is as under:

Category Code	Category of shareholders	Number of shareholders	Total no. of shares	Percentage
(A)	Promoter and Promoter Group			
(1)	Indian	19	43,71,470	37.85%
(2)	Foreign	2	1,05,255	0.91%
	Total shareholding of Promoter and Promoter Group	21	44,76,725	38.76%
(B)	Public shareholding (Institutions, Non-Institutions and shares held by Custodians)	6,703	70,73,275	61.24%
	Grand Total (A) + (B)	6,724	1,15,50,000	100.00%

- (b) The Transferor Company will stand dissolved without winding up in accordance with the Scheme. Therefore, there will not be any post-Scheme shareholding pattern of the Transferor Company.
- (c) The pre-Scheme shareholding pattern of the Transferee Company as on September 30, 2017, as filed with the Stock Exchanges, is as under:

Category Code	Category of shareholders	Number of shareholders	Total no. of shares	Percentage
(A)	Promoter and Promoter Group			
(1)	Indian	-	-	-
(2)	Foreign	1	5,09,99,988	75.00%
	Total shareholding of Promoter and Promoter Group	1	5,09,99,988	75.00%
(B)	Public shareholding (Institutions, Non-Institutions and shares held by Custodians)	50,994	1,69,99,996	25.00%
	Grand Total (A) + (B)	50,995	6,79,99,984	100.00%

- (d) The post-Scheme shareholding pattern of the Transferee Company, is as under:

Category Code	Category of shareholders	Number of shareholders	Total no. of shares	Percentage
(A)	Promoter and Promoter Group			
(1)	Indian	-	-	-
(2)	Foreign	1	5,09,99,988	67.80%
	Total shareholding of Promoter and Promoter Group	1	5,09,99,988	67.80%
(B)	Public shareholding (Institutions, Non-Institutions and shares held by Custodians)	57,718	2,42,18,746	32.20%
	Grand Total (A) + (B)	57,719	7,52,18,734	100.00%

- (e) All shareholders of the Transferor Company (including Promoters) to be classified as Public shareholders in the Transferee Company.

15. Amount due to Secured creditors

- (a) The amount due from the Transferor Company to its Secured Creditors as on November 30, 2017 is INR 26.87 crores.
- (b) The amount due from the Transferee Company to its Secured Creditors as on November 30, 2017 is Nil.

16. Amount due to Unsecured creditors

- (a) The amount due from the Transferor Company to its Unsecured Creditors as on November 30, 2017 is INR 29.16 crores.
- (b) The amount due from the Transferee Company to its Unsecured Creditors as on November 30, 2017 is INR 129.52 crores

17. Extent of shareholding of directors and key managerial personnel:

- (a) The Directors or KMPs or their relatives of the respective Companies do not have any other interest in the Scheme otherwise than that as shareholders in any of companies involved in the Scheme. Further, none of the managers, key managerial personnel and/or relatives of the directors/ KMPs of the respective Companies is concerned or interested, financially or otherwise, in the proposed Scheme. Save as aforesaid, none of the directors of respective companies have any material interest in the Scheme.
- (b) The details of the present directors and KMP of the Transferee Company and their respective shareholdings in the Transferee Company and the Transferor Company as on September 30, 2017 are as follows:

Name of Directors / KMP of the Transferee Company	Designation	Shares held in the Transferee Company	Shares held in the Transferor Company
Mr. Sanjay Koul	Chairman & Managing Director	Nil	Nil
Mr. Avishrant Keshava	Business Controller – India, CFO & Whole-time Director	2	Nil
Mr. Priya Shankar Dasgupta	Independent Director	1	Nil
Ms. Rupa Mahanty	Independent Director	Nil	Nil
Mr. Ajay Kumar Das	Director	16	Nil
Mr. Soumitra Hazra	Company Secretary and Chief- compliance	3	Nil

- (c) The details of the present directors and KMP of the Transferor Company and their respective shareholdings in the Transferor Company and the Transferee Company as on September 30, 2017 are as follows:

Name of Directors / KMP of the Transferee Company	Designation	Shares held in the Transferor Company	Shares held in the Transferee Company
Mr. Sudhir Manubhai Patel	Executive Chairman	32,400	Nil
Mr. PradipManubhai Patel	Managing Director	109,124	Nil
Mr. TanujManubhai Patel	Executive Director	100,374	Nil
Mr. Sahir Sudhir Patel	Executive Director	Nil	Nil
Mr. ShishirKisonlalDiwanji	Independent Director	7,950	Nil
Mr. Jal R.Patel	Independent Director	350	Nil
Mr. NalinMansukhlal Shah	Independent Director	Nil	Nil
Ms. Jolly Plammoottil Abraham	Independent Director	Nil	Nil
Mr. S.K. Choudhary	Chief Financial Officer	Nil	Nil
Mr. S. B. Desai	Company Secretary	Nil	Nil

18. Effect of the Scheme on various parties

- (a) Upon coming into effect of the Scheme and the effect from the Appointed Date, all the assets and liabilities of the Transferor Company shall, pursuant to the provisions of sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013, be and stand transferred to and vested in and/ or be deemed to have been transferred to and vested in the Transferee Company, as a going concern in accordance with section 2(1B) and other applicable provisions of the Income Tax Act, 1961, without further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Transferee Company, by virtue of and in manner provided in this Scheme.
- (b) As consideration, the Transferee Company shall allot its equity shares, credited as fully paid up, to all the equity shareholders of the Transferor Company whose names appear in the register of members of the Transferor Company as on the Record Date to be fixed in that behalf (Manually by the Transferor Company and the Transferee Company) for the purpose of reckoning names of equity shareholders of the Transferor Company.
- (c) Since the proposed Scheme does not involve any compromise or arrangement with creditors, the rights of the creditors, shall not be affected by the Scheme. There will be no reduction in their claims on account of the Scheme. The creditors will be paid off in the ordinary course of business as and when their dues are payable. There is no likelihood that the creditors would be prejudiced in any manner as a result of the Scheme being sanctioned.
- (d) There shall be no change in the terms of employment of the employees of the Transferor Company, to their prejudice, and such employees of the Transferor Company shall be deemed to be employees of the Transferee Company, without any break in service.
- (e) There will be no change in the Board of Directors or the KMPs of the Transferee Company on account of this Scheme. The Transferor Company shall cease to exist and thus the question of any change in the Directors and KMPs of the Transferor Company does not arise.
- (f) Apart from the above, the Scheme does not adversely affect the material interests of any KMPs, promoters, shareholders, creditors, employees or other stakeholders of the Transferor Company or the Transferee Company in any manner.

19. No investigation or proceedings have been instituted or are pending under applicable provisions of the Companies Act, 2013 or erstwhile provisions of Companies Act, 1956 against the Applicant Company or Transferor Company.

20. There are no common Directors on the Board of Directors of the Transferor Company and Transferee Company.

21. To the best of the knowledge of the Applicant Company, no winding up petition has been initiated against the Applicant Company or Transferor Company under the provisions of the Companies Act, 1956 or the relevant provisions of the Companies Act, 2013.

22. Details of approval from regulatory authorities:

- (a) Pursuant to the SEBI Circular read with Regulation 37 of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015, the Transferee Company has filed necessary applications before the stock exchanges viz. BSE and NSE seeking their no-objection to the Scheme. The Transferee Company has received Observation Letter dated November 03, 2017 and November 06, 2017 from BSE and NSE respectively. Copies of the Observation Letters are enclosed as **Annexure 4**.
- (b) As required by the SEBI Circular, the Transferee Company has filed Reports on Complaints dated September 06, 2017 and September 12, 2017 with BSE and NSE respectively. After filing the Complaint Reports, the Transferee Company has received NIL Complaints. Copies of the aforementioned Compliant Report are enclosed as **Annexure 5**.
- (c) Pursuant to the SEBI Circular read with Regulation 37 of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015, the Transferor Company has filed necessary application before the stock exchange viz. BSE seeking their no-objection to the Scheme. The Transferor Company has received Observation Letters dated November 03, 2017 from BSE. Copy of the Observation Letter is enclosed as **Annexure 6**.
- (d) The Transferor Company and the Transferee Company have made separate applications before the NCLT, Mumbai Bench and NCLT, Bengaluru Bench respectively for the sanction of the Scheme under Sections 230-232 and other applicable provisions the Companies Act, 2013.
- (e) A copy of the Scheme along with the explanatory statement under Section 230 read with Rules 6 and 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 is also being forwarded, inter alia to the respective Registrar of Companies, in terms of the Order of the NCLT.

23. The copy of the Scheme has been filed with the Registrar of Companies, Karnataka by the Transferee Company.

24. The rights and interests of the creditors of the Transferor Company and the Transferee Company will not be prejudicially affected by the Scheme as no sacrifice or waiver is at all called from them nor their rights sought to be modified in any manner and post the Scheme, the Transferee Company will be able to meet its liabilities as they arise in the ordinary course of business.

-
-
25. A copy of the Unaudited Account Statements of the Transferee Company for the period ended June 30, 2017 is enclosed as **Annexure 7** herewith.
26. A copy of the Unaudited Account Statements of the Transferor Company for the period ended September 30, 2017 is enclosed as **Annexure 8** herewith.
27. On the Scheme being approved by requisite majority of the shareholders and creditors of the respective Companies involved in the Scheme as per the requirement of Section 230 of the Companies Act, 2013, the Transferor Company and the Transferee Company will file a petition with the Mumbai Bench and the Bengaluru Bench of National Company Law Tribunal respectively, for sanction of the Scheme.
28. The following documents will be open for inspection by the equity shareholders of Timken India Limited up to the date of the meeting at its registered office between 10:00 a.m. and 12:00 noon on all working days, except Saturdays, Sundays and public holidays:
- (a) Copy of the Scheme of Amalgamation and Arrangement;
 - (b) Copy of the order passed by the NCLT, Bengaluru in Company Application No. CA(CAA)85/BB/2017, of the Transferee Company;
 - (c) Copy of the order passed by the NCLT, Mumbai in Company Application No. 998 of 2017, of the Transferor Company;
 - (d) Copy of the Memorandum and Articles of Association of the Transferor Company and the Transferee Company;
 - (e) Copy of the Annual Report of the Transferor Company for the financial year ended March 31, 2017;
 - (f) Copy of the Annual Report of the Transferee Company for the financial year ended March 31, 2017;
 - (g) Copy of the Unaudited Financial Statements of the Transferor Company, for the period ended September 30, 2017;
 - (h) Copy of the Unaudited Financial Statements of the Transferee Company, for the period ended June 30, 2017;
 - (i) Copy of Valuation Report dated July 04, 2017 submitted by M/s SSPA & Co., Chartered Accountants;
 - (j) Copies of the Fairness Opinion dated July 04, 2017, issued by JM Financial Institutional Securities Limited, a Category-I Merchant Banker and dated October 27, 2017, issued by SBI Capital Market Limited, a Category-I Merchant Banker;
 - (k) Copy of the Audit Committee Report dated July 04, 2017 of the Transferee Company;
 - (l) Copies of the resolutions dated July 04, 2017 passed by the respective Board of Directors of the Transferor Company and the Transferee Company, approving the Scheme;
 - (m) Copy of the then Statutory Auditors' certificate dated July 04, 2017 issued by S.R. Batliboi and Co., Chartered Accountants, to the Transferee Company;
 - (n) Copy of Observation Letter issued to ABC Bearings Limited by BSE on November 03, 2017;
 - (o) Copies of Observation Letters issued to Timken India Limited by BSE on November 03, 2017 and by NSE on November 06, 2017;
 - (p) Copy of the Reports adopted by the Board of Directors of the Transferor Company and the Transferee Company, respectively pursuant to provision of Section 230 to 232 of the Companies Act, 2013; and
 - (q) Such other information or documents as the Board or Management believes necessary and relevant for making decision for or against the Scheme.

This Explanatory Statement is made under Section 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. A copy of the Scheme, explanatory statement and proxy form may be obtained from the registered office of Timken India Limited.

Place: Bengaluru
Date: December 20, 2017

Sanjay Koul
Chairman appointed for the Meeting

Registered Office:
Timken India Limited
39-42, Electronic City, Phase II,
Hosur Road, Bangalore – 560 100,
CIN - L29130KA1996PLC048230

Annexure 1 - Scheme of Amalgamation and Arrangement between ABC Bearings Limited and Timken India Limited and their respective shareholders and creditors

SCHEME OF AMALGAMATION AND ARRANGEMENT

UNDER SECTIONS 230 to 232 OF THE COMPANIES ACT, 2013

AMONGST

ABC BEARINGS LIMITED;

(Transferor Company)

AND

TIMKEN INDIA LIMITED;

(Transferee Company)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Chapter 1

(A) Background of Companies and Rationale

- a) This Scheme of Amalgamation and Arrangement (the “**Scheme**”) amongst ABC Bearings Limited (“**Transferor Company**”) and Timken India Limited (“**Transferee Company**”) provides for (1) the amalgamation of the Transferor Company with the Transferee Company and in consideration thereof issue of equity shares by the Transferee Company to the shareholders of the Transferor Company (“**Amalgamation**”), pursuant to the relevant provisions of the Companies Act, 2013, as may be applicable; and (2) various other matters consequential or integrally connected therewith, in the manner provided for in this Scheme and in compliance with the provisions of the Income Tax Act, 1961, including Section 2(1B).
- b) The Transferor Company, a public limited company incorporated on 1961 under the Companies Act, 1956, has its registered office situated at 402 – B, Poonam Chambers, Dr. A.B. Road, Mumbai – 400 018. The equity shares of the Transferor Company are listed on the BSE Limited. The Transferor Company is *inter alia* engaged in the Business (as defined below).
- c) The Transferee Company, a public limited company incorporated on 1987 under the Companies Act, 1956 has its registered office situated at 39-42, Electronic City, Phase II, Hosur Road, Bengaluru – 560 100, Karnataka, India. The equity shares of the Transferee Company are listed on the BSE Limited and National Stock Exchange of India Limited (“**Stock Exchanges**”). The Transferee Company is engaged in the business of engineering and manufacturing bearings and mechanical power transmission components including gear drives, couplings belts and chain. The Transferee Company also provides industrial services including those in the nature of bearing repair and powertrain rebuild.
- d) The Transferee Company and the Transferor Company are desirous of amalgamating the Transferor Company as a going concern with the Transferee Company in accordance with Sections 230 to 232 and/or other applicable provisions of the Act.
- e) The Amalgamation of the Transferor Company with the Transferee Company is sought to be undertaken to help in achieving the following:
 - (i) The Transferee Company is a subsidiary of The Timken Company, which is a US based leading manufacturer of taper roller bearings, which is the also the main product currently being manufactured by the Transferor Company. The Transferee Company is desirous of acquiring a capacity that meets the increasing demand for its products across the globe. The Transferor Company possess such manufacturing facility and is seeking to access new technology and new markets.
 - (ii) Both the Transferor Company and Transferee Company intend to and can achieve larger product portfolio, access new domestic and export markets, increase market share, economies of scale, efficiency, and other related economies through this Amalgamation. This Scheme intends to merge the operations of the Transferor Company with that of the Transferee Company to fulfil this objective.
 - (iii) The Amalgamation would be beneficial to the respective shareholders, investors and creditors of the Transferor Company and the Transferee Company.
- f) The Scheme is expected to be in the best interests of the shareholders, employees and the creditors of the Transferor Company and the Transferee Company.
- g) The Amalgamation shall comply with the provisions of Section 2(1B) of the Income Tax Act, 1961.

(B) Chapters in the Scheme

The Scheme is divided into 3 chapters, the details of which are as follows:

1. Chapter 1: Chapter 1 of this Scheme sets forth the background of the Companies, overview and objects of the Scheme and definitions and interpretation which are common and applicable to all Chapters of the Scheme.
2. Chapter 2: Chapter 2 deals with the Amalgamation and transfer and vesting of all assets and liabilities of the Transferor Company to/in the Transferee Company.
3. Chapter 3: Chapter 3 provides for general terms and conditions applicable to this Scheme.
4. Chapters 2 is further sub-divided into the following parts:
 - (a) *Part 1* provides for the current capital structure of the Transferor Company and the Transferee Company;
 - (b) *Part 2* deals with the Amalgamation of the Transferor Company with the Transferee Company, in accordance with Sections 230 to 232 and/or other applicable provisions of the Act; and
 - (c) *Part 3* deals with accounting treatment and consideration.

1. GENERAL DEFINITIONS AND INTERPRETATIONS

In this Scheme unless repugnant to the meaning or context thereof, the following expressions shall have the meanings given below:

“Act” means the Companies Act, 2013 and ordinances, rules and regulations made thereunder and shall include any statutory modifications, re-enactment or amendment thereof;

“ABC” means ABC Bearings Limited, CIN No.: L29130MH1961PLC012028 a company incorporated under the Companies Act, 1956, and having its registered office at 402 – B, Poonam Chambers, Dr. A.B. Road, Mumbai – 400 018;

“Amalgamation Consideration Shares” has the meaning ascribed to it Clause 12.1 of the Scheme;

“Applicable Law” means any applicable statute, law, regulation, ordinance, rule, judgment, order, decree, clearance, approval, directive, guideline, requirement or any similar form of determination by or decision of any Governmental Authority, that is binding or applicable to a Person, whether in effect as of the date on which this Scheme has been approved by the Boards of Directors of the Companies or at any time thereafter;

“Appointed Date” means the opening hours of business on the date on which the last of the Sanction Orders is passed or such other date as the NCLT may direct;

“Board of Directors” shall mean the board of directors or any committee thereof, of the Transferor Company and the Transferee Company, as the context may require;

“Business” means the business of: (i) engineering, product design, manufacturing, distribution and sale of bearings including inter alia taper roller bearings, cylindrical roller bearings, spherical roller bearings and slewing bearings; and (ii) procurement, distribution and sale of other bearings, grease, oil and UJ Cross not manufactured by the Transferor Company but are sold by the Transferor Company under the “ABC” brand;

“Companies” shall collectively mean the Transferor Company and the Transferee Company;

“Contracts” with respect to a Person, means any agreement, contract, undertaking, or legally binding commitment entered into by such Person;

“Effective Date” means the last of the dates on which all the conditions and matters referred to in Clause 20.1 have been fulfilled, obtained or waived, as applicable. References in this Scheme to the date of “coming into effect of this Scheme” or “Scheme becoming effective” shall be construed accordingly;

“Encumbrance” means any options, pledge, mortgage, lien, security interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint, or any other encumbrance of any kind or nature whatsoever, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law;

“Goodwill” means and includes the goodwill of Transferor Company, together with the exclusive right for the Transferee Company and its assignees to represent themselves as carrying on the Business in succession to the Transferor Company and includes the Business related claims, information, records, relationships with customers, product registrations/approvals, skilled employees, trademark, technical know-how and other Intangible Assets, as defined below;

“Governmental Authority” means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial, quasi-judicial or arbitral body in India or outside India and includes SEBI and the Stock Exchanges;

“Intangible Assets” means and includes all intellectual property and industrial property rights and rights in confidential information of every kind and description throughout the world, in each case whether registered or unregistered, and including but not limited to (i) rights in computer programs (whether in source code, object code, or other form), algorithms, databases, compilations and data, technology supporting the foregoing, and all documentation, including user manuals and training materials, related to any of the foregoing; (ii) copyrights and copyrightable subject matter; (iii) trademarks, service marks, names, corporate names, trade names, domain names, logos, slogans, trade dress, registered designs, design rights and other similar designations of source or origin; (iv) all know-how, patents, confidential information, trade secrets, ideas, proprietary processes, formulae, models and methodologies; (v) rights of publicity, privacy, and rights to personal information; (vi) moral rights and rights of attribution and integrity; or (vii) any rights or forms of protection of a similar nature or having equivalent or similar effect to any of the foregoing which subsist anywhere in the world;

“NCLT” means the National Company Law Tribunal at Mumbai and Bengaluru, or such other forum or authority as may be vested with the powers of the High Court under Sections 230 to 232 of the Act, as may be applicable;

“Person” means any individual, partnership, joint venture, firm, corporation, company, association, trust or other enterprise (whether incorporated or not) or government (central, state or otherwise), sovereign, or any agency, department, authority or political sub-division thereof, international organization, agency or authority (in each case, whether or not having separate legal personality) and shall include their respective successors and in case of an individual shall include his/her legal representatives, administrators, executors and heirs;

“Record Date” shall mean such date to be fixed by the Board of Directors of the Transferor Company after consultation with the Board of Directors of the Transferee Company for the purpose of determining the members of the Transferor Company to whom shares of the Transferee Company will be allotted pursuant to this Scheme in terms of Clause 12;

“Sanction Orders” means, collectively, the orders of the NCLT sanctioning the Scheme and **“Sanction Order”** means the order of either NCLT sanctioning the Scheme;

“Scheme” means this scheme of amalgamation and arrangement with such modification(s), if any made, in accordance with the terms hereof or the directions of the Stock Exchanges or any other Governmental Authority including SEBI or the NCLT, and approved by the NCLT;

“Stock Exchanges” means BSE Limited and National Stock Exchange of India Limited;

“TIL” means Timken India Limited, CIN No. L29130KA1996PLC048230, a company incorporated under the Companies Act, 1956, and having its registered office at 39-42, Electronic City, Phase II, Hosur Road, Bengaluru – 560 100, Karnataka,, India;

“Taxes” or “Tax” or “Taxation” means all forms of taxation with reference to profits, gains, net wealth, asset values, turnover, gross receipts, duties (including stamp duties), levies, imposts, including without limitation corporate income–tax, wage withholding tax, fringe benefit tax, provident fund, employee state insurance and gratuity contributions, value added tax, customs, service tax, excise duties, goods and services tax, fees or levies and other legal transaction taxes, dividend/withholding tax, real estate taxes, other municipal taxes and duties, environmental taxes and duties, any other similar assessments or other type of taxes or duties in any relevant jurisdiction, together with any interest, penalties, surcharges or fines relating thereto, assessments, or addition to Tax, due, payable, levied, imposed upon or claimed to be owed in any relevant jurisdiction or country; and

“Transferor Company Shareholders” has the meaning ascribed to it Clause 12.1 of the Scheme.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract Regulation Act, 1956, the Depositories Act, 1996, other Applicable Laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2. DATE OF TAKING EFFECT AND APPOINTED DATE

The Scheme shall come into operation from the Effective Date but with effect from the Appointed Date.

Chapter 2

AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

Part 1

3. SHARE CAPITAL

The authorized, issued, subscribed and paid up share capital of the Transferee Company as on 31 March 2017 is below:

Particulars	Rupees
Authorized Capital	
75,000,000 Equity Shares of Rs. 10/- each	750,000,000
2,600,000 9% Cumulative Redeemable Preference Shares of Rs.100/- each	260,000,000
Total	1,010,000,000
Issued	
68,015,134 Equity Shares of Rs.10/- each	680,151,340
Subscribed and fully paid up	
67975784 Equity Shares of Rs.10/- each	679,757,840
Subscribed and partly paid up	
24200 Equity Shares of Rs.10/- each (net of calls in arrears)	130,000
Total	679,887,840

The authorized, issued, subscribed and paid up share capital of the Transferor Company as on 31 March 2017 is as under:

Particulars	Rupees
Authorized Capital	
1,20,00,000 Equity Shares of Rs. 10 each	12,00,00,000
Total	12,00,00,000
Issued, Subscribed and Paid-up	
1,15,50,000 Equity Shares of Rs. 10 each	11,55,00,000
Total	11,55,00,000

Part 2

4. AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferor Company shall, in accordance with Sections 230 to 232 of the Act, without any further act or deed, stand amalgamated with the Transferee Company and consequently (i) all assets and liabilities of the Transferor Company shall, as on the Appointed Date, stand transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company as a going concern, and (ii) the Transferor Company shall stand dissolved without being wound up.

4.1. TRANSFER OF ASSETS

4.1.1. Upon the Scheme becoming effective, as on the Appointed Date, the whole of the assets of Transferor Company, wherever situated and of whatsoever nature whether capable of passing by manual delivery and/or endorsement or otherwise however shall, under the provisions of Sections 230 to 232, without any further act or deed be transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company as a going concern so as to vest in, become and form part of the Transferee Company along with all the rights, claims, title and interest of the Transferee Company therein, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions.

-
- 4.1.2. Without prejudice to Clause 4.1.1, upon the Scheme becoming effective, as on the Appointed Date, all moveable assets including cash, if any, of Transferor Company which are capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed as the case may be to the Transferee Company and shall become the property of the Transferee Company, to the end and intent that the ownership and property therein passes to the Transferee Company in pursuance of the provisions of Section 232 of the Act, without requiring any deed or instrument of conveyance for transfer of the same, subject only to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions.
- 4.1.3. Without prejudice to Clause 4.1.1, upon the Scheme becoming effective, in respect of the moveable assets of the Transferor Company, as on the Appointed Date, other than those specified in Clause 4.1.2 above and any intangible assets, including sundry debtors, loans, receivables, bills, credits, advances, if any, recoverable in cash or kind or for value to be received, bank accounts including bank balances, investments, cash equivalents, financial assets, insurance policies, provisions, funds, equipment, and any related capitalized items and other tangible property of every kind, nature and description, share of any joint assets, benefits of any bank guarantee, performance guarantee and any letter of credit, earnest money, advances and deposits, if any, with government, semi-government, local and other authorities and bodies, companies, firm, individuals, trusts, etc., the same shall, on and from the Appointed Date, stand transferred to the Transferee Company to the end and intent that the right of the Transferor Company to receive the benefit of such investments, cash equivalents, financial assets, insurance policies, provisions, funds, equipment, capitalized items and tangible property, share of any joint assets, bank guarantee, performance guarantee and any letter of credit earnest money, advances or deposits or recover or realize all such debts (including the debts payable by such Persons or depositors to the Transferor Company) stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid change, without any notice or other intimation to such debtors or other Persons (although the Transferee Company may itself without being obliged and if it so deems appropriate at its sole discretion, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law, give notices in such form as it may deem fit and proper, to each Person, debtors or depositors, as the case may be, that pursuant to the NCLTs having sanctioned the Scheme, the said asset stands transferred and vested in the Transferee Company and be paid or made good or held on account of the Transferee Company as the Person entitled thereto.
- 4.1.4. Without prejudice to Clause 4.1.1, upon the Scheme becoming effective, as on the Appointed Date, all immovable properties of the Transferor Company, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or licensed or otherwise, any tenancies in relation to warehouses, all rights, covenants, continuing rights, title and interest in connection with the said immovable properties and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations in relation to or applicable to such immovable properties. The mutation of the ownership or title, or interest in the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate Governmental Authority pursuant to the sanction of this Scheme by the NCLT in accordance with the terms hereof.
- 4.1.5. In respect of the assets belonging to the Transferor Company, other than those referred to in Clauses 4.1.2 and 4.1.4 above, whether or not recorded in the books of the Transferor Company, including but not limited to all earnest money, security deposits and advances paid by the Transferor Company and benefit of any deposits, the same shall, as more particularly provided in Clause 4.1.1 above, without any further act, instrument or deed, stand transferred to and vested in and/or be deemed to be amalgamated with the Transferee Company upon the coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.
- 4.1.6. All the licenses, permissions, approvals, sanctions, consents, permits, entitlements, quotas, registrations, bids, tenders, letters of intent, expressions of intent, memoranda of understanding or similar instruments, incentives, exemptions and benefits, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, shall, without any further act, instrument or deed, cost or charge be and stand transferred to and vested in and/or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become licenses, permissions, approvals, sanctions, consents, permits, entitlements, quotas, registrations, incentives, exemptions and benefits, grants, rights, claims, liberties, special status and other benefits or

privileges of the Transferor Company and shall remain valid, effective and enforceable on the same terms and conditions. For the avoidance of doubt and without prejudice to the generality of the foregoing, all consents, no-objection certificates, certificates, clearances, authorities (including operation of bank accounts), powers of attorney given by, issued to or executed in favour of the Transferor Company shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company.

- 4.1.7. All cheques and other negotiable instruments, payment orders, electronic fund transfers (like NEFT, RTGS, etc.) received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be deemed to be in the name of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company or received through electronic transfers and the bankers of the Transferee Company shall accept the same. Similarly, the banker of the Transferee Company shall honour all cheques/electronic fund transfer instructions issued by the Transferor Company for payment after the Effective Date. If required, the bankers of the Transferor Company and/or the Transferee Company shall allow maintaining and operating of the bank accounts (including banking transactions carried out electronically) in the name of the Transferor Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques, pay order and electronic transfers that have been issued/made in the name of the Transferee Company, subject to such accounts being operated by the Transferee Company.
- 4.1.8. Without prejudice to the generality of the foregoing, upon the effectiveness of the Scheme, all Intangible Assets including but not limited to rights in intellectual property (whether owned, licensed or otherwise, whether registered or unregistered) used in relation to the Transferor Company, including with respect to the Business, including the logo and trademark of the Transferor Company, and all other trade names, service names, trademarks, brands, copyrights, designs, know-how and trade secrets, patents, along with all rights of commercial nature including attached Goodwill, title, interest, labels and brand registrations and all such other industrial or intellectual rights of whatsoever nature and advantages of whatever nature in connection with the above including any Goodwill relating to such intellectual property, whether or not provided in the books of accounts of the Transferor Company, shall under the provisions of Sections 230 to 232 of the Act, as applicable, and all other provisions of Applicable Law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a going concern, so as to become, as and from the Appointed Date, the Intangible Asset of the Transferee Company.
- 4.1.9. All books, records, files, papers, engineering and process information, software, licenses for software, algorithms, programs, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form of the Transferor Company, including in connection with or relating to the Business, shall, under the provisions of Sections 230 to 232 of the Act, as applicable, and all other provisions of Applicable Law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a going concern, with effect from the Appointed Date.
- 4.1.10. All benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise, shall under the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken/complied with by the Transferee Company.
- 4.1.11. Any assets, acquired by the Transferor Company after the Appointed Date but prior to the Effective Date shall upon the coming into effect of this Scheme also without any further act, instrument or deed stand transferred to and vested in or be deemed to have been transferred to or vested in the Transferee Company upon the coming into effect of this Scheme.
- 4.1.12. Without prejudice to the provisions of the foregoing Clauses, upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall execute all necessary instruments or documents or do all the acts and deeds as may be required, including making the necessary filings with the relevant Governmental Authority or any other third party, to give formal effect to the above provisions, if required.

5. TRANSFER OF LIABILITIES

- 5.1. Upon the Scheme becoming effective, all the liabilities of the Transferor Company, as on the Appointed Date, shall also, under the provisions of Sections 230 to 232 of the Act without any further act or deed be transferred or deemed to be transferred to the Transferee Company so as to become as and from the Appointed Date the debts, liabilities, duties, losses, obligations of the Transferee Company and further that all the liabilities incurred/contracted by the Transferor Company during the period

commencing from the Appointed Date till the Effective Date shall be deemed to have been incurred/contracted by the Transferee Company and shall be deemed to be the liabilities and obligations of the Transferee Company and further that it shall not be necessary to obtain consent of any Person in order to give effect to the provisions of this Clause.

- 5.2. Where any of the loans, debts, liabilities, duties and obligations of the Transferor Company which are deemed to be transferred to the Transferee Company under this Scheme have been discharged by the Transferor Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.
- 5.3. Without prejudice to Clause 5.1, upon the coming into effect of the Scheme, all loans raised and used and all debts, liabilities, duties and obligations incurred by the Transferor Company for the operations of the Business with effect from the Appointed Date and prior to the Effective Date shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company, and shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Transferee Company and shall become the loans, debts, liabilities, duties and obligations of the Transferee Company.
- 5.4. The Scheme shall not operate to enlarge the security of any loan, deposit or facility created by or available to Transferor Company which shall vest in the Transferee Company by virtue of the Scheme, including for the avoidance of doubt and notwithstanding anything contained herein, that no Encumbrances shall be extended to any of the assets of the Transferee Company.
- 5.5. It is expressly provided that, no term or condition of the liabilities that are being transferred to the Transferee Company as part of the Scheme and terms on which the liabilities are transferred to the Transferee Company as part of the Scheme, shall be modified by virtue of this Scheme.
- 5.6. Upon the Scheme becoming effective, with effect from the Appointed Date, all inter-se liabilities, between Transferee Company and Transferor Company, if any, due or outstanding or which may at any time immediately prior to the Appointed Date become due or remain outstanding, shall stand cancelled and be deemed to have been discharged by such cancellation and consequently, there shall remain no inter-se liability between them as of the Appointed Date and corresponding effect shall be given in the books of account and records of Transferee Company.
- 5.7. Without prejudice to the provisions of the foregoing Clauses, upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall execute all instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modifications of charge with the Registrar of Companies, to give formal effect to the above provisions, if required.
- 5.8. The provisions of this Clause 5 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing to which the relevant liability relates or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified by the foregoing provisions.

6. TAXES AND TAXATION

- 6.1. Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961, central sales tax, applicable state value added tax, service tax laws, excise duty laws and other Tax laws, and to claim refunds and/or credit for Taxes paid (including, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.
- 6.2. Without prejudice to the generality of the above, all Tax benefits, incentives, credits (including, without limitation in respect of income tax, service tax, excise duty, central sales tax, applicable state value added tax, goods and service tax, etc.) to which the Transferor Company is entitled to in terms of Applicable Laws, shall be available to and vest in the Transferee Company, upon this Scheme coming into effect.
- 6.3. All Taxes payable by the Transferor Company from the Appointed Date onwards for the operations of the Transferor Company, including the Business, shall be to the account of the Transferee Company; similarly all Tax credits pertaining to the Transferor Company, shall be made or deemed to have been made and duly complied with by the Transferee Company if so made by Transferor Company. If, during the period between the Appointed Date and the Effective Date, any Tax returns or any other filings, representations or other submissions pertaining to the Transferor Company are required to be filed or made by the Transferor Company with or to the Tax authorities, the Transferor Company shall do the same in consultation with the Transferee Company and not without the prior written consent of the Transferee Company.
- 6.4. The provisions of this Scheme, as they relate to amalgamation of the Transferor Company into the Transferee Company, have been drawn up to comply with the conditions relating to "amalgamation" as defined under Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the

Income-tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modification will, however, not affect the other parts of the Scheme.

7. EMPLOYEES

- 7.1. On the Scheme becoming effective, all employees of the Transferor Company (other than the current executive directors of the Transferor Company) who are employed with the Transferor Company on the Effective Date ("Transferred Employees"), shall be deemed to have become employees of the Transferee Company with effect from the Appointed Date or their respective joining date, whichever is later, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall not be less favorable than those applicable to them as employees of the Transferor Company on the Effective Date.
- 7.2. The services of the Transferred Employees with the Transferor Company prior to the transfer, as aforesaid, shall be taken into account for the purposes of all benefits to which the Transferred Employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans, superannuation plans and any other retirement benefits and accordingly, shall be reckoned therefore from the date of their respective appointment in the Transferor Company.
- 7.3. It is expressly provided that, on the Scheme becoming effective, the contributions made by the Transferor Company in respect of the Transferred Employees under Applicable Law to the provident fund, gratuity fund, contribution towards employees state insurance, superannuation fund, retirement fund or any other special fund or trusts created or existing for the benefit of the Transferred Employees (collectively referred to as the "Funds") for the period after the Appointed Date shall be deemed to be contributions made by Transferee Company, and the Funds shall be transferred to similar Funds created by the Transferee Company and shall be held for their benefit pursuant to this Scheme or, at the Transferee Company's sole discretion, maintained as separate Funds by the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous and not interrupted for the purpose of the said Fund or Funds.
- 7.4. In relation to any other fund created or existing for the benefit of the Transferred Employees, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such Transferred Employees.

8. LEGAL PROCEEDINGS

All legal proceedings of whatsoever nature by or against the Transferor Company pending and/or arising before the Effective Date, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Transferee Company, as the case may be, in a manner and to a similar extent as would or might have been continued and enforced by or against the Transferor Company.

9. CONTRACTS, DEEDS, ETC.

- 9.1. Upon the coming into effect of the Scheme and with effect from the Appointed Date, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, shall continue in full force and effect against or in favour of the Transferee Company, and may be enforced effectively by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto from inception.
- 9.2. Without prejudice to Clause 9.1, upon the Scheme becoming effective, with effect from the Appointed Date, all Contracts and arrangements in any form relating to the Business, including Contracts pertaining to, customers, vendors, benefits of all Contracts, whether registered or not registered, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder.
- 9.3. The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if it considers necessary, enter into, or issue or execute deeds, writings, tripartite arrangements, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which the Transferor Company

is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Transferor Company. The Transferor Company shall execute such writings as may be reasonably required by the Transferee Company in this regard.

- 9.4. For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, all the rights, title, interest and claims of the Transferor Company in any leasehold/licensed properties or otherwise of the Transferor Company, including but not limited to security deposits and advance or prepaid lease or license fee, shall, on the same terms and conditions, pursuant to Section 232(4) of the Act, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company automatically without requirement of any further act or deed. The Transferee Company shall continue to pay rent or lease or license fee as provided for under such agreements, and the Transferee Company and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants thereunder.

10. CONDUCT OF BUSINESSES TILL THIS SCHEME COMES INTO EFFECT

- 10.1. With effect from the Appointed Date and up to and including the Effective Date, the Transferor Company:

10.1.1. shall be deemed to have been carrying on and to be carrying on the Business and other activities in relation to the operations of the Transferor Company and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions of the Transferor Company for and on account of, and in trust for, the Transferee Company;

10.1.2. all profits or income arising or accruing in favour of the Transferor Company whether or not in relation to the Business and all Taxes paid thereon or losses, expenditures arising or incurred by the Transferor Company in relation thereto shall, for all purposes, be treated as and deemed to be the profits or income, Taxes or losses, expenditures as the case may be, of the Transferee Company;

10.1.3. any of the rights, powers, authorities, privileges, attached, related or pertaining to the Business exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Business that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company;

10.1.4. shall cause the Business (including making applications to any Governmental Authority for the renewal of permits which have expired) to be conducted as a going concern in trust for the Transferee Company and in the ordinary course of business; and

10.1.5. shall not, except as may be expressly required or permitted under this Scheme, make any change in its capital structure in any manner either by any increase (including by way of issue of equity and/or preference shares on a rights basis or by way of a public issue, bonus shares and/or convertible debentures or otherwise), decrease, reduction, reclassification, subdivision, consolidation, re-organization, or in any other manner which may, in any way, affect the Share Exchange Ratio, except with the prior approval of the Transferee Company.

- 10.2. Except with the prior approval of the Transferee Company, with effect from the date on which the board of directors of the Companies approve this Scheme up to and including the Effective Date, the Transferor Company shall not take any actions prohibited in terms of any agreement, arrangement, undertaking, deed or other document executed in writing *inter-alia* between the Companies and/or any of its shareholders.

11. SAVINGS OF CONCLUDED TRANSACTIONS

The transfer and vesting of the assets and liabilities of the Transferor Company as above and the continuance of proceedings by or against the Transferor Company shall not affect any transaction or proceedings already concluded on or after the Appointed Date or till the Effective Date in accordance with this Scheme.

Part 3

12. CONSIDERATION

- 12.1. Upon coming into effect of the Scheme and in consideration for the Amalgamation, the Transferee Company shall, without any further application or deed, issue and allot its equity shares, credited as fully paid up, to all the equity shareholders of the Transferor Company whose names appear in the register of members of the Transferor Company as on the Record Date to be fixed in that behalf for the purpose of reckoning names of equity shareholders of the Transferor Company ("Transferor Company Shareholders"), in the following ratio:

"5 (five) equity shares of the Transferee Company of Rs. 10 (Rupees ten only) each, fully paid up to be issued for every 8 (eight) equity shares of Rs. 10 (Rupees ten only) each held by Transferor Company Shareholders" (the "ShareExchangeRatio").

The equity shares of the Transferee Company issued and allotted to the Transferor Company Shareholders based on the Share Exchange Ratio provided above shall be referred to as "Amalgamation Consideration Shares".

- 12.2. In case any equity shareholder of the Transferor Company owns shares in the Transferor Company, such that it becomes entitled to a fraction of an equity share of the Transferee Company, the Transferee Company shall not issue fractional share certificates to such member but shall instead, at its absolute discretion, decide to take any or a combination of the following actions:
 - 12.2.1. consolidate such fractions and issue consolidated shares to a trustee nominated by the Transferee Company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements;
 - 12.2.2. round off all fractional entitlements to the next whole number above the fractional entitlement and issue such number of securities to the relevant shareholders; or
 - 12.2.3. deal with such fractional entitlements in such other manner as they may deem to be in the best interests of the Transferor Company Shareholders and the Transferee Company.
- 12.3. SSPA & Co., have issued the valuation report on the Share Exchange Ratio adopted under the Scheme. Keynote Corporate Services Limited, a Category-I Merchant Banker, has provided its fairness opinion on the Share Exchange Ratio to the Board of Directors of the Transferor Company and JM Financial Institutional Securities Limited, a Category-I Merchant Banker, has provided its fairness opinion on the Share Exchange Ratio to the Board of Directors of the Transferee Company. Additionally, the Transferee Company has also procured a fairness opinion on the Share Exchange Ratio from SBI Capital Markets Limited, a Category-I Merchant Banker.
- 12.4. Equity shares to be issued by the Transferee Company to the respective Transferor Company Shareholders as above shall be subject to the Memorandum and Articles of Association of the Transferee Company and shall rank *paripassu* with the existing equity shares of the Transferee Company in all respects including dividends.
- 12.5. Equity shares in the Transferee Company shall be issued in dematerialized form to the Transferor Company Shareholders who hold shares of the Transferor Company in dematerialized form, in to the account in which the Transferor Company shares are held or such other account as is intimated by the shareholders to the Transferee Company and/or its Registrar. All the Transferor Company Shareholders who hold equity shares of the Transferor Company in physical form shall also have the option to receive the equity shares in the Transferee Company, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to the Transferee Company and/or its Registrar. If not so notified, they would be issued equity shares in physical form.
- 12.6. The Board of Directors of the Transferee Company and the Transferor Company shall, if and to the extent required, apply for and obtain any approvals from all appropriate Governmental Authorities for the issue and allotment of equity shares to the Transferor Company Shareholders pursuant to Clause 12.1 of the Scheme.
- 12.7. Equity shares to be issued by the Transferee Company to the Transferor Company Shareholders pursuant to Clause 12.1 of this Scheme shall, subject to the receipt of necessary approvals, be listed and/or admitted to trading on the Stock Exchanges, where the shares of the Transferee Company are listed and/or admitted to trading. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Laws for complying with the formalities of the said Stock Exchanges. The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated Stock Exchange.
- 12.8. The equity shares to be issued by the Transferee Company pursuant to this Scheme in respect of any equity shares of the Transferor Company which are held in abeyance under the Act or otherwise shall, pending allotment or settlement of dispute by order of a court or otherwise, also be kept in abeyance by the Transferee Company. In the event of there being any pending share transfers, whether lodged or outstanding, of any of the Transferor Company Shareholders, the board of directors of the Transferee Company shall be empowered to take such actions as may be necessary in order to remove any difficulties arising to the transferor of the share in the Transferee Company and in relation to the shares issued by the Transferee Company pursuant to the Scheme.
- 12.9. Approval of this Scheme by the shareholders of the Transferee Company shall be deemed to be the due compliance of the provisions of Section 62 of the Act and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by the Transferee Company to the Transferor Company Shareholders, as provided in this Scheme and there shall be no need to pass a separate shareholders' resolution at a general meeting for the same, as is required under Section 62 and other applicable provisions of the Act.

12.10. The equity shares of the Transferee Company issued pursuant to this Scheme may not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and the Transferee Company may elect, in its sole discretion, to rely upon an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof or any other exemption that the Transferee Company may elect to rely upon. In the event the Transferee Company elects to rely upon an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof, the sanction of the NCLTs to this Scheme will be relied upon for the purpose of qualifying the issuance and distribution of the equity shares of the Transferee Company for such an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof.

13. DISSOLUTION OF THE TRANSFEROR COMPANY

Upon the effectiveness of the Scheme, the Transferor Company shall be dissolved without winding up and the Board of Directors and any committees thereof of the Transferor Company shall, without any further act, instrument or deed, be and stand dissolved.

14. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEEE COMPANY

14.1. On the Scheme becoming effective:

14.1.1. The Transferee Company shall record all the assets and liabilities of the Transferor Company transferred and vested in it pursuant to the Scheme, as per Indian Accounting Standard 103 or any other applicable Indian Accounting Standard.

14.1.2. The Transferee Company shall account for shares issued to the Transferor Company Shareholders as per applicable Indian Accounting Standard.

14.1.3. The difference between the value of Net Assets ("Net Assets" means value of assets over the value of liabilities as per Clause 14.1.1 pertaining to the Transferor Company and the value of Amalgamation Consideration Shares) shall be recorded as per Indian Accounting Standard 103 or any other applicable Indian Accounting Standard.

15. INCREASE IN THE AUTHORIZED SHARE CAPITAL OF THE TRANSFEEE COMPANY

15.1. As an integral part of the Scheme, and, upon the Scheme becoming effective, the authorized share capital of the Transferor Company, as on the Effective Date, shall be added to the authorized share capital of the Transferee Company, as on the Effective Date, without any further act or deed and without any further payment of stamp duty or registration fees and Clause V of the Memorandum of Association of the Transferee Company and Article 5 of the Articles of Association of the Transferee Company shall be altered accordingly.

15.2. It is clarified that the approval of the members of Transferee Company to the Scheme shall be deemed to be their consent/approval for the increase of the authorized capital, amendment of the capital clause of the Memorandum of Association and the relevant provision of the Articles of Association of the Transferee Company under the provisions of Section 13, 14 and 61 of the Act and other applicable provisions of the Act. Pursuant to this Scheme, the Transferee Company shall file requisite forms with the relevant Registrar of Companies to give effect to the increase in its authorized equity share capital, as may be directed.

16. BOOKS AND RECORD OF THE TRANSFEROR COMPANY

The Transferor Company acknowledges that all books, records, files, papers, engineering and process information, software, licenses for software, algorithms, programs, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic of the Transferor Company shall be transferred to the Transferee Company on the Effective Date.

Chapter 3

GENERAL TERMS AND CONDITIONS

17. APPLICATION TO NCLT

- 17.1. The Transferor Company and the Transferee Company shall make applications/petitions under Sections 230 to 232 of the Act and other applicable provisions of the Act to their respective jurisdictional NCLTs for sanction of this Scheme under the provisions of law.
- 17.2. The Transferee Company shall be entitled, pending the effectiveness of the Scheme, to apply to any Governmental Authority, if required, under any Applicable Law for such consents and approvals which the Transferee Company may require to effect the transactions contemplated under the Scheme.
- 17.3. The shareholders of the Transferor Company and the Transferee Company, including public shareholders, shall be able to vote in relation to the Scheme through e-voting or postal ballot at the time of the court convened meeting of the shareholders of the Transferor Company and the Transferee Company in relation to the Scheme in accordance with the applicable provisions of the Companies (Management and Administration) Rules, 2014 and Clause 9(a) of Para I.A of Annexure I to SEBI Circular dated March 10, 2017 (reference no. CFD/DIL3/CIR/2017/21). Further, the Transferor Company and the Transferee Company shall provide all shareholders the Scheme and disclose all material facts and information in relation to the Scheme in the explanatory statement sent to the shareholders in relation to such resolution.

18. DECLARATION OF DIVIDEND, BONUS, ETC.

- 18.1. During the period between the date of approval of this Scheme by its Board of Directors and up to and including the Effective Date, the Transferor Company shall not declare or pay any dividends.
- 18.2. It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of the Companies to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Boards of Directors of the Companies and subject, wherever necessary, to the approval of the shareholders of the concerned Company.

19. MODIFICATION OR AMENDMENTS TO THE SCHEME

- 19.1. The Transferor Company and the Transferee Company agree that if, at any time, either of the NCLTs or any Governmental Authority directs or requires any material modification or amendment of the Scheme, such material modification or amendment shall not be binding on the Transferor Company or the Transferee Company, except where the prior written consent of both the Transferor Company or the Transferee Company, as the case may be, has been obtained for such modification or amendment, which consent shall not be unreasonably withheld by the Transferor Company and the Transferee Company. Notwithstanding the above, if any modification or amendment to the Scheme, whether material or not, adversely affects the interest of the Transferor Company or the Transferee Company, then, such modification or amendment shall not be binding on the Transferor Company or the Transferee Company, except where the prior written consent of both the Transferor Company or the Transferee Company, as the case may be, has been obtained for such modification or amendment, which consent shall not be unreasonably withheld by the Transferor Company and the Transferee Company.
- 19.2. In the event a modification or amendment to the Scheme as required by the NCLTs or any Governmental Authority is not approved in accordance with this Clause 19, the Transferor Company and the Transferee Company shall enter into good faith discussions on the manner in which they shall proceed in relation to consummation of the transactions contemplated under the Scheme.
- 19.3. Notwithstanding anything contained in Clauses 19.1 and 19.2, any modification to the Scheme by any of the Companies, after receipt of sanction by the NCLTs and/or the Stock Exchanges, shall be made only with the prior approval of the NCLTs and/or the Stock Exchanges.

20. CONDITIONALITY OF THE SCHEME

- 20.1. This Scheme is conditional upon and subject to:
 - 20.1.1. The Scheme being approved by the written consents or requisite majorities in number and value of such classes of Persons including the respective members and/or creditors of the Companies as may be directed by the relevant NCLTs or any other competent authority, as may be applicable.
 - 20.1.2. Receipt of pre-filing and post sanction approvals of the Stock Exchanges and the Securities and Exchange Board of India ("SEBI") in terms of the applicable circulars issued by SEBI.

20.1.3. The Scheme being sanctioned by the concerned NCLTs under Sections 230 to 232 of the Act.

20.1.4. Certified copy of the Order of the NCLTs sanctioning the Scheme being filed with the Registrars of Companies having jurisdiction over the Companies.

20.1.5. The fulfillment, satisfaction or waiver (as the case may be) of such other conditions precedent as may be agreed in writing *inter-alia* between the Transferor Company and the Transferee Company.

20.1.6. The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. The Scheme would be given effect to only if is approved in its entirety unless specifically agreed otherwise by the respective Board of Directors of the Companies.

20.2. The Scheme shall come into operation from the Effective Date but with effect from the Appointed Date.

21. EFFECT OF NON-RECEIPT OF APPROVAL/SANCTION

21.1. In the event the Scheme does not come into effect within 18 (eighteen) months from the date on which the board of directors of the Companies have approved this Scheme ("Long Stop Date"), either the Transferor Company or the Transferee Company may opt to terminate this Scheme and if required may file appropriate proceedings before the concerned NCLT in this respect. Provided however, that the Transferor Company or the Transferee Company shall have the right to mutually extend the Long Stop Date, in writing and provided, however, that the right to terminate this Scheme shall not be available to the Transferor Company or the Transferee Company if its failure to fulfil any of its obligation contained hereunder or otherwise agreed in writing between the Companies, shall have been the cause of, or shall have resulted in, the failure of the Effective Date to occur on or prior to the Long Stop Date.

22. EXPENSES CONNECTED WITH THE SCHEME

22.1. Except as stated in Clause 22.2 below, each Company shall bear its own costs, charges and expenses in relation to the transactions contemplated herein.

22.2. All costs, charges and expenses in respect of the Amalgamation of the Transferor Company with the Transferee Company in terms of or pursuant to the Scheme and in relation to the registration and the stamping of the Sanction Orders including registration charges, stamp duty, transfer charges/duty/fees and all other expenses in respect of the Amalgamation, including transfer of all properties, if any, in terms of or pursuant to the Scheme shall be borne by the Transferee Company.

23. POWER TO REMOVE DIFFICULTIES

The Board of Directors of the Companies, either by themselves or through a committee appointed by them in this behalf, may jointly and as mutually agreed in writing:

23.1. give such directions (acting jointly) as may be mutually agreed in writing by the Companies as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those.

23.2. do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

24. SAVINGS

Nothing contained in this Scheme shall be deemed as a waiver or modification of the rights/obligations of the Transferor Company, Transferee Company and / or any shareholders of the Companies that arise from the Implementation Agreement dated July 4, 2017 executed between them (and the documents referred to therein) in relation to the amalgamation of the Transferor Company with the Transferee Company as contemplated in this Scheme.

Annexure 2 - Valuation Report issued by SSPA & Co. dated July 04, 2017

SSPA & CO.
Chartered Accountants
1st Floor, " Arjun", Plot No. 6 A,
V. P. Road, Andheri (W),
Mumbai - 400 058. INDIA.
Tel. : 91 (22) 2670 4376
91 (22) 2670 3682
Fax : 91 (22) 2670 3916
Website : www.sspa.in

STRICTLY PRIVATE & CONFIDENTIAL

July 04, 2017

The Board of Directors,
Timken India Limited
39-42, Electronic City,
Phase II, Hosur Road,
Bengaluru – 560 100,
Karnataka.

The Board of Directors,
ABC Bearings Limited
402 - B, Poonam Chambers,
Dr. Annie Besant Road, Worli
Mumbai – 400 018,
Maharashtra.

Re: Recommendation of fair share exchange ratio for the purpose of proposed amalgamation of ABC Bearings Limited into Timken India Limited.

Dear Sir(s),

As requested by the management of Timken India Limited (hereinafter referred to as "TIL") and ABC Bearings Limited (hereinafter referred to as "ABC") (hereinafter collectively referred to as "Companies"), we have undertaken the valuation exercise of equity shares of TIL and ABC for recommending the fair share exchange ratio for the purpose of proposed amalgamation of ABC into TIL through a scheme of amalgamation.

1. PURPOSE OF VALUATION

- 1.1 We have been informed that the Board of Directors of the Companies are considering a proposal for amalgamation of ABC into TIL. The amalgamation is proposed to be carried out through a scheme of amalgamation and arrangement under section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme"). In consideration for amalgamation of ABC into TIL, equity shares of TIL would be issued to the equity shareholders of ABC.
- 1.2 For this purpose, we have carried out valuation of the equity shares of TIL and ABC with a view to recommend fair share exchange ratio of equity shares of TIL to be issued to the equity shareholders of ABC for the consideration of the Board of Directors of the Companies.



The same is being issued as per the requirements of Securities and Exchange Board of India ("SEBI") circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with SEBI circular no. CFD/DIL3/CIR/2017/26 dated March 23, 2017.

2. BRIEF BACKGROUND

2.1. TIMKEN INDIA LIMITED

2.1.1. TIL, incorporated on December 12, 1996 has its registered office at 39-42, Electronic City, Phase II, Hosur Road, Bengaluru – 560 110. TIL is engaged in the business of engineering and manufacturing bearings and mechanical power transmission components including gear drives, coupling belts and chains. It also provides industrial services including those in the nature of bearing repair and powertrain rebuild. The manufacturing facility of TIL is located at Jamshedpur with cellular manufacturing technology.

2.1.2. The company also imports products such as spherical roller bearings, cylindrical roller bearings and specialty roller bearings from various Timken group entities.

2.1.3. The equity shares of TIL are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

2.2. ABC BEARINGS LIMITED

2.2.1. ABC, incorporated on May 30, 1961 having its registered office at 402 - B, Poonam Chambers, Dr. Annie Besant Road, Worli, Mumbai – 400 018 is engaged in engineering, product design, manufacturing, distribution and sale of various types of bearings.

2.2.2. The products manufactured by ABC includes spherical roller bearings, clutch release bearings, needle roller bearings, ball bearings, king pin bearings etc. The business of ABC comprises of (i) engineering, product design, manufacturing, distribution and sale of bearings including inter alia taper roller bearings, cylindrical roller bearings, spherical roller bearings and slewing bearings; and (ii) procurement, distribution and sale of other bearings, grease, oil and UJ Cross not manufactured by ABC but are sold under the "ABC" brand.

2.2.3. The equity shares of ABC are listed on BSE.

3. SOURCES OF INFORMATION

For the purposes of our valuation exercise, we have relied upon the following sources of information as provided to us by the management of the respective Companies:

(a) Audited financial statements of the Companies for the financial year (FY) ended March



31, 2017.

- (b) Draft Scheme of amalgamation and arrangement.
- (c) Other relevant details regarding the Companies such as their history, past and present activities and other relevant information and data, including information in the public domain.
- (d) Discussions with the management of the Companies on various issues relevant for the valuation including the prospects and outlook for the industry, expected profitability from expansion, expected growth rate, etc.

4. EXCLUSIONS AND LIMITATIONS

- 4.1. Our report is subject to the scope limitations detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.
- 4.2. Valuation is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. While SSPA has provided an assessment of the value based on the information available, application of certain formulae and within the scope and constraints of our engagement, others may place a different value to the same.
- 4.3. No investigation of the Companies' claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.
- 4.4. Our work does not constitute an audit or certification of the historical financial statements including the provisional results of the Companies referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation and the valuation date mentioned in the report is as per agreed terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.
- 4.5. A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the management of the Companies have drawn our attention to



all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on our opinion, on the fair value of the shares of the Companies including any significant changes that have taken place or are likely to take place in the financial position of the Companies, subsequent to the Appointed Date for the proposed amalgamation. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

- 4.6. In the course of the valuation, we were provided with both written and verbal information. We have not carried out due diligence or audit of the information provided for the purpose of this engagement. Public information, industry and statistical information relied in this report have been obtained from the sources considered to be reliable. However, we have not independently verified such information and make no representation as to the accuracy or completeness of such information from or provided by such sources. Our conclusions are based on the assumptions and other information given by/on behalf of the Companies. We assume no responsibility for any errors in the above information furnished by the Companies and consequential impact on the present exercise.
- 4.7. Our report is not, nor should it be construed as our opining or certifying the compliance of the proposed amalgamation with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such proposed amalgamation.
- 4.8. This report is prepared only in connection with the proposed amalgamation exclusively for the use of the Companies and for submission to any regulatory / statutory authority as may be required under any law applicable in India.
- 4.9. Any person / party intending to provide finance / invest in the shares / business of the Companies shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- 4.10. The decision to carry out the transaction (including consideration thereof) lies entirely with the Management / the Board of Directors of the Companies, our work and our finding shall not constitute an opinion as to whether or not the Management / the Board of Directors of the Companies should carry out the transaction.
- 4.11. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the proposed amalgamation as aforesaid, can be done only with our prior permission in writing.



- 4.12. SSPA & Co., nor its partners, managers, employees makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the valuation.

5. VALUATION APPROACH

- 5.1. For the purpose of valuation for amalgamation, generally the following approaches are adopted:

- (a) the "Underlying Asset" approach
- (b) the "Income" approach; and
- (c) the "Market" approach

- 5.2. In the present case, TIL and ABC are intended to be continued on a 'going concern basis' and there is no intention to dispose-off the assets, and therefore the "Underlying Asset" approach is not adopted for the present valuation exercise.

- 5.3. We have been informed that before the Appointed Date, the Management of ABC shall be entitled to divest certain non-core properties which are not used for the business of manufacture of bearings. As a result, we have not ascribed any value to such non-core properties. Considering this, we have not considered "Market" approach for the present valuation exercise.

5.4. INCOME APPROACH

Under the "Income" approach, shares of TIL and ABC have been valued using Comparable Companies Multiple ('CCM') method.

- 5.4.1. Under CCM Method, the value of the shares of the companies is determined by using multiples derived from valuations of comparable companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully. In the present case, Enterprise Value (EV) to Earnings before Interest Tax Depreciation and Amortization (EBITDA) multiples of comparable listed companies are used to arrive at Enterprise Value of both the Companies. While determining the comparable peer set for each of the Companies being valued, we have considered various qualitative factors such as size, market share, product portfolio, global support, growth potential, etc.

- 5.4.2. To the value so arrived, adjustments have been made for cash and cash equivalents, loan



funds, contingent liabilities adjusted for probability of devolvement, value of investments and other adjustments after considering the tax impact wherever applicable, to arrive at equity value.

- 5.4.3. The equity value so arrived at is divided by the outstanding/dilutive number of equity shares to arrive at the value per share.

6. RECOMMENDATION OF FAIR SHARE EXCHANGE RATIO

- 6.1. The fair basis of amalgamation of ABC into TIL would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove.
- 6.2. Our exercise is to work out relative value of shares to facilitate the determination of a fair share exchange ratio. As mentioned above we have considered the "Income" approach for arriving at the value per share of TIL and ABC.
- 6.3. The fair share exchange ratio has been arrived on the basis of a relative valuation of the shares of TIL and ABC as explained herein earlier and various qualitative factors relevant to company and the business dynamics and growth potential of the businesses of TIL and ABC, having regard to information base, management representations and perceptions, key underlying assumptions and limitations.
- 6.4. In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:

'If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made.



SSPA & CO.
Chartered Accountants

Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible.'

- 6.5. In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove earlier in this report, in our opinion, the relative fair value per share and fair share exchange ratio in the event of amalgamation of ABC into TIL is as under:

Method of Valuation	TIL		ABC	
	Value per Share (INR)	Weights	Value per Share (INR)	Weights
Assets Approach	Not Applied	0%	Not Applied	0%
Income Approach	759	100%	473	100%
Market Approach	Not Applied	0%	Not Applied	0%
Relative Value per Share	759		473	
Exchange Ratio (Rounded Off)	1.60			

Ratio:

5 (Five) equity shares of TIL of INR 10 each fully paid for every 8 (Eight) equity shares of ABC of INR 10 each fully paid.

Thank you,
Yours faithfully,

SSPA & Co.



SSPA & CO.
Chartered Accountants
Firm registration number: 128851W

Place: Mumbai

Annexure 3 - Fairness Opinions issued by JM Financial Institutional Securities Limited, a Category-I Merchant Banker dated July 04, 2017 and by SBI Capital Markets Limited, a Category-I Merchant Banker dated October 27, 2017



STRICTLY CONFIDENTIAL

July 4, 2017

The Board of Directors,
Timken India Limited
39-42, Electronic City,
Phase II, Hosur Road,
Bangalore - 560 100
Phone No. 080 41362000

Dear Sirs,

We refer to the engagement letter dated August 30, 2016 ("**Engagement Letter**") whereby Timken India Limited ("**Timken**" / "**Transferee Company**") has inter alia requested JM Financial Institutional Securities Limited ("**JM Financial**") to provide a fairness opinion to the Board of Directors of Timken ("**Fairness Opinion**") on the Share Exchange Ratio (as defined below) recommended by SSPA & Co, Chartered Accountants ("**SSPA**" / "**Valuer**"), appointed jointly by Timken and ABC Bearings Limited ("**ABC**" / "**Transferor Company**") for the proposed scheme of amalgamation and arrangement amongst Timken, ABC and their respective shareholders and creditors under the provisions of the Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, (the "**Proposed Scheme**").

Companies that are party to the Proposed Scheme:

- (a) ABC, a public limited company, incorporated under the provisions of the Companies Act, 1956, has its registered office situated at 402-B, Poonam Chambers, Dr. Annie Besant Road, Worli, Mumbai-400 018. ABC is engaged primarily in the business of: (i) engineering, product design, manufacturing, distribution and sale of bearings including inter alia taper roller bearings, cylindrical roller bearings, spherical roller bearings and slewing bearings; and (ii) procurement, distribution and sale of other bearings, grease, oil and UJ Cross not manufactured by it but sold under the "ABC" brand. The equity shares of ABC are listed on the BSE Limited ("**BSE**").
- (b) Timken, a public limited company, incorporated under the provisions of the Companies Act, 1956, has its registered office situated at 39-42, Electronic City, Phase II, Hosur Road, Bangalore - 560 100. Timken is engaged in the business of engineering and manufacturing bearings and mechanical power transmission components including gear drives, couplings, belts and chain. It also provides industrial services including those in the nature of bearing repair and powertrain rebuild. The equity shares of the Transferee Company are listed on the BSE and National Stock Exchange of India Limited ("**NSE**") (BSE and NSE collectively referred to as the "**Stock Exchanges**").

ABC and Timken shall be together referred hereinafter as the "**Companies**".

Background of Proposed Scheme

We understand that the Proposed Scheme, inter alia, provides for amalgamation of the Transferor Company with the Transferee Company ("**Amalgamation**") as a going concern in accordance with the provisions of section 2(1B) of the Income Tax Act, 1961. Consequently (i) the assets and liabilities of the Transferor Company shall, as on the Appointed Date, stand transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company as a going concern, and (ii)

JM Financial Institutional Securities Limited
Corporate Identity Number : U65192MH1995PLC092522
7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025.
T: +91 22 6630 3030, 6630 3115 (D). F: +91 22 6630 3330 www.jmfi.com

1



the Transferor Company shall stand dissolved without being wound up. Further, we understand that pending completion of the Proposed Scheme, the Transferor Company shall be entitled to divest certain non-core properties of the Transferor Company which are not used for the business of manufacturing of bearings by the Transferor Company.

We understand that the Proposed Scheme shall be evaluated by the Board of Directors of the Transferee Company and that the appointed date for the Proposed Scheme is the date on which the last of the sanction orders of National Company Law Tribunal (“NCLT”) at Mumbai and Bengaluru is passed or such other date as the NCLT at Mumbai and Bengaluru may direct. The Amalgamation shall take effect in accordance with the Proposed Scheme and after receipt of the statutory approvals including orders of NCLT at Mumbai and Bengaluru and filing of the same with the respective Registrar of Companies.

Scope and Purpose

Timken and ABC have jointly appointed the Valuer to recommend a fair and equitable Share Exchange Ratio for the Amalgamation pursuant to which Valuer has issued a report dated July 4, 2017 (“**Valuation Report**”). The Valuation Report recommended that the equity shareholders of ABC will receive 5 fully paid up equity shares of Timken of face value of Rs. 10 each in exchange for every 8 fully paid up equity share of ABC of face value of Rs. 10 each (the “**Share Exchange Ratio**”).

In this connection, Timken has engaged JM Financial (“**JM Financial**”) to submit an independent opinion to the Board of Directors of Timken on the fairness of the Share Exchange Ratio recommended by the Valuer.

Scope of work of this Fairness Opinion includes commenting only on the fairness of the Share Exchange Ratio and not on the fairness or economic rationale of the Amalgamation per se or the valuation methods used by the Valuer.

This Fairness Opinion is addressed to the Board of Directors of Timken. This Fairness Opinion is subject to the scope, assumptions, exclusions, scope limitations and disclaimers detailed hereinafter. As such the Fairness Opinion is to be read in totality, not in parts and in conjunction with the relevant documents referred to herein. The same has been issued as per the requirements of SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with SEBI circular no. CFD/DIL3/CIR/2017/26 dated March 23, 2017 (“**SEBI Circular**”). This Fairness Opinion has been issued only for the purpose of opining on the fairness of the Share Exchange Ratio under the Proposed Scheme and should not be used for any other purpose.

Source of Information

For the said examination and for arriving at the opinion set forth below, we have:

- a) held discussions with the Valuer and perused the Valuation Report issued by the Valuer;
- b) reviewed the draft of the Proposed Scheme;
- c) reviewed publicly available relevant financial information relating to the Companies; and
- d) reviewed the information provided by the Transferee Company through its management representation letter and held discussions with the management pursuant to the Proposed Scheme;



Scope Limitations

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by the Transferee Company for the purposes of this opinion. We have not conducted any due diligence, other than a review of such information / documents as has been provided to us and expressly set out in this Fairness Opinion and express no opinion and accordingly accept no responsibility with respect to or for such information, or the assumptions on which it is based. We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties, facilities, assets and liabilities of the Companies, and neither express any opinion with respect thereto nor accept any responsibility thereof. We have not made any independent valuation or appraisal of the assets or liabilities of the Companies, nor have we been furnished with any such appraisals. We have not reviewed any internal management information systems and instead, with your consent, have relied upon relevant information that was publicly available or provided or otherwise made available to us by the Transferee Company for the purposes of this Fairness Opinion.

We are not experts in the evaluation of contingent liabilities, litigation or other actual or threatened claims. We are not legal, taxation or actuarial advisors and accordingly, our opinion should not be construed as certifying the compliance with the provisions of any law including company and taxation laws or any legal, accounting or taxation implications or issues related to the Proposed Scheme. In addition, we have assumed that the Proposed Scheme will be approved by all the necessary regulatory authorities and that the Proposed Scheme will be consummated substantially in accordance with the terms set forth in the draft of the Proposed Scheme provided to us. We have not considered any contingent liabilities for the purposes of this opinion. Also, the Transferee Company has confirmed that there is no other material information other than already provided which is necessary for the purposes of this Fairness Opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Proposed Scheme, no change/ restrictions will be imposed that will have a material adverse effect on the benefits of the Proposed Scheme that may have been contemplated.

We understand that the management of the Transferee Company, during our discussion with them, has drawn our attention to all such information and matters which may have an impact on our analysis and opinion. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have an obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we were not authorized to solicit, and did not solicit, interest from any party with respect to the acquisition, business combination or other extraordinary transaction involving the Companies or any of its assets, nor did we negotiate with any other party in this regard.

In the ordinary course of business, the JM Financial group is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of the JM Financial group may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Proposed Scheme.

We express no opinion whatsoever and make no recommendation at all as to the Transferee Company's underlying decision to effect the Proposed Scheme or as to how the holders of equity shares or secured or unsecured creditors (as applicable) of the Transferee Company should vote at their respective meetings held in connection with the Proposed Scheme. We also do not provide any recommendation to the creditors of the Transferee Company with respect to Proposed Scheme. We do



not express and should not be deemed to have expressed any views on any other terms of the Proposed Scheme apart from that is relevant to the Fairness Opinion. We express no opinion and accordingly accept no responsibility as to the price at which the equity shares of the Transferee Company and / or of ABC will trade following the announcement of the Proposed Scheme or the price at which the equity shares of the Transferee Company and / or of ABC will trade following the Proposed Scheme being made effective. We also express no opinion and accordingly accept no responsibility for the value of the equity shares of the Transferee Company / ABC at any future date or their financial performance following the announcement of the Proposed Scheme / consummation of the Proposed Scheme. We do not express any opinion on the sufficiency of the methodology applied / procedures employed by the Valuer in determining Share Exchange Ratio. Shareholders should make their independent assessment of the economic benefits as also the overall transaction for arriving at their decision.

Conclusion

In the light of above and based on our examination of the Proposed Scheme, Valuation Report, such other information provided and represented to us by Timken and our independent analysis and evaluation of such information and subject to the scope limitations as mentioned hereinabove and to the best of our knowledge and belief, we are of the opinion that the Share Exchange Ratio recommended by the Valuer is fair for the equity shareholders of Timken.

Distribution of the Fairness Opinion

The Fairness Opinion is addressed only to the Board of Directors of Timken and is for the purpose of submission to the Stock Exchanges under the SEBI Circular. Further, the Fairness Opinion may be disclosed on the website of Timken and the Stock Exchanges and also be made part of the explanatory statement to be circulated the shareholders and/or creditors of the Transferee Company. The Fairness Opinion shall not otherwise be disclosed or referred to publicly or to any other third party without JM Financial's prior written consent. The Fairness Opinion should be read in totality and not in parts.

In no circumstances however, will JM Financial or any of its directors, officers, employees and controlling persons of JM Financial accept any responsibility or liability including any pecuniary or financial liability to any third party.

Further, this Fairness Opinion should not be used or quoted for any purpose other than the purpose mentioned hereinabove. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then we will not be liable for any consequences thereof. Neither this Fairness Opinion nor its contents may be referred to or quoted to / by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties.

Yours truly,

For JM Financial Institutional Securities Limited

Authorized Signatory



Date: October 27, 2017

To,
The Board of Directors,
Timken India Limited,
39-42, Electronic City,
Phase II, Hosur Road,
Bengaluru – 560 100,
Karnataka

Dear Sirs/Madams,

Subject: Fairness Opinion Report on the Share Exchange Ratio for the proposed amalgamation of ABC Bearings Limited with Timken India Limited

We, SBI Capital Markets Limited (hereinafter referred to as “SBICAP”), understand that Timken India Limited (hereinafter referred to as “TIL” or the “Company”) is contemplating an amalgamation of ABC Bearings Limited (hereinafter referred to as “ABC”) with TIL and has initiated a valuation exercise by appointing SSPA & Co (hereinafter referred to as “SSPA” or the “Valuer”) to determine the Swap Ratio. In this regard, the Company seeks Fairness Opinion Report from SBICAP on the Share Swap Ratio recommended by the Valuer.

SBICAP has not undertaken the valuation of TIL and ABC. The valuation exercise for the Proposed Scheme of Amalgamation has been done by SSPA. We have examined the Valuation Report dated July 04, 2017 submitted by SSPA to the Company. We have not independently checked or verified the assumptions made by SSPA. We have reviewed the historical financial and business information of the Company and certain comparable companies and their valuation multiples, and other relevant information from publicly available sources, and have taken into account such other matters as we deemed necessary including our assessment of general economic, market and monetary conditions.

We have used the following source of information for our analysis:-

- I. Audited financial statements of Timken India Limited and ABC Bearings Limited for the Financial year (“FY”) ended March 31, 2017
- II. Draft Scheme of Amalgamation and Arrangement (‘Draft Scheme’);
- III. Interviews and correspondence with the Management of TIL and ABC;
- IV. Secondary research and market data on comparable companies and information on recent transactions, to the extent readily available; and
- V. Other relevant details regarding the Companies such as their history, past and present activities and other relevant information and data, including information in the public domain

SBI CAPITAL MARKETS LIMITED

Registered Office: 202, Maker Tower ‘E’, Cuffe Parade, Mumbai 400 005. Tel: +91 22 22178300, Fax: +91 22 22188332

Email: corporate.office@sbicaps.com Web: www.sbicaps.com CIN: U99999MH1986PLC040298

A Subsidiary of State Bank of India





In addition to the above, we have had discussions with the Company officials on the past and current business operations of the businesses concerned.

Further, we have had discussions with SSPA on such matters which we believe are necessary or appropriate for the purpose of issuing the Fairness Opinion Report.

We assume no responsibility for the legal, tax, accounting or structuring matters including, but not limited to, legal or title concerns. Title to all subject business assets is assumed to be good and marketable and we would urge the Company to carry out an independent assessment of the same prior to entering into any transaction, after giving due weightage to the results of such assessment.

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information supplied or otherwise made available to us either in oral or written form, discussed with or reviewed by or for us, or publicly available. We have been informed that all information relevant for the purpose of issuing the Fairness Opinion Report has been disclosed to us and we are not aware of any material information that has been omitted or that remains undisclosed. This being so, no representation or warranty, express or implied, is or will be made, and no responsibility or liability is or will be accepted by SBICAP and its affiliates, its directors, employees, agents or representatives, or in relation to, the accuracy or adequacy of information, contained in the Fairness Opinion Report or any other written or oral information made available to any party or their advisors. We do not accept any liability to any third party in relation to the issuance of this Fairness Opinion Report.

We have not conducted any evaluation of the solvency or fair value of the Company, under any laws relating to bankruptcy, insolvency or similar matters. In addition we have not assumed any obligation to conduct any physical inspection of the properties or facilities of TIL and ABC. We have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or publicly available; we have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of TIL and ABC.

Our Fairness Opinion Report does not factor overall economic environment risk and other risks and is purely based on the information and representations provided to us. We have not assumed the risk of any material adverse change having an impact on the business of TIL and ABC.

We express no view as to, and our Fairness Opinion Report does not address, the underlying business decision of any company to effect the Proposed Scheme of Amalgamation or the merits of



Page 2 of 6



the Proposed Scheme of Amalgamation nor does it constitute any kind of recommendation to any shareholder or creditor of TIL and ABC as regards to the Proposed Scheme of Amalgamation or any matter related thereto. In addition, this Fairness Opinion Report does not address the fairness to, or any other consideration of, the holders of any class of securities, creditors or other constituencies of TIL and ABC.

Our Fairness Opinion Report is not and does not purport to be an appraisal or otherwise reflective of the prices at which any business or securities actually could be ideally bought or sold by any party and is not indicative of actual value or actual future results that might be achieved, which value may be higher or lower than those indicated, and any investment decision shall not be based solely on this Fairness Opinion Report and the buyer shall carry out their own due diligence.

Our Fairness Opinion Report is not necessarily based on economic, market and other conditions as in effect on the date of issuing this Fairness Opinion Report, and the information made available to us as of, the date hereof. It should be understood that in case of any subsequent developments we do not have any obligation to update, revise, or reaffirm this Fairness Opinion Report.

To the extent that the conclusions are based on projections, SBICAP expresses no opinion on the achievability of those forecasts.

In the ordinary course of business, we and our affiliates may actively trade or hold securities of the company that may be the subject matter of this transaction for our own account or for the account of our customers and accordingly, may at any time hold long or short position in such securities.

This Fairness Opinion Report is provided solely for the benefit of the Board of Directors of TIL and shall not confer rights or remedies upon, any shareholder of TIL or any other person other than the members of the Board of Directors of TIL or be used for any other purpose.

This Fairness Opinion Report is only a free and fair opinion and does not constitute a commitment by SBICAP to underwrite, subscribe for or place any securities or to extend or arrange credit or to provide any other services.

Disputes, if any, regarding this Fairness Opinion Report will be governed by and construed in accordance with the laws of India and the Courts in Mumbai, India shall have exclusive jurisdiction in this regard.



Page 3 of 6



On the basis of and subject to the foregoing, to the best of our knowledge and belief, it is our view that, as of the date hereof, the Share Swap Ratio as recommended by the Valuer in relation to the Proposed Scheme of Amalgamation is Fair, from a financial point of view.

Thanking you,

Yours faithfully,
For SBI Capital Markets Limited

A handwritten signature in black ink, appearing to read 'Ramnish Kochgave'.



Name: Ramnish Kochgave
Designation: Vice President



Disclaimer

This fairness opinion report ("Report" or "This Report" or "this report") contains proprietary and confidential information regarding Timken India Limited and ABC Bearings Limited ("Amalgamating Entities"). This report is issued for the exclusive use and benefit of the Company as per the Engagement letter dated October 27, 2017. This report has been issued by SBI Capital Markets Limited ("SBICAP"), on the basis of the information available in the public domain and sources believed to be reliable and the information provided by the Amalgamating Entities, Valuer and for the purpose to facilitate the Company to comply with, if applicable, The SEBI Listing Obligations and Disclosure Regulations 2015 as amended, ("Listing Regulations") and it shall not be valid for any other purpose or as at any other date. This Report is issued by SBICAP in the capacity of an Independent merchant banker, on the swap ratio of the Amalgamating Entities done by SSPA & Co. ("SSPA").

This report is issued by SBICAP without regard to specific objectives, suitability, financial situations and needs of any particular person and does not constitute any recommendation, and should not be construed as an offer to sell or the solicitation of an offer to buy, purchase or subscribe to any securities mentioned therein. Nothing in these materials is intended by SBICAP to be construed as legal, accounting, technical or tax advice. Past performance is not a guide for future performance. Forward-looking statements are not predictions and may be subject to change without notice. Actual results may differ materially from these forward-looking statements due to various factors. This report has not been or may not be approved by any statutory or regulatory authority in India or by any Stock Exchange in India. This report may not be all inclusive and may not contain all of the information that the recipient may consider material.

This report and information contained herein or any part of it does not constitute or purport to constitute investment advice in publicly accessible media and should not be printed, reproduced, transmitted, sold, distributed or published by the recipient without the prior written approval from SBICAP. The distributing/taking/sending/dispatching/transmitting of this document in certain foreign jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

Neither SBICAP and its affiliates, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of this document. This document may contain confidential, proprietary and/or legally privileged information and it must be kept confidential by the recipient.

SBICAP has not carried out any due – diligence independently in verifying the accuracy or veracity of data provided by the Company and/or Valuer and SBICAP assumes no liability for the accuracy, authenticity, completeness or fairness of the data provided by the Company and/or Valuer. SBICAP has also assumed that the business continues normally without any disruptions.

Neither SBICAP nor State Bank of India or any of its associates, nor any of their respective Directors, officers, employees, agents or advisors or affiliate of any such person or such persons make any expressed or implied representation or warranty and no responsibility or liability is accepted by any of them and is expressly disclaimed with respect to the accuracy, completeness, authenticity or reasonableness of the facts, opinions, estimates, forecasts, projections or other information set forth in this report, or the underlying assumptions on which they are based and nothing contained herein is or shall be relied upon as a promise or representation regarding the historic or current position or performance of the Company or any future events or performance of the Company.



This report may be divided into chapters & sub-sections only for the purpose of reading convenience. Any partial reading of this report may lead to inferences, which may be at divergence with the conclusions and opinions based on the entirety of this report.

The opinion of SBICAP ["Opinion"] under this Report is not intended to and does not constitute a recommendation to any shareholders as to how such shareholder should vote or act in connection with the proposed business transaction or any matter related therein. The opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed business transaction with the provisions of any law including company law, taxation and capital market related laws or as regards any legal implications or issues arising thereon. SBICAP assumes no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof. In rendering the Opinion, SBICAP has assumed, that the proposed business transaction will be implemented on the terms described in the Amalgamation Agreement, without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary regulatory or third party approvals for the business transfer, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on the entities under the proposed business transaction and / or its holding or subsidiaries or affiliates and their respective shareholders.

In the past, SBICAP may have provided, and may currently or in the future provide, Investment Banking services to the entities under the proposed business transaction and / or its holding or subsidiaries or affiliates and their respective shareholders, for which services SBICAP has received or may receive customary fees. In addition, in the ordinary course of their respective businesses, affiliates of SBICAP may actively trade securities of the entities under the proposed business transaction and / or its holding or subsidiaries or affiliates and their respective shareholders for their own accounts and for the accounts of their customers and, accordingly, may at any time hold a position in such securities. SBICAP engagement and the opinion expressed herein are for the benefit of the Board of Directors of the entities under the proposed business transaction and for no other purposes. Neither SBICAP, nor its affiliates, partners, directors, shareholders, managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the information and documents provided to us, based on which the opinion has been issued. All such parties and entities expressly disclaim any and all liability for, or based on or relating to any such information contained therein.

This report is furnished on a strictly confidential basis and is for the sole use of the person to whom it is addressed. Neither this report, nor the information contained herein, may be reproduced or passed to any person or used for any purpose other than stated above, without the prior written approval from SBICAP. By accepting a copy of this report, the recipient accepts the terms of this Notice, which forms an integral part of this report.

Annexure 4 - Observation Letter issued to Timken India Limited by BSE Limited ("BSE") dated November 03, 2017 and by National Stock Exchange of India Limited ("NSE") dated November 06, 2017



DCS/AMAL/SD/R37/970/2017-18

November 3, 2017

The Company Secretary
Timken India Ltd.
39-42, Electronic City Phase II,
Hosur Road , Bengaluru ,Karnataka ,560100

Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement between Timken India Limited and ABC Bearings Limited

We are in receipt of Draft Scheme of Arrangement between Timken India Limited and ABC Bearings Limited and their respective shareholders and creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated November 02, 2017, has inter alia given the following comment(s) on the draft scheme of arrangement:

- "Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, from the date of receipt of this letter is displayed on the websites of the listed company."
- "Company shall duly comply with various provisions of the Circulars."
- "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."
- "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT. Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble NCLT, the listed company shall submit to the stock exchange the following:

- Copy of the NCLT approved Scheme;
- Result of voting by shareholders for approving the Scheme;



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234/33 E: corp.comm@bseindia.com www.bseindia.com
Corporate Identity Number : L67120MH2005PLC155188

-
-
- Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
 - Copy of the observation letter issued by all the Stock Exchanges where Company is listed;
 - Status of compliance with the Observation Letter/s of the stock exchanges;
 - The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
 - Complaints Report as per Annexure II of this Circular.
 - Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

PS


Nitin Pujari
Sr. Manager

Ref: NSE/LIST/12821_1

November 06, 2017

The Company Secretary
Timken India Limited
39-42, Electronic City,
Phase II, Hosur Road,
Bangalore - 560100

Kind Attn.: Mr. Soumitra Hazra

Dear Sir,

Sub: Observation letter for draft Scheme of Arrangement and Amalgamation between Timken India Limited and ABC Bearigns Limited and its respective shareholders and Creditors

We are in receipt of the draft Scheme of Arrangement and Amalgamation between Timken India Limited and ABC Bearigns Limited and its respective shareholders and Creditors, filed by Timken India Limited vide application dated August 07, 2017.

Based on our letter reference no Ref: NSE/LIST/12821 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("Circular"), SEBI vide letter dated November 02, 2017, has given following comments:

- a. The Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the receipt of this letter is displayed on the website of the listed company.*
- b. The Company shall duly comply with various provisions of the Circulars.*
- c. The Company is advised that the observations of SEBI/ Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- d. It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/ representations.*

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of Regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.



The validity of this "Observation Letter" shall be six months from November 06, 2017, within which the scheme shall be submitted to NCLT. Further pursuant to the above SEBI circulars upon sanction of the Scheme by NCLT, you shall submit to NSE the following:

- a. Copy of Scheme as approved by NCLT;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per Annexure III of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017.

Yours faithfully,
For **National Stock Exchange of India Limited**

Divya Poojari
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

Annexure 5 - Complaints report filed with BSE and NSE by Timken India Limited

TIMKEN

Sanjay Koul
Chairman & Managing Director
T 080 41362006
F 080 41362010
sanjay.koul@timken.com

September 6, 2017

To,

The Listing Department
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Fort, Mumbai – 400 001.
Security Code: 522113
ISIN No: INE325A01013

Listing – Compliance Department
National Stock Exchange of India Limited,
Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra East, Mumbai – 400 051.
NSE Symbol: TIMKEN
ISIN No: INE325A01013

Ref: Application for approval under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”) for the proposed scheme of arrangement and amalgamation amongst ABC Bearings Limited and Timken India Limited and their respective shareholders and creditors (“Scheme”).

Subject: Complaints Report in terms of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (“SEBI Circular”).

Dear Sir,

In accordance with the Paragraph I(A)(6) of Annexure I of the SEBI Circular, we hereby confirm that as on the close of September 1, 2017, neither the Company nor its Registrar and Share Transfer Agent being C B Management Service Private Limited, P 22, Bondel Road, Kolkata 700019, either directly or through the stock exchanges / SEBI, have received any complaints from any shareholder of the Company in connection with the captioned Scheme.

We would like to bring to your attention the following:

- 1) The captioned Application was filed with BSE on August 8, 2017;
- 2) The captioned Application was filed with NSE on August 7, 2017;
- 3) The draft Scheme and the related documents were hosted on the website of the Company on August 02, 2017;
- 4) The Application, draft Scheme and the related documents were hosted on the website of BSE on August 11, 2017; and

Registered office:
Timken India Limited
39-42, Electronic City,
Phase II, Hosur Road,
Bangalore 560 100.

Stronger Commitment. Stronger Value. Stronger Worldwide. Stronger Together. Stronger. By Design.

CIN:L29130KA1996PLC048230
Website: <https://www.timken.com/en/in/>

TIMKEN

- 5) The Application, draft Scheme and the related documents were hosted on the website of NSE on August 21, 2017.

Consequently, in terms of Paragraph I(A)(6) of Annexure I of the SEBI Circular, we are filing the Complaints Report attached as **Annexure 1** hereto, containing details of the complaints / comments received on the draft Scheme in the format prescribed in Annexure III of the SEBI Circular for the period between August 11, 2017 and September 1, 2017 i.e. 21 days from the date the Application, Scheme and related documents were hosted on the website of BSE (Designated Stock Exchange).

Please note that we will file another Complaints Report for the period ending September 11, 2017 i.e. 21 days from the date the Application, Scheme and related documents were hosted on the website of NSE.

Request you to take the enclosed information on record and to take necessary action in this regard.

We would be happy to provide any clarifications or further information.

Thanking you,
Yours faithfully,
For **Timken India Limited**


Sanjay Koul
Chairman & Managing Director
Enclosed: As stated above



TIMKEN

Annexure 1

(Commencing from the date of uploading the draft Scheme and related documents under Regulation 37 of the LODR Regulations on the website of BSE i.e. August 11, 2017 (the date of upload of documents on the website of the BSE being the Designated Stock Exchange) till the date of expiry of 21 days from the same.)

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchanges	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

Part B

Sr. No.	Name of complainant	Date of Complaint	Status (Resolved/pending)
			N.A.

For Timken India Limited


Sanjay Koul
Chairman & Managing Director

Date: 6 SEP 2017



TIMKEN

Sanjay Koul

Chairman & Managing Director

T 080 41362006

F 080 41362010

sanjay.koul@timken.com

September 12, 2017

To,
Listing – Compliance Department
National Stock Exchange of India Limited,
Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra East, Mumbai – 400 051.
NSE Symbol: TIMKEN
ISIN No: INE325A01013

Ref: Application for approval under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”) for the proposed scheme of arrangement and amalgamation amongst ABC Bearings Limited and Timken India Limited and their respective shareholders and creditors (“Scheme”).

Subject: Complaints Report in terms of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (“SEBI Circular”).

Dear Sir,

Further to our letter dated September 6, 2017 submitted to you in accordance with the Paragraph I(A)(6) of Annexure I of the SEBI Circular, we hereby confirm that as on the close of September 11, 2017, neither the Company nor its Registrar and Share Transfer Agent being C B Management Service Private Limited, P 22, Bondel Road, Kolkata 700019, either directly or through the stock exchanges / SEBI, have received any complaint from any shareholder of the Company in connection with the captioned Scheme.

Consequently, in terms of Paragraph I(A)(6) of Annexure I of the SEBI Circular, we are filing the Complaints Report attached as **Annexure 1** hereto, containing details of the complaints / comments received on the draft Scheme in the format prescribed in Annexure III of the SEBI Circular for the period between August 21, 2017 and September 11, 2017 i.e. 21 days from the date the Application, Scheme and related documents were hosted on the website of NSE.

Request you to take the enclosed information on record and to take necessary action in this regard.

Registered office:
Timken India Limited
39-42, Electronic City,
Phase II, Hosur Road,
Bangalore 560 100.

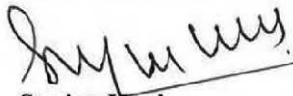
CIN: L29130KA1996PLC048230
Website: www.timken.com/en-in

Stronger. Commitment. Stronger. Value. Stronger. Worldwide. Stronger. Together. | Stronger. By Design.

TIMKEN

We would be happy to provide any clarifications or further information.

Thanking you,
Yours faithfully,
For **Timken India Limited**



Sanjay Koul
Chairman & Managing Director
Enclosed: As stated above



TIMKEN

Annexure 1

(Commencing from the date of uploading the draft Scheme and related documents under Regulation 37 of the LODR Regulations on the website of NSE i.e. August 21, 2017 till the date of expiry of 21 days from the same.)

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchanges	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

Part B

Sr. No.	Name of complainant	Date of Complaint	Status (Resolved/pending)
			N.A.

For Timken India Limited


Sanjay Koul
Chairman & Managing Director



Date: 12 September, 2017

Annexure 6 - Observation Letter issued to ABC Bearings Limited by BSE dated November 03, 2017



DCS/AMAL/SD/R37/969/2017-18

November 3, 2017

The Company Secretary
ABC Bearings Limited,
402 - B, Poonam Chambers,
Dr Annie Besant Road, Worli,
Mumbai, Maharashtra, 400018

Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement between Timken India Limited and ABC Bearings Limited

We are in receipt of Draft Scheme of Arrangement between Timken India Limited and ABC Bearings Limited and their respective shareholders and creditors filed as required under SEBI Circular No. CFD/DIL3/CHR/2017/21 dated March 10, 2017; SEBI vide its letter dated November 02, 2017, has inter alia given the following comment(s) on the draft scheme of arrangement:

- "Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, from the date of receipt of this letter is displayed on the websites of the listed company."
- "Company shall duly comply with various provisions of the Circulars."
- "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."
- "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT. Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble NCLT, the listed company shall submit to the stock exchange the following:

- Copy of the NCLT approved Scheme;
- Result of voting by shareholders for approving the Scheme;



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
Registered Office : Floor 25, P J Towers, Dalel Street, Mumbai 400 001 India
T: +91 22 2272 1234/333 E: corp.comm@bseindia.com www.bseindia.com
Corporate Identity Number : L67120MH2005PLG165188

-
- Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
 - Copy of the observation letter issued by all the Stock Exchanges where Company is listed;
 - Status of compliance with the Observation Letter/s of the stock exchanges;
 - The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
 - Complaints Report as per Annexure II of this Circular.
 - Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,


Nitin Pujari
Sr. Manager

Annexure 7 - Unaudited Financial Statements of Timken India Limited for the period ended June 30, 2017

TIMKEN INDIA LIMITED PROVISIONAL BALANCE SHEET AS AT JUNE 30, 2017

Particulars	Note No.	As at June 30, 2017 Rupees	As at March 31, 2017 Rupees
ASSETS			
(1) Non-current Assets			
(a) Property, plant and equipment	3	2,264,297,330	2,305,827,615
(b) Capital Work-in-Progress		786,183,612	561,314,087
(c) Intangible Assets	4	341,252	380,627
(d) Intangible assets under development		-	-
(e) Financial assets			
(i) Investments	5 A	300,000	300,000
(ii) Trade receivables	10	15,348,779	14,100,147
(iii) Loans	6	31,311,466	30,536,076
(f) Deferred tax assets (Net)	7	45,304,864	32,240,764
(g) Other Non-current assets	8	177,238,853	268,296,468
		3,322,326,156	3,232,995,784
(2) Current Assets			
(a) Inventories	9	2,016,705,796	1,880,282,913
(b) Financial assets			
(i) Investments	5 B	850,697,924	905,514,763
(ii) Trade receivables	10	1,914,833,651	1,920,683,831
(iii) Cash and cash equivalents	11	230,799,542	146,589,603
(iv) Bank balances other than (iii) above	11	36,773,138	36,863,169
(v) Loans	12	1,677,652	1,403,063
(vi) Other current financial assets	13	35,386,663	52,966,686
(c) Other current assets	14	590,265,610	549,688,327
		5,677,139,976	5,493,992,355
Total Assets		8,999,466,132	8,726,988,139
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	15	679,887,840	679,887,840
(b) Other Equity	16	5,714,573,122	5,498,806,960
Total Equity		6,394,460,962	6,178,694,800
LIABILITIES			
Non-current Liabilities			
(a) Long term provisions	17	35,573,364	34,409,720
(b) Other non-current liabilities	18	237,247,890	182,943,213
		272,821,254	217,352,933
Current Liabilities			
(a) Financial liabilities			
(i) Short term borrowings	19	51,130,915	83,986,116
(ii) Trade payables	20	1,668,921,046	1,494,337,597
(iii) Other Current Financial Liabilities	21	264,200,217	374,013,958
(b) Other Current Liabilities	22	72,414,137	118,038,678
(c) Short-term Provisions	17	276,117,601	260,564,057
		2,332,183,916	2,330,940,406
Total Liabilities		2,605,005,170	2,548,293,339
Total Equity and Liabilities		8,999,466,132	8,726,988,139

See accompanying notes to the Financial Statements

2.1 to 30

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

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

Soumitra Hazra
Company Secretary & Chief- Compliance

Place : Bangalore

TIMKEN INDIA LIMITED
STATEMENT OF PROVISIONAL PROFIT AND LOSS FOR THE PERIOD ENDED JUNE 30, 2017

Particulars	Note No.	For the Period ended June 30, 2017 Rupees	For the Year ended March 31, 2017 Rupees
Revenue			
Revenue from Operations	23	3,176,454,261	11,172,182,574
Other Income	24	20,072,379	99,228,299
Total Income (I)		3,196,526,640	11,271,410,873
Expenses			
Cost of Materials Consumed	25	1,219,725,982	3,347,461,019
Purchase of Traded Goods		572,185,397	2,823,544,801
Changes in Inventories of Finished Goods, Traded Goods and Work-in-progress	26	(127,797,041)	33,866,028
Excise Duty on movement in stock of Finished goods		56,751,573	34,701,817
Excise duty on sale of goods		177,628,305	610,430,085
Employee Benefits Expense	27	216,218,946	737,156,522
Finance costs	28	2,275,227	8,369,928
Depreciation and amortisation expense	29	111,744,394	288,896,741
Other Expenses	30	638,080,455	2,005,197,307
Total Expenses (II)		2,866,813,238	9,889,624,248
III. Profit before tax for the year (I- II)		329,713,402	1,381,786,625
IV. Tax expense:			
(1) Current tax charge		123,691,909	407,620,539
(2) Deferred tax		(13,064,100)	2,185,834
Total Tax Expenses		110,627,809	409,806,373
V. Profit for the year (III - IV)		219,085,593	971,980,252
VI. Other Comprehensive Income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
(i) Re-measurement gains/ (losses) on defined benefit plans		(5,076,203)	(17,361,600)
(ii) Income tax effect on above		1,756,772	6,008,503
Other comprehensive income for the year, net of tax		(3,319,431)	(11,353,097)
VII. Total Comprehensive Income for the year (V + VI)		215,766,162	960,627,155
VIII. Earnings per equity share: Basic & Diluted (Nominal value Rs.10 per share (PY Rs. 10 per share)		3.22	14.30

See accompanying notes to the Financial Statements

2.1 to 30

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

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

Soumitra Hazra
Company Secretary & Chief- Compliance

Place : Bangalore

Annexure 8 - Unaudited Financial Statements of ABC Bearings Limited for the period ended September 30, 2017

ABC Bearings Limited

Unaudited Balance Sheet as at 30.09.2017

Particulars	As at	
	30-Sep-17	31-Mar-17
	Amount (Rs.)	Amount (Rs.)
ASSETS		
1. Non-current assets		
(a) Property, plant and equipment	1,38,00,15,830	1,43,90,70,211
(b) Capital work in progress	3,41,22,400	3,06,74,872
(c) Other Intangible assets	1,03,70,186	1,22,58,014
(d) Financial assets		
(i) Others	8,84,11,727	8,12,78,656
(e) Income tax Assets (net)	3,40,94,279	3,40,93,032
(f) Prepayments and Advances	2,42,08,860	2,44,87,686
	1,57,12,23,282	1,62,18,62,471
2. Current assets		
(a) Inventories	28,52,73,919	31,22,98,006
(b) Financial assets		
(i) Trade Receivables	27,67,40,414	27,63,14,797
(ii) Cash and cash equivalents	1,14,76,635	3,38,60,819
(iii) Other financial assets	3,83,31,664	2,16,10,207
(c) Other current assets	1,26,721	83,479
(d) Prepayments and Advances	71,55,837	75,83,320
	61,91,05,190	65,17,50,629
TOTAL ASSETS	2,19,03,28,472	2,27,36,13,100
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	11,55,00,000	11,55,00,000
(b) Other equity		
(i) Share premium	1,52,13,720	1,52,13,720
(ii) Retained earnings	20,20,01,081	20,17,58,178
(iii) Reserves representing unrealised gains/ losses	(70,66,283)	(74,16,133)
(iv) Other reserves	1,04,95,90,724	1,04,95,90,724
Reserves of a disposal group classified as held for distribution		
Equity attributable to equity holders of the parent	1,37,52,39,242	1,37,46,46,489
Non-controlling interests		
Total Equity	1,37,52,39,242	1,37,46,46,489
Liabilities		
Non-Current Liabilities		
(a) Financial liabilities		
(i) Borrowings	3,24,94,082	6,52,86,111
(b) Provisions	1,46,22,945	1,36,73,233
(c) Deferred tax liabilities	18,37,62,380	18,62,54,681
	23,08,79,407	26,52,14,025
Current Liabilities		
(a) Financial liabilities		
(i) Borrowings	17,08,07,204	19,26,74,952
(ii) Trade payables	18,77,34,980	23,61,67,664
(iii) Other financial liabilities	20,36,51,813	19,23,37,738
(b) Other Current Liabilities	1,18,28,990	97,34,532
(c) Provisions	44,19,990	28,37,700
(d) Income tax liabilities (Net)	57,66,846	-
	58,42,09,823	63,37,52,586
Total Liabilities	81,50,89,230	89,89,66,611
TOTAL EQUITY AND LIABILITIES	2,19,03,28,472	2,27,36,13,100

For ABC Bearings Limited

Place : Mumbai

S. B. Desai
Company Secretary

P. M. Patel
Managing Director
DIN:00012138

ABC Bearings Limited
Unaudited Statement of Profit and Loss for the period ended 30.09.2017

Particulars	30-Sep-17	31-Mar-17
	Amount (Rs.)	Amount (Rs.)
Revenue from operations	85,40,98,599	2,06,18,21,229
Other income	22,44,680	57,49,814
Total Revenue	85,63,43,279	2,06,75,71,043
Cost of materials consumed	35,69,84,806	90,40,77,875
Purchase of Stock in Trade	31,41,934	57,48,649
Changes in inventories of finished goods, stock in trade and work in progress	3,17,00,001	(2,01,54,542)
Employee benefits expense	11,48,29,739	21,15,52,172
Finance costs	1,20,79,527	5,13,36,978
Depreciation and amortization expense	5,95,32,598	12,53,84,051
Excise duty paid on goods sold	4,06,51,437	20,91,24,770
Other expenses	19,41,40,843	43,32,01,897
Total Expense	81,30,60,884	1,92,02,71,850
Profit/(loss) before exceptional items and tax from continuing operations	4,32,82,394	14,72,99,193
Exceptional items	-	-
Profit/(loss) before and tax from continuing operations	4,32,82,394	14,72,99,193
(1) Current tax	1,76,98,387	3,17,16,298
(2) MAT Credit Entitlement	-	(83,95,000)
(3) Adjustment of tax relating to earlier periods	-	-
(4) Deferred tax	(24,61,594)	2,97,08,130
Income tax expense	1,52,36,793	5,30,29,428
Profit for the year from continuing operations	2,80,45,601	9,42,69,765
DISCONTINUED OPERATIONS		
Profit/(loss) before tax for the year from discontinued operations	-	-
Tax Income/ (expense) of discontinued operations	-	-
Profit/(loss) for the year	2,80,45,601	9,42,69,765
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Net gain on hedge of a net investment	-	-
Income tax effect	-	-
Exchange differences on translation of foreign operations	-	-
Income tax effect	-	-
Net movement on cash flow hedges	5,39,919	-
Income tax effect	1,90,069	-
	3,49,850	-
Net (loss)/gain on FVTOCI debt securities	-	-
Income tax effect	-	-
	-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Re-measurement gains (losses) on defined benefit plans	-	(55,56,557)
Income tax effect	-	(11,85,858)
	-	(43,70,699)
Revaluation of land and buildings	-	-
Income tax effect	-	-
	-	-
Net (loss)/gain on FVTOCI equity Securities	-	5,72,30,616
Income tax effect	-	74,69,560
	-	4,97,61,056
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	3,49,850	4,53,90,357
Other comprehensive income for the year, net of tax	3,49,850	4,53,90,357
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	2,83,95,451	13,96,60,122
Earnings per equity share of face value of Rs. 10 each		
Basic, profit for the year attributable to equity holders of the Company	2.46	12.09
Diluted, profit for the year attributable to equity holders of the Company	2.46	12.09

For ABC Bearings Limited

Place : Mumbai

S. B. Desai P. M. Patel
Company Secretary Managing Director
DIN:00012138

Annexure 9 - Report pursuant to section 232(2)(c) read with section 102 and other applicable provisions of the Companies Act, 2013

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF TIMKEN INDIA LIMITED AT ITS MEETING HELD ON 10th DAY OF NOVEMBER, 2017 AT NEW DELHI EXPLAINING EFFECT OF THE SCHEME ON SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTER SHAREHOLDERS.

The proposed merger of ABC Bearings Limited ('ABC') with Timken India Limited ('Timken' or 'the Company') through a Scheme of Amalgamation and Arrangement ('the Scheme') was considered and approved by the Board of Directors of the Company at its meeting held on 4 July, 2017.

As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the Directors explaining effect of compromise on shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, is required to be circulated to the equity shareholders along with the notice convening the meeting.

Having regard to the aforesaid provisions, following was discussed by the Board of Directors:

1. Based on the Valuation Report on share exchange ratio obtained from M/s. SSPA & Co., the Scheme of Amalgamation and Arrangement provides the following exchange ratio:
"5 (five) equity shares of Timken India Limited of Rs. 10 (Rupees ten only) each, fully paid up to be issued for every 8 (eight) equity shares of Rs. 10 (Rupees ten only) each held by ABC Bearings Limited's Shareholders".
2. Post the Scheme becoming effective and allotment of shares by the Company as mentioned above, the rights and interests of the shareholders of the Company shall not be affected and the Scheme shall also not be prejudicial to the interest of the shareholders of the Company.
3. There would be no adverse effect of the proposed Scheme on the shareholders, key managerial personnel, promoters and non-promoter shareholders, creditors, employees and other stakeholders of the Company.
4. In the opinion of the Board, the said scheme will be advantageous and beneficial to the Company, its shareholders and other stakeholders and the terms thereof are fair and reasonable.

For **Timken India Limited**

Sanjay Koul
Chairman & Managing Director

Annexure 10 - Form of Proxy

Form No. MGT-11

Proxy form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L29130KA1996PLC048230

Name of the Company: Timken India Limited

Registered office: 39-42 Electronic City, Phase II Hosur Road, Bangalore - 560100

Name of the member(s):
Registered address:
E-mail Id:
Folio No/ Client ID:
DP ID:

I/We, being the member(s) of shares of the above named company, hereby appoint

- Name: Address:
E-mail Id: Signature: or failing him
- Name: Address:
E-mail Id: Signature: or failing him
- Name: Address:
E-mail Id: Signature:

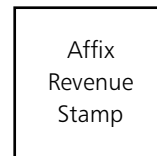
as my/ our proxy, to attend and vote (on a poll/ ballot paper) for me/ us at the Tribunal convened meeting of the Equity Shareholders of Timken India Limited to be held on Thursday, February 01, 2018, at 10.00 a.m. at Tangerine Conference Hall, Lemon Tree Hotel, Plot No. 54B/55A, Hosur Main Road, Electronic City, Phase I, Bangalore - 560 100 at any adjournment thereof, in respect of such resolution as is indicated below :

Resolution No.	Particulars
1	Approval of Scheme of Amalgamation and Arrangement between the ABC Bearings Limited ('the Transferor Company') and Timken India Limited ('Transferee Company') and their respective shareholders and creditors

Signed this day of 2018

Signature of Shareholder

Signature of Proxy holder(s)



Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Transferee Company, not less than 48 (forty eight) hours before the commencement of the Tribunal convened meeting of the Equity Shareholders.

Annexure 11 -Attendance Slip and Route Map of the Meeting Venue

TIMKEN INDIA LIMITED

CIN: L29130KA1996PLC048230
Regd. Office: 39-42, Electronic City, Phase II, Hosur Road, Bengaluru – 560 100
EmailID:tilinvestor@timken.com TelNo: 080-41362000, Fax: 08041362010
Website: www.timken.com/en-in

ATTENDANCE SLIP

Name Client ID*
Folio No DP ID*
No. of Shares held

*applicable for investors holding shares in electronic form.

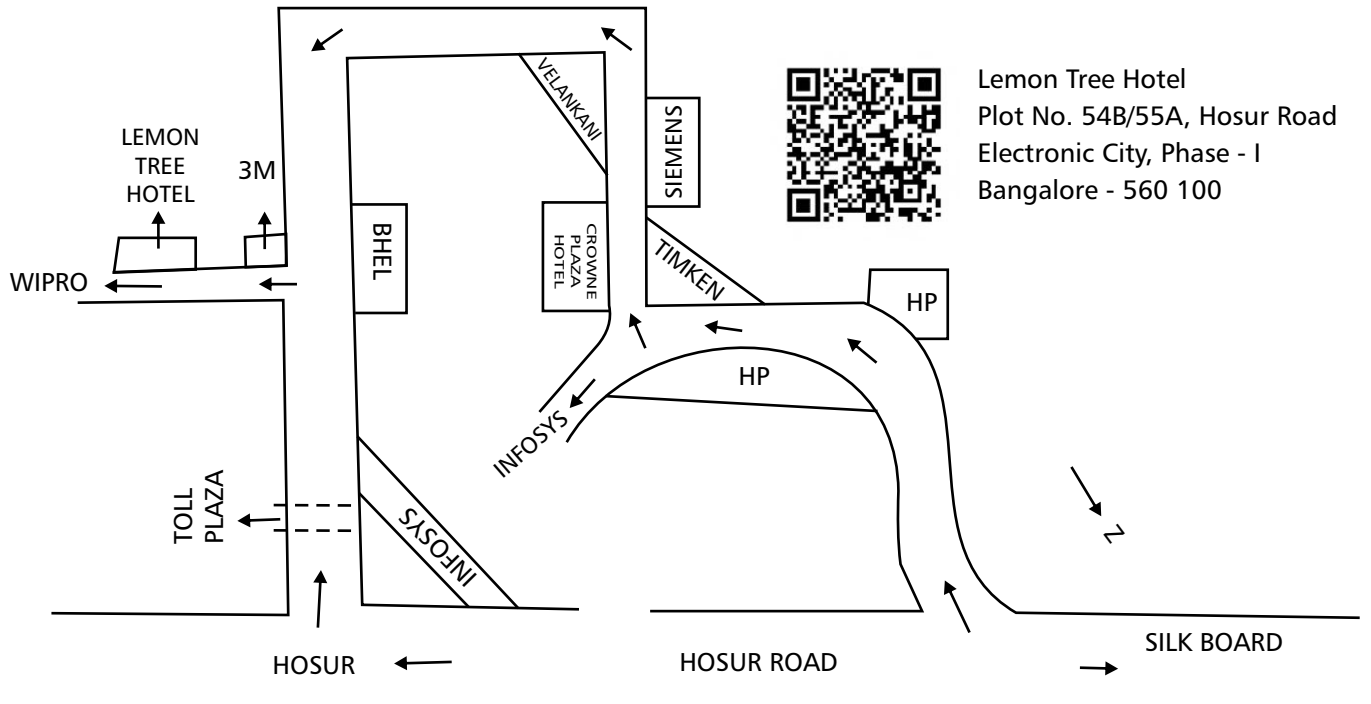
I hereby record my presence at the Meeting of the equity shareholders of the Company convened by the Tribunal at Tangerine Conference Hall, Lemon Tree Hotel, Plot No. 54B/55A, Hosur Main Road, Electronic City, Phase I, Bangalore – 560100 on February 01, 2018 at 10.00AM.

SIGNATURE OF THE MEMBER/ PROXY

Notes:

- 1. Member/ proxy holder/ authorised representative wishing to attend the meeting must bring the attendance slip to the meeting and handover at the entrance duly filled and signed.
- 2. Member/ proxy holder/ authorized representative are requested to bring their copy of notice for reference at the meeting.

Route Map for the Venue of the Meeting



Lemon Tree Hotel
Plot No. 54B/55A, Hosur Road
Electronic City, Phase - I
Bangalore - 560 100

NOT TO SCALE

TIMKEN INDIA LTD

CIN : L29130KA1996PLC048230

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

Tel no. (080) 4136 2000, Fax no. (080) 41362010

E-mail: tilinvestor@timken.com, Website : www.timken.com/en-in

POSTAL BALLOT FORM

(Pursuant to Section 110 of the Companies Act, 2013)

S. No.

1.	Name(s) & Registered Address of the Sole/first named Member	
2.	Name(s) of the Joint-Holder(s) if any	
3.	Registered Folio No./DP ID No./Client ID No.*	
4.	Number of Ordinary Share(s) held	

* Applicable to Investors holding shares in dematerialised form.

I/We hereby exercise my/our vote in respect of the following Resolution to be passed as stated in Notice of the Company dated December 20, 2017, by conveying my/our assent or dissent to the said resolutions by placing tick (✓) mark in the appropriate box below:

Description of the Resolution	No. of Share(s) Voted	I/ We assent to the Resolution (FOR)	I/ We dissent to the Resolution (AGAINST)	Abstain/ Not voting
Approval of Amalgamation and Arrangement between ABC Bearings Limited (Transferor Company) and Timken India Limited (Transferee Company) and their respective shareholders and creditors and related matters thereto				



Place:
Date:

(Signature of the Member or the Authorised Representative as per instructions overleaf)

Notes:

- (1) Last date for receipt of Postal Ballot Forms by Scrutinizer is Wednesday, January 31, 2018, 05:00 p.m.
- (2) Please read the Notes/ Instructions printed on the Postal Ballot Form carefully before exercising your vote.
- (3) The Company is pleased to offer all its shareholders, e-voting facility as an alternative mode for casting their votes electronically, instead of sending the postal ballot forms to the Scrutinizer. However, e-voting is optional.

Instructions

1. Members may fill up the postal ballot form printed overleaf and submit the same to the Scrutinizer in the enclosed self-addressed business reply envelope so as to reach before 5.00 p.m. on Wednesday, January 31, 2018. Postal ballot form received thereafter will strictly be treated as if not received.
2. Alternatively, a shareholder may vote through electronic means as per "Procedure for voting through e-voting" in the notice sent herewith.
3. Voting period will start from 9.00 a.m. on Tuesday, January 02, 2018 and will end on Wednesday, January 31, 2018 at 5.00 p.m.
4. The Company will not be responsible if the envelope containing the postal ballot form is lost in transit.
5. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the postal ballot forms will be final.
6. In the event member casts his votes through both the processes i.e. e-voting and postal ballot form, the votes in the electronic system would be considered and the postal ballot form would be ignored.
7. The right of voting by postal ballot form shall not be exercised by a proxy.
8. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/ demat form is verified with the specimen signatures furnished by NSDL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company. Members are requested to keep the same updated.
9. There will be only one postal ballot form for every Folio/ Beneficiary ID irrespective of the number of joint members. Please convey your assent or dissent only by putting a tick mark in the relevant box signifying your assent or dissent.
10. Where the postal ballot form has been signed by an authorized representative of the body corporate/Trust/Society, etc. a certified copy of the relevant authorization/Board Resolution to vote should accompany the postal ballot form.
11. Voting rights for the postal ballot shall be reckoned on the paid up value of the shares registered in the names of the shareholders as on Tuesday, December 26, 2017 i.e. the cut-off date.
12. Shareholders may download the postal ballot form from the Company's website <https://www.timken.com/en-in/in> or seek a duplicate postal ballot form by sending request to rta@cbmsl.com. However, the duly completed postal ballot form should reach the Scrutinizer not later than the close of working hours 5.00 p.m. on Wednesday, January 31, 2018. Postal ballot forms received after that date will be strictly treated as if reply from such member has not been received.
13. The Scrutinizer shall, immediately after the conclusion of the voting period, unblock the votes cast through remote e-voting and also count the votes received by post through postal ballot form, in the presence of at least two (2) witnesses not in the employment of the Company.
14. The Scrutinizer will collate the votes downloaded from the e-voting system and votes received through postal ballot form and make, not later than three days of the passing of the resolution at the Meeting held on Thursday, February 01, 2018, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, which shall be signed by the Scrutinizer.

TIMKEN INDIA LIMITED

CIN: L29130KA1996PLC048230

PAN: AABCT0596J

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

EmailID:tilinvestor@timken.com

Tel No: 080-41362000, Fax No: 080-41362010

Website: www.timken.com/en-in

MEETING OF THE UNSECURED CREDITORS OF TIMKEN INDIA LIMITED CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH

MEETING:

Day	Thursday
Date	February 01, 2018
Time	2:00 p.m. (IST)
Venue	Tangerine Conference Hall, Lemon Tree Hotel, Plot No. 54B/55A, Hosur Main Road, Electronic City, Phase I, Bangalore - 560 100

INDEX

Sr. No.	Particulars	Page No.
1.	Notice convening meeting of the unsecured creditors of Timken India Limited under the provisions of Sections 230 to 232 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016	3-5
2.	Explanatory Statement under Section 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016	6-20
3.	<u>Annexure 1</u> Scheme of Amalgamation and Arrangement between ABC Bearings Limited and Timken India Limited and their respective shareholders and creditors	21-34
4.	<u>Annexure 2</u> Valuation Report issued by SSPA & Co. dated July 04, 2017	35-41
5.	<u>Annexure 3</u> Fairness Opinions issued by JM Financial Institutional Securities Limited, a Category-I Merchant Banker dated July 04, 2017 and by SBI Capital Markets Limited, a Category-I Merchant Banker dated October 27, 2017	42-51
6.	<u>Annexure 4</u> Observation Letters issued to Timken India Limited by BSE Limited ("BSE") dated November 03, 2017 and by National Stock Exchange of India Limited ("NSE") dated November 06, 2017	52-55
7.	<u>Annexure 5</u> Complaints reports filed with BSE and NSE by Timken India Limited	56-61
8.	<u>Annexure 6</u> Observation Letter issued to ABC Bearings Limited by BSE dated November 03, 2017	62-63
9.	<u>Annexure 7</u> Unaudited Financial Statements of Timken India Limited for the period ended June 30, 2017	64-65
10.	<u>Annexure 8</u> Unaudited Financial Statements of ABC Bearings Limited for the period ended September 30, 2017	66-67
11.	<u>Annexure 9</u> Report pursuant to Section 232(2)(c) read with Section 102 and other applicable provisions of the Companies Act, 2013	68
12.	<u>Annexure 10</u> Form of Proxy	69
13.	<u>Annexure 11</u> Attendance Slip and Route Map of the Meeting Venue	70

Form No. CAA. 2
[Pursuant to Section 230(3) and Rule 6 and 7]
Company Application No.CA(CAA)85/BB/2017
BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH

In the matter of the Companies Act, 2013

AND

In the matter of **TIMKEN INDIA LIMITED**

AND

In the matter of Sections 230 to 232 of the Companies Act, 2013

AND

In the matter of Scheme of Amalgamation and Arrangement between ABC Bearings Limited and Timken India Limited and their respective shareholders and creditors

Timken India Limited

A Company incorporated under the Companies Act, 1956, having its Registered Office at 39-42, Electronic City, Phase II, Hosur Road, Bangalore – 560 100, Karnataka, India

...Applicant Company/Transferee Company

**NOTICE CONVENING THE MEETING OF THE UNSECURED CREDITORS OF TIMKEN INDIA LIMITED,
THE APPLICANT COMPANY ("MEETING")**

To,

The Unsecured Creditor(s) of Timken India Limited

("the Applicant Company" or "the Company" or "the Transferee Company")

NOTICE is hereby given that by an order dated December 14, 2017, in the abovementioned Company Application No.CA(CAA)85/BB/2017, the Bengaluru Bench of the National Company Law Tribunal ("**Tribunal**") has directed a Meeting to be held of the unsecured creditors of Timken India Limited, for the purpose of considering and if thought fit, approving with or without modification, the arrangement, proposed in the matter of Scheme of Amalgamation and Arrangement between ABC Bearings Limited and Timken India Limited and their respective shareholders and creditors ("**Scheme**").

TAKE FURTHER NOTICE that in pursuance of the said order and as directed therein, further notice is hereby given that a Meeting of the unsecured creditors of the Applicant Company will be held to transact the following business at Tangerine Conference Hall, Lemon Tree Hotel, Plot No. 54B/55A, Hosur Main Road, Electronic City, Phase I, Bangalore - 560 100, on February 01, 2018 at 02:00p.m. (IST) at which time and place, you are requested to attend.

TAKE FURTHER NOTICE that copy of the Scheme, explanatory statement under section 230(3) of the Companies Act, 2013 read with Section 102 of the Companies Act, 2013, form of proxy and attendance slip as stated in the index are enclosed herewith.

The Hon'ble Tribunal has appointed Mr. Sanjay Koul, Chairman & Managing Director of the Applicant Company or in his absence, Mr. Avishrant Keshava, Business Controller - India, CFO & Whole-time Director of the Applicant Company as the Chairman of the Meeting. The above Scheme if approved by the unsecured creditors, will be subject to the subsequent approval of the Hon'ble Tribunal.

The Audit Committee and the Board of Directors of the Applicant Company at their respective meetings held on July 04, 2017, have approved the Scheme, subject to approval by the requisite majority of unsecured creditors of the Applicant Company, as may be required and subject to the sanction of the Hon'ble Tribunal and such other authorities as may be necessary.

The voting rights of the unsecured creditors shall be in proportion to their outstanding amount in the Applicant Company as on the close of business hours on November 30, 2017 ("**Cut-Off Date**").

The unsecured creditors are requested to attend, to consider and, if thought fit, to pass with or without modification(s), the following resolution under Sections 230 to 232 of the Companies Act, 2013 (including any statutory modification(s) thereof for the time being in force):

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 (including any statutory modification(s) thereof for the time being in force) and other applicable provisions of the Memorandum and Articles of Association of the Company and subject to the approval of the National Company Law Tribunal at Bengaluru and Mumbai and subject to such other approvals and permissions, which may be prescribed or imposed by the respective Benches of the Hon'ble National Company Law Tribunal or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "**Board**" which term shall be deemed to mean and include one or more committee(s) constituted/to be constituted by the Board or any other person authorized by it to exercise its power including the powers conferred by this resolution), the arrangement embodied in the Scheme of Amalgamation and Arrangement between ABC Bearings Limited ("**Transferor Company**") and Timken India Limited ("**Transferee Company**") and their respective shareholders and creditors (hereinafter referred to as "**Scheme**") placed before this Meeting and initialled by the Chairman of the Meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the any Director of the Company and the Company Secretary be and are hereby severally authorised to do all such acts, deeds, matters and things, as he/ she may, in his/ her absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendment's, limitations and/or conditions, if any, which may be required and/or imposed by the Bengaluru bench and Mumbai bench of the Hon'ble National Company Law Tribunal while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper."

Place: Bengaluru
Date: December 20, 2017

Sanjay Koul
Chairman appointed for the Meeting

Registered Office:
39-42 Electronic City,
Phase II Hosur Road
Bangalore – 560100
CIN - L29130KA1996PLC048230

Notes:

- (1) Unsecured Creditor entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a creditor/member of the Applicant Company. The proxy form duly completed should, however, be deposited at the registered office of the Applicant Company not less than 48 (forty eight) hours before the commencement of the Meeting.
- (2) All alterations made in the Form of Proxy should be initialled.
- (3) A proxy can only cast vote but cannot speak at the meeting.
- (4) A person who is a minor cannot be appointed as proxy.
- (5) Only unsecured creditors of the Applicant Company may attend and vote either in person or by proxy (a proxy need not be a unsecured creditor of the Applicant Company) or in the case of a body corporate, by a representative authorised under Sections 112 and 113 of the Companies Act, 2013 at the Meeting of the unsecured creditors of the Applicant Company. The authorised

representative of a body corporate which is a unsecured creditor of the Applicant Company may attend and vote at the meeting of the unsecured creditors of the Applicant Company provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorising such representative to attend and vote at the Meeting of the unsecured creditors of the Applicant Company is deposited at the registered office of the Applicant Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the Meeting of the unsecured creditors of the Applicant Company. The Form of Proxy can be obtained free of charge at the registered office of the Applicant Company.

- (6) The quorum of the Meeting of the unsecured creditors of the Applicant Company shall be 3 (three) unsecured creditors of the Applicant Company, present in person.
- (7) The unsecured creditor or his proxy, attending the Meeting, is requested to bring the attendance slip duly completed and signed.
- (8) The documents referred to in the accompanying explanatory statement shall be open for inspection by the unsecured creditors at the registered office of the Applicant Company between 10 a.m. and 12:00 noon on all days (except Saturdays, Sundays and public holidays) up to the date of the Meeting.
- (9) Mr. Soumitra Hazra, Company Secretary of the Transferee Company has been appointed as the scrutinizer to conduct the voting at the venue of the meeting, in a fair and transparent manner.
- (10) The scrutinizer will submit his report to the Chairman of the Meeting after completion of the scrutiny of the votes cast by the unsecured creditors of the Applicant Company through polling paper at the venue of the Meeting. The scrutinizer's decision on the validity of the vote shall be final. The results of votes cast through polling paper at the venue of the Meeting will be announced by the Chairman of the meeting upon receipt of Scrutiniser report and same will be displayed at the registered office of the Applicant Company and on the website of the Applicant Company, besides being communicated to Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.
- (11) Unsecured creditors whose names appear in the books of accounts of the Applicant Company as on November 30, 2017 will be entitled to exercise their right to vote on the above Meeting.
- (12) This Notice may also be accessed on the Company's Website www.timken.com/en-in.

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
BENGALURU BENCH**

In the matter of the Companies Act, 2013

AND

In the matter of Sections 230 to 232 of the Companies Act, 2013

AND

In the matter of **TIMKEN INDIA LIMITED**

AND

In the matter of Scheme of Amalgamation and Arrangement between ABC Bearings Limited and
Timken India Limited and their respective shareholders and creditors

In

Company Application No.CA(CAA)85/BB/2017

Timken India Limited

A Company incorporated under the Companies
Act, 1956, having its Registered Office at
39-42, Electronic City, Phase II,
Hosur Road, Bangalore – 560 100,
Karnataka, India

.....Applicant Company/Transferee Company

**EXPLANATORY STATEMENT UNDER SECTION 230(3), 232(1) AND (2) AND 102 OF THE COMPANIES ACT, 2013 ('the Act')
READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 FOR THE
MEETING OF THE UNSECURED CREDITORS OF TIMKEN INDIA LIMITED DIRECTED TO BE CONVENED BY HON'BLE NATIONAL
COMPANY LAW TRIBUNAL, BENGALURU BENCH**

Details of the Companies or Parties involved in the Scheme:

1. **ABC Bearings Limited** is referred to as "**Transferor Company**";
2. **Timken India Limited** is referred to as "**Transferee Company**";

The Scheme of Amalgamation and Arrangement between the above companies and their respective shareholders and creditors is referred to as "**the Scheme**" or "**this Scheme**" or "**Scheme**" and the Transferor Company is within the jurisdiction of National Company Law Tribunal, Mumbai. The Transferee Company is within the jurisdiction of National Company Law Tribunal, Bengaluru and is the "**Applicant Company**" in Company Application No.CA(CAA)85/BB/2017. Other definitions contained in the enclosed Scheme will apply to this Statement.

1. This is a Statement accompanying the Notice convening the meeting of the Unsecured Creditors of the Transferee Company, pursuant to an order dated December 14, 2017 ("**Order**") passed by the Bengaluru Bench of the National Company Law Tribunal ("**Tribunal**") in the Company Application No.CA(CAA)85/BB/2017 referred to hereinabove the meeting of the unsecured creditors of the Applicant Company is being convened and held on February 01, 2018 at Tangerine Conference Hall, Lemon Tree Hotel, Plot No. 54B/55A, Hosur Main Road, Electronic City, Phase I, Bangalore - 560 100 at 02:00 p.m. (IST), for the purpose of considering and, if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme.
2. In accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013, the Scheme shall be acted upon only if majority of persons representing three-fourths (3/4th) in value of the unsecured creditors, of the Transferee Company, voting in person or by proxy, agree to the Scheme.
3. In terms of the said Order, the quorum for the said meeting is 3 (three) as directed by the NCLT, present in person. Further in terms of the said Order, NCLT has appointed Mr. Sanjay Koul, Chairman & Managing Director of the Applicant Company failing him,

Mr. Avishrant Keshava, Business Controller – India, CFO & Whole-time Director of the Applicant Company to be the Chairman of the said meeting including for any adjournment or adjournments thereof.

4. A copy of the Scheme as approved by the Board of Directors of the Applicant Company, after undertaking necessary modifications as recommended by the Stock Exchanges, is enclosed as **Annexure 1**. The proposed Scheme is envisaged to be effective from the Appointed Date (as defined in the Scheme) but shall be made operative from the Effective Date (as defined in the Scheme).
5. The Scheme was placed before the Audit Committee and Board of Directors of the Transferee Company at their respective meetings held on July 04, 2017. In accordance with Circular No. CFD/DIL3/CIR/2017/21 dated 10th day of March, 2017, issued by the Securities and Exchange Board of India (referred to as "SEBI Circular"), the Audit Committee recommended the Scheme to the Board of Directors of the Transferee Company inter-alia taking into account:
 - a. The Valuation Report dated July 04, 2017 issued by M/s. SSPA & Co, Chartered Accountants for issue of shares by the Transferee Company pursuant to the Scheme;
 - b. The Fairness Opinion dated July 04, 2017, issued by M/s. JM Financial Institutional Securities Limited, a Category-I Merchant Banker to the Transferee Company;
 - c. Statutory Auditor's Certificate dated July 04, 2017 issued by M/s S.R. Batiboi & Co., Chartered Accountants, the then Statutory Auditors of the Transferee Company, in relation to the accounting treatment prescribed in the Scheme.

Subsequent to the approval of the Board of Directors of the Transferee Company and based on recommendation of the Stock Exchanges, the Transferee Company obtained another fairness opinion from SBI Capital Markets Limited, a Category-I Merchant Banker dated October 27, 2017.

Copy of the Valuation Report and Fairness Opinions obtained are enclosed as **Annexure 2** and **Annexure 3** to this Notice.

6. **Details of the Companies:**

6.1 **Transferor Company**

- (a) ABC Bearings Limited (the "Transferor Company") is a public limited company which was incorporated on May 30, 1961 under the name and style of 'Antifriction Bearings Corporation Limited' under the Companies Act, 1956. Subsequently, the name of the Transferor Company was changed from "Antifriction Bearings Corporation Limited" to "ABC Bearings Limited" and a fresh certificate of incorporation consequent on the change of name was issued to the Transferor Company on September 27, 2002. The Transferor Company is engaged in the business of (i) engineering, product design, manufacturing, distribution and sale of bearings including inter alia taper roller bearings, cylindrical roller bearings, spherical roller bearings and slewing bearings; and (ii) procurement, distribution and sale of other bearings, grease, oil and UJ Cross, not manufactured by the Transferor Company but sold by the Transferor Company under the "ABC" brand.
- (b) Corporate Identification Number (CIN): L29130MH1961PLC012028
- (c) The PAN of the Transferor Company is AA ACT5018Q
- (d) The Registered Office of the Transferor Company is situated at 402 – B, Poonam Chambers, Dr. Annie Besant Road, Worli, Mumbai – 400 018. Email address: regdoff@abcbearings.com
- (e) There has been no change in the name and registered office of the Transferor Company during the last five (5) years. Objects Clause III of Memorandum of Association of the Transferor Company was altered by adding the new Clause No. 36 in the Annual General Meeting held on 3rd August, 2012. Apart from this, there has been no change in the object clause and registered office of the Transferor Company during the last five (5) years.
- (f) The objects of the Transferor Company are set out in the Memorandum of Association. They are briefly as under:-

"III The objects for which the Company is established are:-

 - (1) *To acquire and take over as a going concern the business now carried on at Lonavla (Maharashtra) in the firm name and style of Messrs. Dhirajlal & Co., (Lonavla) and all or any of the assets and liabilities of the proprietors of the said business in connection therewith and with a view thereto to enter into the agreement referred to in Article 2 of the Articles of Association and to carry the same into effect with or without modifications.*
 - (2) *To carry on all or any of the business of importing, exporting, dealing, manufacturing, buying, selling and distributing and generally dealing in ball bearings, cylindrical roller bearings, spherical roller bearings, taper roller bearings, thrust ball bearings, compound roller and thrust bearings, needle roller bearings, aircraft bearings, taper roller thrust bearings and any type of common or special bearings, steel rollers and steel balls for paint industries and other uses and any other articles and things allied or otherwise.*

-
- (3) *To carry on all or any of the trades or business of machine makers, metal-workers, tool makers, boiler-makers, mill-wrights, mechanics, iron-founders, iron and steel converters, compressor manufacturers, metallurgists, smelters, refiners, wood workers, electrical and mechanical engineers and contractors in all or any of their details, branches and processes and to manufacture, produce, buy, sell, hire, import, export, let out on hire, trade and deal in machinery and tools of all descriptions, mill-wrights, work engines, boilers, compressors, engineers and contractors plant and other articles, apparatus, appliances, substances, products and materials connected with the business aforesaid or any of them.*
 - (4) *To carry on any business relating to the production and working of metals, and the production, manufacture, and preparation of any materials which may be usefully or conveniently combined with the manufacturing and other business of the Company.*
 - i. *To manufacture, purchase, put up and use all the apparatus now known or that may hereafter be invented, connected with the generation, accumulation, storage, distribution, supply and employment of electricity produced by harnessing wind energy, including all wind-mills, electric generators, storage batteries, cables, wires or appliances for connecting the apparatus at a distance with other apparatus and including the setting up of stations, sub-stations and to channelise all electrical power so generated into the state or national grid or to set up a distribution network and system for the purpose of making available the electrical energy to members of the public.*
 - ii. *To acquire, construct, erect, lay down, maintain, enlarge, alter, work and use all lands, buildings, easements, windmills, transmissions, towers, electric generators, storage batteries, power line networks and other works, machinery, plant, stock, pipes, motors, fittings, meters, apparatus, materials and things as may be necessary, incidental or convenient in connection with the production, use, storage regulation, measurement, supply and distribution of the electrical energy produced by the Company by harnessing wind energy.*
 - (5) *To acquire, construct, carry out, equip, maintain, alter, improve, develop, manage, work, control and superintend any tanks, coolie, lines and houses and bustees, villages, roads, ways, tramways, water-courses, dykes, drains, wharves, furnaces, crushing works, hydraulic works, workshops, factories, warehouses, sheds, dwellings, offices, shops, stores, buildings and other works and conveniences which may seem directly or indirectly conducive to any of the objects of the Company and to contribute to subsidise or otherwise aid by taking part in any such operations.*
 - (6) *To buy, sell, manufacture, repair, alter, improve, exchange, let out on hire, import, export and deal in all factories, works, plant, machinery, tools, utensils, appliances, apparatus, products, materials, substances, articles and things capable of being used in any business which this Company is competent to carry on or required by any customers of or persons having dealings with the Company or commonly dealt in by persons engaged in such business or which may seem capable of being profitably dealt with in connection therewith and to manufacture, experiment with, render marketable and deal in all products of residual and by-products incidental to or obtained in any of the business carried on by the Company.*
 - (7) *To purchase, take on lease or tenancy or in exchange, hire, take options over or otherwise acquire any estate or interest whatsoever and to hold, develop, work, cultivate, deal with and turn to account concessions, grants, decrees, licences, privileges, claims, options, leases, property, real or personal or rights or powers of any kind which may appear to be necessary or convenient for any business of the Company and to purchase, charter, hire, build or otherwise acquire vehicles of any or every sort or description for use on or under land or water or in the air and to employ the same in the carriage of merchandise of all kinds or passengers and to carry on the businesses of owners of trucks, trams, lorries, motor cars and of ship-owners and lighter-men and owners of aircrafts in all or any of their respective branches.*
 - (8) *To sell, exchange, mortgage, let on lease, royalty or tribute, grant licences, easements, options and other rights over and in any other manner deal with or dispose off the undertaking, property, assets, rights and effects of the Company or any part thereof for such consideration as may be thought fit and in particular for stock, shares whether fully or partly paid up or securities of any other Company.*
 - (9) *To advance, deposit with or lend money, securities and property to or receive loans or grants or deposits from the Government.*
 - (10) *To lend money, either or without security and generally to such persons and upon such terms and conditions as the Company may think fit.*
 - (11) *To undertake financial and commercial obligations, transactions and operations of all kinds.*

-
- (12) *To guarantee the performance of the obligations of and the payment of dividends and interest on any stock, shares or securities of any company, corporation, firm or person in any case in which such guarantee may be considered likely directly or indirectly to further the objects of the Company or the interests of its shareholders.*
 - (13) *To guarantee the payment of money unsecured or secured by or payable under or in respect of promissory notes, bonds, debentures, debentures stocks, contracts, mortgages, charges, obligations instruments and securities of any company or of any authority, supreme, municipal, local or otherwise or of any persons whomsoever, whether incorporated or not incorporated and generally to guarantee or become sureties for the performance of any contracts or obligations.*
 - (14) *To subscribe for, absolutely or conditionally, purchase or otherwise acquire and to hold, dispose off and deal in shares, stocks and securities or obligations of any other Company whether Indian or foreign.*
 - (15) *To invest any moneys of the Company in such investments (other than shares or stock in the Company) as may be thought proper and to hold, sell or otherwise deal with such investments.*
 - (16) *To borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular by the issue of debentures or debenture - stock perpetual or otherwise, charged upon all or any of the Company's property (both present and future), including its uncalled capital and to purchase, redeem and pay off any such securities.*
 - (17) *To draw, make, accept, discount, execute and issue bills of exchange, Government of India and other promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments or securities.*
 - (18) *To apply for, purchase or otherwise acquire and protect, prolong and renew whether in India or elsewhere any patents, patent rights, brevets invention, trade marks, designs, licenses, protections, concessions and the like conferring any exclusive or non-exclusive or limited right to use any secret or other information as to any invention, process or privilege which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated directly or indirectly to benefit the Company and to use, exercise, develop, manufacture under or grant licences or privileges in respect of or otherwise turn to account the property rights and information so acquired and carry on any business in any way connected therewith.*
 - (19) *To spend money in experimenting on and testing and in improving or seeking to improve any patents, rights, inventions, discoveries, processes or information of the Company or which the Company may acquire or propose to acquire.*
 - (20) *To establish, provide maintain and conduct research laboratories, training colleges, schools and other institutions for the training education and instruction of students and others who may desire to avail themselves of the same and to provide for the delivery and holding of lectures, demonstrations, exhibitions, classes, meetings and conferences in connection therewith.*
 - (21) *To acquire and undertake all or any part of the business, property and liabilities of any person or Company carrying on any business which this Company is authorised to carry on or possessed of property suitable for the purposes of the Company.*
 - (22) *To take part in the management, supervision or control of the business or operations of any Company or undertaking and to act as Managing Agents or Secretaries thereof and for that purpose to appoint and remunerate any Directors, Accountants or other experts or agents.*
 - (23) *To procure the registration or incorporation or recognition of the Company in or under the laws of any place outside India.*
 - (24) *To form, incorporate or promote any company or companies, whether in India or in any foreign country, having amongst its or their objects the acquisition of all or any of the assets or control, management or development of the Company or any other objects or object which in the opinion of the Company could or might directly or indirectly assist the Company in the management of its business or the development of its properties or otherwise prove advantageous to the Company and to pay all or any of the costs and expenses incurred in connection with any such promotion or incorporation and to remunerate any person or Company in any manner it shall think fit for services rendered or to be rendered in obtaining subscriptions for or placing or assisting to place or to obtain subscriptions for or for guaranteeing the subscription or the placing of any shares in the capital of the Company or any bonds, debentures, obligations or securities of the Company or any stock, shares, bonds, debentures, obligations or securities of any other Company held or owned by the Company or in which the Company may have interest or in or about the formation or promotion of the company or the conduct of its business or in or about the promotion or formation of any other Company in which the Company may have an interest.*

-
-
- (25) *To enter into partnership or into any arrangement for sharing profits or into any union of interests, joint-adventure, reciprocal concession or co-operation with any person or persons or Company or Companies carrying on, or engaged in, or about to carry on or engage in, or being authorised to carry on or engage in or any business or transaction which this company is authorised to carry on or engage in or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company.*
- (26) *To enter into any arrangements and to take all necessary or proper steps with governments or with other authorities imperial, supreme, national, local, municipal or otherwise of any place in which the Company may have interests and to carry on any negotiations or operations for the purpose of directly or indirectly carrying out the objects of the Company or effecting any modification in the constitution of the company or furthering the interest of its members and to oppose any such steps taken by any other Company, firm or person which may be considered likely directly or indirectly to prejudice the interests of the Company or its members and to promote or assist the promotion, whether directly or indirectly, of any legislation which may appear to be in the interests of the Company and to oppose and resist, whether directly or indirectly, any legislation which may seem disadvantageous to the Company and to obtain from any such government authority or any Company any charters, contracts, decrees, right, grants, loans, privileges or concessions which the Company may think it desirable to obtain and carry out, exercise and comply with any such arrangements, charters, contracts, decrees, rights, privileges or concessions.*
- (27) *To adopt such means of making known the products of the Company as may seem expedient and in particular by advertising in the press by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations.*
- (28) *To undertake and execute any trust, the undertaking of which may seem to the Company desirable, and either gratuitously or otherwise.*
- (29) *To apply the assets of the Company in any way in or towards the establishment, maintenance or extension of any association, institution or fund in any way connected with any particular trade or business or with trade, commerce generally including any association, institution or fund for the protection of the interests of masters, owners and employers against loss by bad debts, strikes, combinations, fire, accidents or otherwise or for the benefit of any clerks, workmen or others at any time employed by the Company or any of its predecessors in business or their families or dependents and whether or not in common with other persons or classes of persons and in particular of friendly, co-operative and other societies, reading rooms, libraries, educational and charitable institutions, refectories, dining and recreation rooms, churches, chapels, schools and hospitals and to grant gratuities, pensions and allowances and to contribute to any funds raised by public or local subscriptions for any purpose whatsoever.*
- (30) *To aid, pecuniarily or otherwise, any association, body or movement having for an object the solution, settlement, or surmounting of industrial or labour problems or troubles or the promotion of industry or trade.*
- (31) *To subscribe or guarantee money for any national, charitable, benevolent, political, public, general or useful object or for any exhibition.*
- (32) *To establish and support, or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit persons who are or have been directors of or who are or have been employed by or who are serving or have served the Company or any Company which is a subsidiary or associate of the Company or its predecessors in business or the dependent, or connections of such persons and to grant pensions and allowances and to make payments towards insurance.*
- (33) *To distribute all or any of the property of the Company amongst the members in specie or kind.*
- (34) *To carry on any other business whether manufacturing or otherwise that may seem to the company capable of being conveniently carried on in connection with the above objects or calculated directly, or indirectly to enhance the value of or render profitable any of the company's property or rights or which it may be advisable to undertake with a view to improving, developing, rendering valuable or turning to account any property real or personal belonging to the Company or in which the Company may be interested and to do all or any of the above things, either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with others, and either by or through agents, sub-contractors, trustees or otherwise.*
- (35) *To do all such things as are incidental or conducive to the attainment of the above objects.*

(36) *To acquire, amalgamate, absorb or merge or enter into any partnerships, joint ventures or undertake any business or any scheme of arrangement or restructuring with the creditors or shareholders of the company.”*

(g) The Authorized, Issued, Subscribed and Paid Up Share Capital of the Transferor Company as at March 31, 2017 is as follows:-

Particulars	Rupees
Authorized Capital	
1,20,00,000 Equity Shares of Rs. 10 each	12,00,00,000
Total	12,00,00,000
Issued, Subscribed and Paid-up	
1,15,50,000 Equity Shares of Rs. 10 each	11,55,00,000
Total	11,55,00,000

and as on 30 November 2017, there has been no change in the authorised, issued, subscribed and paid up share capital of the Transferor Company.

(h) The shares of the Transferor Company are currently listed on BSE Limited (**'BSE'**).

(i) The details of the promoters and present directors of the Transferor Company along with their addresses are as follows:

Promoters		
Sl. No.	Name	Address
1.	Unnati Niren Kulur	402 B Poonam Chambers, Dr Annie Besant Road, Worli, Mumbai 400018
2.	Essex Properties LLP	402 B Poonam Chambers, Dr Annie Besant Road, Worli, Mumbai 400018
3	Pradip Manubhai Patel (HUF)	402 C Poonam Chambers, Dr Annie Besant Road, Worli, Mumbai 400018
4.	Tanuj Manubhai Patel (HUF)	402 C Poonam Chambers, Dr Annie Besant Road, Worli, Mumbai 400018
5.	Nehal Pradip Patel	402 C Poonam Chambers, Dr Annie Besant Road, Worli, Mumbai 400018
6.	Maple Investments Company Pvt Ltd	402 C Poonam Chambers, Dr Annie Besant Road, Worli, Mumbai 400018
7.	Manoway Investments Pvt Ltd	402 D Poonam Chambers, Dr Annie Besant Road, Worli, Mumbai City MH 400018
8.	Tanuj Manubhai Patel	Turf View, A Wing Nehru Planetarium Road, Worli Mumbai 400018
9.	Sudhir Manubhai Patel	No 12, Second Floor, Dalamal Court 7/18 Worli Seaface Mumbai 400018
10.	Mipco Investments Pvt Ltd	402 B Poonam Chambers, Dr Annie Besant Road, Worli, Mumbai 400018
11.	Emsons Leasing Company Pvt Ltd	402 B Poonam Chambers, Dr Annie Besant Road, Worli, Mumbai 400018
12.	Pradip Manubhai Patel	318 Samudra Mahal Dr. Annie Besant Road, Worli, Mumbai 400018
13.	Ziwani Properties Pvt. Limited	402 C Poonam Chambers, Dr Annie Besant Road, Worli, Mumbai Mumbai 4000018

Sl. No.	Name	Address
14.	Archana Tanuj Patel	Turf View, A Wing Nehru Planetarium Road, Worli Mumbai 400018
15.	Trupti Pradip Patel	318 Samudra Mahal Dr. Annie Besant Road, Worli, Mumbai 400018
16.	Saturn Holdings And Properties Pvt Ltd	402 B Poonam Chambers, Dr Annie Besant Road, Worli, Mumbai Mumbai 400018
17.	Meena Sudhir Patel	NO 12, Second Floor, Dalamal Court 7/18 Worli Seaface Mumbai 400018
18.	MI Patel No 2 (HUF)	402 B Poonam Chambers, Dr Annie Besant Road, Worli, Mumbai 400018
19.	MI Patel HUF No 1	402 B Poonam Chambers, Dr Annie Besant Road, Worli, Mumbai 400018
20.	Neel Tanuj Patel	Turf View, A Wing Nehru Planetarium Road, Worli Mumbai 400018
21.	Rishabh Tanuj Patel	Turf View, A Wing Nehru Planetarium Road, Worli Mumbai 400018
Directors		
Sl. No.	Name	Address
1.	Mr. Sudhir Manubhai Patel	No 12, Second Floor, Dalamal Court 7/18 Worli Seaface Mumbai 00018
2.	Mr. Pradip Manubhai Patel	318, Samudra Mahal Dr. Annie Besant Road, Worli, Mumbai 400018
3.	Mr. Sahir Sudhir Patel	9, Dalamal Court 7/18, Worli Seaface Mumbai 400018
4.	Mr. Tanuj Manubhai Patel	Turf View, A Wing Nehru Planetarium Road, Worli Mumbai 400018
5.	Mr. Jal R. Patel	Flat 33, Vaikunth, Behind Deepak Foundation, Gotri Road, Vadodara 90021
6.	Mr. Shishir Kisonlal Diwanji	Wyoming Little Gibbs Road Mumbai 400006
7.	Mr. Nalin Mansukhlal Shah	18A, Floor-18, Plot- 333, A, Great Eastern Royal, Jahangir Boman Behram Marg, Bellasis Bridge Tardeo Mumbai 400034
8.	Mr. Jolly Plammoottil Abraham	1a Sharon, IC Colony, Borivali West Mumbai 400103

6.2 Details of the Transferee Company

- (a) The Transferee Company was incorporated on June 15, 1987 as a public limited company under the name and style of 'Tata Timken Limited' under the Companies Act, 1956. The Transferee Company changed its registered office from the State of West Bengal to the State of Bihar under the order of the Company Law Board, Eastern Region Bench dated September 21, 1996 and the certificate of registration of order of the court confirming transfer of the registered office from one state to another was issued on December 12, 1996 by the Registrar of Companies, Bihar. Subsequently, the name of the Transferee Company was changed from "Tata Timken Limited" to "Timken India Limited" and a fresh certificate of incorporation consequent on the change of name was issued to the Transferee Company on July 02, 1999. Subsequently, the Transferee Company changed its registered office from the State of Bihar (now Jharkhand) to the State of Karnataka and under the order of Company Law Board, Eastern Region Bench dated September 09, 2008 and the certificate of registration of order of the court (Company Law Board) confirming transfer of the registered office from one state to another was issued on November 10, 2008 by the Registrar of Companies, Karnataka. The Transferee Company is engaged in the business of engineering and manufacturing bearings and mechanical power transmission components including gear drives, couplings belts and chain. The Transferee Company also provides industrial services including those in the nature of bearing repair and powertrain rebuild.

- (b) Corporate Identification Number (CIN): L29130KA1996PLC048230.
- (c) Permanent Account Number (PAN): AABCT0596J.
- (d) The registered office of the Applicant Company is situated at 39-42, Electronic City, Phase II, Hosur Road, Bengalore – 560 100, Karnataka, India.
- (e) There has been no change in the name, registered office of the Transferee Company during the last five years. There is no change in object clause of the Transferee Company during the last five years.
- (f) The objects of the Transferee Company are set out in the Memorandum of Association.

“III. The objects for which the Company is established are:-

(A) The main objects to be pursued by the Company on its incorporation are:

- 1. To research and develop, manufacture, purchase for resale, sell, import and export, trade in, assemble, distribute, service, overhaul, repair and undertake maintenance of, all kinds of anti-friction bearings and other goods and products, raw materials, components, tools, accessories, parts, semi-finished and complete units of any of the foregoing or any combination thereof and devices and consumables (including devices and consumables used for the reduction of friction), whether or not related, and including, without limitation, those manufactured or used in any kind of plant, machinery (stationery or mobile and whether functioning alone or in conjunction with one or more other machines), equipment or process.*
- 2. To import, purchase for resale, export, trade, assemble, distribute, service, overhaul, repair, undertake maintenance and/or act as a sales agent, for commission and/or any other form of remuneration, in connection with products manufactured by the Timken Company and/or any of its subsidiaries or divisions and/or any other person (individual, firm, trust, partnership or corporate entity, including combinations and variations thereof), including, without limitation, all kinds of equipment, machinery, anti-friction bearings and other goods and products, raw materials, components, tools, accessories, parts, semi-finished and complete units of any of the foregoing or any combination thereof and devices and consumables (including devices and consumables used for the reduction of friction), whether or not related, and including, without limitation, those manufactured or used in any kind of plant, machinery (stationery or mobile and whether functioning alone or in conjunction with one or more other machines), equipment or process.*
- 3. To act as a sales agent earning commission or any other form of remuneration in relation to the business activities of the Company, to render any and all kinds of consultancy, advisory and technical services including, without limitation, in the areas of information technology, mechanical and electrical engineering, electronics, purchase and procurement, sales and marketing, human resources, finance and accounting.*
- 4. To carry on any other trade or business that can be conveniently or advantageously combined with the business activities of the Company and to do any and all acts or things that may be necessary or desirable to give effect to or in connection with any of the foregoing.”*

(g) The authorized, issued, subscribed and paid up share capital of the Transferee Company as on March 31, 2017 is as follows:-

Particulars	Rupees
Authorized Capital	
75,000,000 Equity Shares of Rs. 10/- each	750,000,000
2,600,000 9% Cumulative Redeemable Preference Shares of Rs. 100/- each	260,000,000
Total	1,010,000,000
Issued	
68,015,134 Equity Shares of Rs. 10/- each	680,151,340
Subscribed and fully paid up	
67,975,784 Equity Shares of Rs. 10/- each	679,757,840
Subscribed and partly paid up	
24,200 Equity Shares of Rs. 10/- each (net of calls in arrears)	130,000
Total	679,887,840

and as on November 30, 2017 the authorised, issued, subscribed and paid up share capital of the Transferee Company is as follows:

Particulars	Rupees
Authorized Capital	
75,000,000 Equity Shares of Rs. 10/- each	750,000,000
2,600,000 9% Cumulative Redeemable Preference Shares of Rs.100/- each	260,000,000
Total	1,010,000,000
Issued	
68,015,134 Equity Shares of Rs. 10/- each	680,151,340
Subscribed and fully paid up	
67,975,984 Equity Shares of Rs. 10/- each	679,759,840
Subscribed and partly paid up	
24,000 Equity Shares of Rs. 10/- each (net of calls in arrears)	129,250
Total	679,889,090

- (h) The shares of the Transferee Company are currently listed on BSE and NSE.
- (i) The details of the promoters and present directors of the Transferee Company along with their addresses are as follows:

Promoters		
Sl. No.	Name	Address
1.	Timken Singapore PTE Ltd.	51, Changi Business Park, Central 2, #08-06/07 The Signature Building Singapore – 486066
Directors		
1.	Mr. Ajay Kumar Das	House No. 6076, Kinloch Court NW, City-Massillon, State-Ohio, USA - 851101
2.	Mr. Sanjay Koul	AA-05, Concorde Silicon Valley, Doddathogur Village, Begur Hobli, South Taluk, Bangalore – 560100
3.	Mr. Avishrant Keshava	#C - 704, Divaysree Elan Homes, Sarjapur Main Road, Kaikondrahalli, Bangalore – 560035
4.	Mr. Priya Shankar Dasgupta	No. J-1810, Chittaranjan Park, New Delhi – 110019
5.	Ms. Rupa Mahanty	No. 201, Neel House, Road No. 5, 12 Circuit House Area, Jamshedpur – 831001

7. Board Approval:

The Board of Directors of the Transferor Company and the Transferee Company had approved the Scheme in their separate meetings held on July 04, 2017.

Details of directors of the Transferor Company and Transferee Company who voted in favour/ against/ did not participate on resolution passed at the meeting of the Board of Directors of the Transferor Company and Transferee Company are given below:

ABC Bearings Limited			
Name of the Directors*	Voted in Favour	Voted Against	Abstain from voting
Mr. Sudhir Manubhai Patel	Yes	-	-
Mr. Pradip Manubhai Patel	Yes	-	-
Mr. Tanuj Manubhai Patel	Yes	-	-
Mr. Sahir Sudhir Patel	Yes	-	-
Mr. Nalin Mansukhlal Shah	Yes	-	-
Mr. Shishir Kisonlal Diwanji	Yes	-	-
Mr. Jolly Plammoottil Abraham	Yes	-	-
Timken India Limited			
Name of the Directors**	Voted in Favour	Voted Against	Abstain from voting
Mr. Sanjay Koul	Yes	-	-
Mr. Avishrant Keshava	Yes	-	-
Mr. Priya Shankar Dasgupta	Yes	-	-
Ms. Rupa Mahanty	Yes	-	-

Note:

*Mr. Jal Ratanshaw Patel did not attend the Board Meeting of the Transferor Company.

** Mr. Ajay Kumar Das and Mr. Jai Swaroop Pathak did not attend the Board Meeting of the Transferee Company physically but were connected over the call.

8. Description of the Scheme

The proposed Scheme contemplates the following with effect from the date on which the later of the orders of the Tribunal sanctioning the Scheme is passed:

- The merger of the Transferor Company as a going concern with the Applicant Company in accordance with sections 230 to 232 and/ or other applicable provisions of the Companies Act, 2013;
- As consideration for the amalgamation of the Transferor Company with the Applicant Company, for every 8 equity shares of face value of Rs. 10 each held in the Transferor Company on the record date (to be determined and agreed mutually by the Transferor Company and the Transferee Company), shareholders of the Transferor Company shall receive 5 equity shares of Rs. 10 each fully paid of the Applicant Company;
- The equity shares issued by the Applicant Company to the shareholders of the Transferor Company pursuant to the amalgamation of the Transferor Company with the Applicant Company are proposed to be listed on BSE and NSE;
- The Transferor Company will stand dissolved due to operation of the Scheme without winding up.

9. Rationale and the Benefits of the Scheme as perceived by the Board of Directors of the Transferee Company to the Transferee Company and the Transferor Company and their respective Shareholders, Creditors and Other Stakeholders

- The Transferee Company is a subsidiary of The Timken Company, which is a US based leading manufacturer of taper roller bearings, which is the also the main product currently being manufactured by the Transferor Company. The Transferee Company is desirous of acquiring a capacity that meets the increasing demand for its products across the globe. The Transferor Company possess such manufacturing facility and is seeking to access new technology and new markets.*
- Both the Transferor Company and Transferee Company intend to and can achieve larger product portfolio, access new domestic and export markets, increase market share, economies of scale, efficiency, and other related economies through this Amalgamation. This Scheme intends to merge the operations of the Transferor Company with that of the Transferee Company to fulfil this objective.*

-
-
- c) *The Amalgamation would be beneficial to the respective shareholders, investors and creditors of the Transferor Company and the Transferee Company.*

10. Key salient features of the Scheme:

- a) *With effect from the Appointed Date, all the assets of the Transferor Company shall without any further act, instrument, deed or order to be transferred to and be vested with the Transferee Company as a going concern.*
- b) *On and from the Appointed Date, all debts, secured and unsecured liabilities, if any and obligations of every kind including tax liabilities of the Transferor Company to become the debts, liabilities and obligations of the Transferee Company from that date.*
- c) *All legal proceedings of whatsoever in nature by or against the Transferor Company shall be continued by or against the Transferee Company.*
- d) *The shareholders of the Transferor Company shall be allotted 5 (five) equity shares of the Transferee Company of Rs. 10 (Rupees ten only) each, fully paid up for every 8 (eight) equity shares of Rs. 10 (Rupees ten only) each held in the Transferor Company.*
- e) **'Appointed Date'** *means the opening hours of business on the date on which the last of the Sanction Orders is passed or such other date as the NCLT may direct.*
- f) **'Effective Date'** *means the last of the dates on which all the conditions and matters referred to in Clause 20.1 of the Scheme have been fulfilled, obtained or waived, as applicable. References in the Scheme to the date of 'coming into effect of this Scheme' or 'Scheme becoming effective' shall be construed accordingly.*
- g) *All the contracts and deeds of which the Transferor Company is a party shall remain in full force and effect against or in favour of the Transferee Company.*
- h) *The Scheme if approved will be effective from the Appointed Date .*
- i) *On and from the Appointed Date, the Transferor Company shall be deemed to have carried on and carry on their business for and on behalf of the Transferee Company.*
- j) *All the employees working in the Transferor Company shall become employees of the Transferee Company without any break or interruption in service and on terms of service not less favorable than those enjoyed by them.*

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the key provisions of the Scheme.

11. Summary of valuation report and fairness opinions

(a) Valuation report

Income approach has been considered to arrive at the value per share of the Transferor Company and Transferee Company. Further, the fair share exchange ratio i.e. 5(Five) equity shares of the Transferee Company of INR 10 (Rupees Ten Only) each fully paid for every 8(Eight) equity shares of the Transferor Company of INR 10 (Rupees Ten Only) each fully paid has been arrived based on the relative valuation after considering various qualitative factors relevant to the companies, business dynamics and growth potential of the businesses of the Transferor Company and Transferee Company.

(b) Fairness Opinions

The share exchange ratio recommended by the valuer is fair for the equity shareholders of the Transferee Company.

12. Capital Structure Pre and Post Amalgamation

- (a) The pre-Scheme capital structure of the Transferor Company is mentioned in paragraph 6 above. Post the amalgamation, the Transferor Company shall stand dissolved without being wound-up.
- (b) The pre-Scheme capital structure of the Transferee Company is mentioned in paragraph 6 above. Post amalgamation, as consideration, equity shares in the Transferee Company will be issued to the equity shareholders of the Transferor Company in accordance with the valuation report obtained from an independent Chartered Accountant.

13. Pre and Post Amalgamation Shareholding Pattern

- (a) The pre-Scheme shareholding pattern of the Transferor Company as on September 30, 2017, as filed with the Stock Exchange, is as under:

Category Code	Category of shareholders	Number of shareholders	Total no. of shares	Percentage
(A)	Promoter and Promoter Group			
(1)	Indian	19	43,71,470	37.85%
(2)	Foreign	2	1,05,255	0.91%
	Total shareholding of Promoter and Promoter Group	21	44,76,725	38.76%
(B)	Public shareholding (Institutions, Non-Institutions and shares held by Custodians)	6,703	70,73,275	61.24%
	Grand Total (A) + (B)	6,724	1,15,50,000	100.00%

- (b) The Transferor Company will stand dissolved without winding up in accordance with the Scheme. Therefore, there will not be any post-Scheme shareholding pattern of the Transferor Company.
- (c) The pre-Scheme shareholding pattern of the Transferee Company as on September 30, 2017, as filed with the Stock Exchanges, is as under:

Category Code	Category of shareholders	Number of shareholders	Total no. of shares	Percentage
(A)	Promoter and Promoter Group			
(1)	Indian	-	-	-
(2)	Foreign	1	5,09,99,988	75.00%
	Total shareholding of Promoter and Promoter Group	1	5,09,99,988	75.00%
(B)	Public shareholding (Institutions, Non-Institutions and shares held by Custodians)	50,994	1,69,99,996	25.00%
	Grand Total (A) + (B)	50,995	6,79,99,984	100.00%

- (d) The post-Scheme shareholding pattern of the Transferee Company, is as under:

Category Code	Category of shareholders	Number of shareholders	Total no. of shares	Percentage
(A)	Promoter and Promoter Group			
(1)	Indian	-	-	-
(2)	Foreign	1	5,09,99,988	67.80%
	Total shareholding of Promoter and Promoter Group	1	5,09,99,988	67.80%
(B)	Public shareholding (Institutions, Non-Institutions and shares held by Custodians)	57,718	2,42,18,746	32.20%
	Grand Total (A) + (B)	57,719	7,52,18,734	100.00%

- (e) All shareholders of the Transferor Company (including Promoters) to be classified as Public shareholders in the Transferee Company.

14. Amount due to Secured creditors

- (a) The amount due from the Transferor Company to its Secured Creditors as on November 30, 2017 is INR 26.87 crores.
- (b) The amount due from the Transferee Company to its Secured Creditors as on November 30, 2017 is Nil.

15. Amount due to Unsecured creditors

- (a) The amount due from the Transferor Company to its Unsecured Creditors as on November 30, 2017 is INR 29.16 crores.
- (b) The amount due from the Transferee Company to its Unsecured Creditors as on November 30, 2017 is INR 129.52crores

16. Extent of shareholding of directors and key managerial personnel:

- (a) The Directors or KMPs or their relatives of the respective Companies do not have any other interest in the Scheme otherwise than that as shareholders in any of companies involved in the Scheme. Further, none of the managers, key managerial personnel and/or relatives of the directors/ KMPs of the respective Companies is concerned or interested, financially or otherwise, in the proposed Scheme. Save as aforesaid, none of the directors of respective companies have any material interest in the Scheme.
- (b) The details of the present directors and KMP of the Transferee Company and their respective shareholdings in the Transferee Company and the Transferor Company as on September 30, 2017 are as follows:

Name of Directors / KMP of the Transferee Company	Designation	Shares held in the Transferee Company	Shares held in the Transferor Company
Mr. Sanjay Koul	Chairman & Managing Director	Nil	Nil
Mr. Avishrant Keshava	Business Controller - India, CFO & Whole-time Director	2	Nil
Mr. Priya Shankar Dasgupta	Independent Director	1	Nil
Ms. Rupa Mahanty	Independent Director	Nil	Nil
Mr. Ajay Kumar Das	Director	16	Nil
Mr. Soumitra Hazra	Company Secretary and Chief- compliance	3	Nil

- (c) The details of the present directors and KMP of the Transferor Company and their respective shareholdings in the Transferor Company and the Transferee Company as on September 30, 2017 are as follows:

Name of Directors / KMP of the Transferee Company	Designation	Shares held in the Transferor Company	Shares held in the Transferee Company
Mr. Sudhir Manubhai Patel	Executive Chairman	32,400	Nil
Mr. Pradip Manubhai Patel	Managing Director	109,124	Nil
Mr. Tanuj Manubhai Patel	Executive Director	100,374	Nil
Mr. Sahir Sudhir Patel	Executive Director	Nil	Nil
Mr. Shishir Kisonlal Diwanji	Independent Director	7,950	Nil
Mr. Jal R. Patel	Independent Director	350	Nil
Mr. Nalin Mansukhlal Shah	Independent Director	Nil	Nil
Ms. Jolly Plammoottil Abraham	Independent Director	Nil	Nil
Mr. S.K. Choudhary	Chief Financial Officer	Nil	Nil
Mr. S. B. Desai	Company Secretary	Nil	Nil

17. Effect of the Scheme on various parties

- (a) Upon coming into effect of the Scheme and the effect from the Appointed Date, all assets and liabilities of the Transferor Company shall, pursuant to the provisions of sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013, be and stand transferred to and vested in and/ or be deemed to have been transferred to and vested in the Transferee Company, as a going concern in accordance with section 2(1B) and other applicable provisions of the Income Tax Act, 1961, without further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Transferee Company, by virtue of and in manner provided in this Scheme.
- (b) As consideration, the Transferee Company shall allot its equity shares, credited as fully paid up, to all the equity shareholders of the Transferor Company whose names appear in the register of members of the Transferor Company as on the Record Date to be fixed in that behalf (mutually by the Transferor Company and the Transferee Company) for the purpose of reckoning names of equity shareholders of the Transferor Company.
- (c) Since the proposed Scheme does not involve any compromise or arrangement with creditors, the rights of the creditors, shall not be affected by the Scheme. There will be no reduction in their claims on account of the Scheme. The creditors will be paid off in the ordinary course of business as and when their dues are payable. There is no likelihood that the creditors would be prejudiced in any manner as a result of the Scheme being sanctioned.
- (d) There shall be no change in the terms of employment of the employees of the Transferor Company, to their prejudice, and such employees of the Transferor Company shall be deemed to be employees of the Transferee Company, without any break in service.
- (e) There will be no change in the Board of Directors or the KMPs of the Transferee Company on account of this Scheme. The Transferor Company shall cease to exist and thus the question of any change in the Directors and KMPs of the Transferor Company does not arise.
- (f) Apart from the above, the Scheme does not adversely affect the material interests of any KMPs, promoters, shareholders, creditors, employees or other stakeholders of the Transferor Company or the Transferee Company in any manner.

18. No investigation or proceedings have been instituted or are pending under applicable provisions of the Companies Act, 2013 or erstwhile provisions of Companies Act, 1956 against the Applicant Company or Transferor Company.

19. There are no common Directors on the Board of Directors of the Transferor Company and Transferee Company.

20. To the best of the knowledge of the Applicant Company, no winding up petition has been initiated against the Applicant Company or Transferor Company under the provisions of the Companies Act, 1956 or the relevant provisions of the Companies Act, 2013.

21. Details of approval from regulatory authorities:

- (a) Pursuant to the SEBI Circular read with Regulation 37 of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015, the Transferee Company has filed necessary application before the stock exchange viz. BSE and NSE seeking their no-objection to the Scheme. The Transferee Company has received Observation Letter dated November 03, 2017 and November 06, 2017 from BSE and NSE respectively. Copies of the Observation Letters are enclosed as **Annexure 4**.
- (b) As required by the SEBI Circular, the Transferee Company has filed Reports on Complaints dated September 06, 2017 and dated September 12, 2017 with BSE and NSE respectively. After filing the Complaint Reports, the Transferee Company has received NIL Complaints. Copies of the aforementioned Complaint Reports are enclosed as **Annexure 5**.
- (c) Pursuant to the SEBI Circular read with Regulation 37 of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015, the Transferor Company has filed necessary application before the stock exchange viz. BSE seeking its no-objection to the Scheme. The Transferor Company has received Observation Letter dated November 03, 2017 from BSE. Copy of the Observation Letter is enclosed as **Annexure 6**.
- (d) The Transferor Company and the Transferee Company have made separate applications before the NCLT, Mumbai Bench and NCLT, Bengaluru Bench respectively for the sanction of the Scheme under Sections 230 to 232 and other applicable provisions the Companies Act, 2013.
- (e) A copy of the Scheme along with the explanatory statement under Section 230 read with Rules 6 and 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 is also being forwarded, inter alia to the respective Registrar of Companies, in terms of the Order of the NCLT.

22. The copy of the Scheme has been filed with the Registrar of Companies, Karnataka by the Transferee Company.

23. The rights and interests of the creditors of the Transferor Company and the Transferee Company will not be prejudicially affected by the Scheme as no sacrifice or waiver is at all called from them nor their rights sought to be modified in any manner and post the Scheme, the Transferee Company will be able to meet its liabilities as they arise in the ordinary course of business.

-
-
24. A copy of the Unaudited Account Statements of the Transferee Company for the period ended June 30, 2017 is enclosed as **Annexure 7** herewith.
25. A copy of the Unaudited Account Statement of the Transferor Company for the period ended September 30, 2017 is enclosed as **Annexure 8** herewith.
26. On the Scheme being approved by requisite majority of the shareholders and creditors of the respective Companies involved in the Scheme as per the requirement of Section 230 of the Companies Act, 2013, the Transferor Company and the Transferee Company will file a petition with the Mumbai Bench and the Bengaluru Bench of National Company Law Tribunal respectively, for sanction of the Scheme.
27. The following documents will be open for inspection by the unsecured creditor of Timken India Limited up to the date of the meeting at its registered office between 10:00 a.m. and 12:00 noon on all working days, except Saturdays, Sundays and public holidays:
- (a) Copy of the Scheme of Amalgamation and Arrangement;
 - (b) Copy of the order passed by the NCLT, Bengaluru in Company Application No. CA(CAA)85/BB/2017, of the Transferee Company;
 - (c) Copy of the order passed by the NCLT, Mumbai in Company Application No. 998 of 2017, of the Transferor Company;
 - (d) Copy of the Memorandum and Articles of Association of the Transferor Company and the Transferee Company;
 - (e) Copy of the Annual Report of the Transferor Company for the financial year ended March 31, 2017;
 - (f) Copy of the Annual Report of the Transferee Company for the financial year ended March 31, 2017;
 - (g) Copy of the Unaudited Financial Statements of the Transferor Company, for the period ended September 30, 2017;
 - (h) Copy of the Unaudited Financial Statements of the Transferee Company, for the period ended June 30, 2017;
 - (i) Copy of Valuation Report dated July 04, 2017 submitted by M/s SSPA & Co., Chartered Accountants;
 - (j) Copies of the Fairness Opinions dated July 04, 2017, issued by JM Financial Institutional Securities Limited, a Category-I Merchant Banker and dated October 27, 2017, issued by SBI Capital Markets Limited, a Category-I Merchant Banker;
 - (k) Copy of the Audit Committee Report dated July 04, 2017 of the Transferee Company;
 - (l) Copy of the resolutions dated July 04, 2017 passed by the respective Board of Directors of the Transferor Company and the Transferee Company, approving the Scheme;
 - (m) Copy of the then Statutory Auditors' certificate dated July 04, 2017 issued by S.R. Batliboi and Co., Chartered Accountants, to the Transferee Company;
 - (n) Copy of Observation Letter issued to ABC Bearings Limited by BSE on November 03, 2017;
 - (o) Copies of Observation Letters issued to Timken India Limited by BSE on November 03, 2017 and by NSE on November 06, 2017;
 - (p) Copies of the Reports adopted by the Board of Directors of the Transferor Company and the Transferee Company, respectively pursuant to provision of Section 230 to 232 of the Companies Act, 2013; and
 - (q) Such other information or documents as the Board or Management believes necessary and relevant for making decision for or against the Scheme.

This Explanatory Statement is made under Section 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. A copy of the Scheme, explanatory statement and proxy form may be obtained from the registered office of Timken India Limited.

Place: Bengaluru
Date: December 20, 2017

Sanjay Koul
Chairman appointed for the Meeting

Registered Office:
Timken India Limited
39-42, Electronic City, Phase II,
Hosur Road, Bangalore – 560 100,
CIN - L29130KA1996PLC048230

Annexure 1 - Scheme of Amalgamation and Arrangement between ABC Bearings Limited and Timken India Limited and their respective shareholders and creditors

SCHEME OF AMALGAMATION AND ARRANGEMENT

UNDER SECTIONS 230 to 232 OF THE COMPANIES ACT, 2013

AMONGST

ABC BEARINGS LIMITED;

(Transferor Company)

AND

TIMKEN INDIA LIMITED;

(Transferee Company)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Chapter 1

(A) Background of Companies and Rationale

- a) This Scheme of Amalgamation and Arrangement (the “**Scheme**”) amongst ABC Bearings Limited (“**Transferor Company**”) and Timken India Limited (“**Transferee Company**”) provides for (1) the amalgamation of the Transferor Company with the Transferee Company and in consideration thereof issue of equity shares by the Transferee Company to the shareholders of the Transferor Company (“**Amalgamation**”), pursuant to the relevant provisions of the Companies Act, 2013, as may be applicable; and (2) various other matters consequential or integrally connected therewith, in the manner provided for in this Scheme and in compliance with the provisions of the Income Tax Act, 1961, including Section 2(1B).
- b) The Transferor Company, a public limited company incorporated on 1961 under the Companies Act, 1956, has its registered office situated at 402 – B, Poonam Chambers, Dr. A.B. Road, Mumbai – 400 018. The equity shares of the Transferor Company are listed on the BSE Limited. The Transferor Company is *inter alia* engaged in the Business (as defined below).
- c) The Transferee Company, a public limited company incorporated on 1987 under the Companies Act, 1956 has its registered office situated at 39-42, Electronic City, Phase II, Hosur Road, Bengaluru – 560 100, Karnataka, India. The equity shares of the Transferee Company are listed on the BSE Limited and National Stock Exchange of India Limited (“**Stock Exchanges**”). The Transferee Company is engaged in the business of engineering and manufacturing bearings and mechanical power transmission components including gear drives, couplings belts and chain. The Transferee Company also provides industrial services including those in the nature of bearing repair and powertrain rebuild.
- d) The Transferee Company and the Transferor Company are desirous of amalgamating the Transferor Company as a going concern with the Transferee Company in accordance with Sections 230 to 232 and/or other applicable provisions of the Act.
- e) The Amalgamation of the Transferor Company with the Transferee Company is sought to be undertaken to help in achieving the following:
 - (i) The Transferee Company is a subsidiary of The Timken Company, which is a US based leading manufacturer of taper roller bearings, which is the also the main product currently being manufactured by the Transferor Company. The Transferee Company is desirous of acquiring a capacity that meets the increasing demand for its products across the globe. The Transferor Company possess such manufacturing facility and is seeking to access new technology and new markets.
 - (ii) Both the Transferor Company and Transferee Company intend to and can achieve larger product portfolio, access new domestic and export markets, increase market share, economies of scale, efficiency, and other related economies through this Amalgamation. This Scheme intends to merge the operations of the Transferor Company with that of the Transferee Company to fulfil this objective.
 - (iii) The Amalgamation would be beneficial to the respective shareholders, investors and creditors of the Transferor Company and the Transferee Company.
- f) The Scheme is expected to be in the best interests of the shareholders, employees and the creditors of the Transferor Company and the Transferee Company.
- g) The Amalgamation shall comply with the provisions of Section 2(1B) of the Income Tax Act, 1961.

(B) Chapters in the Scheme

The Scheme is divided into 3 chapters, the details of which are as follows:

1. Chapter 1: Chapter 1 of this Scheme sets forth the background of the Companies, overview and objects of the Scheme and definitions and interpretation which are common and applicable to all Chapters of the Scheme.
2. Chapter 2: Chapter 2 deals with the Amalgamation and transfer and vesting of all assets and liabilities of the Transferor Company to/in the Transferee Company.
3. Chapter 3: Chapter 3 provides for general terms and conditions applicable to this Scheme.
4. Chapters 2 is further sub-divided into the following parts:
 - (a) *Part 1* provides for the current capital structure of the Transferor Company and the Transferee Company;
 - (b) *Part 2* deals with the Amalgamation of the Transferor Company with the Transferee Company, in accordance with Sections 230 to 232 and/or other applicable provisions of the Act; and
 - (c) *Part 3* deals with accounting treatment and consideration.

1. GENERAL DEFINITIONS AND INTERPRETATIONS

In this Scheme unless repugnant to the meaning or context thereof, the following expressions shall have the meanings given below:

“Act” means the Companies Act, 2013 and ordinances, rules and regulations made thereunder and shall include any statutory modifications, re-enactment or amendment thereof;

“ABC” means ABC Bearings Limited, CIN No.: L29130MH1961PLC012028 a company incorporated under the Companies Act, 1956, and having its registered office at 402 – B, Poonam Chambers, Dr. A.B. Road, Mumbai – 400 018;

“Amalgamation Consideration Shares” has the meaning ascribed to it Clause 12.1 of the Scheme;

“Applicable Law” means any applicable statute, law, regulation, ordinance, rule, judgment, order, decree, clearance, approval, directive, guideline, requirement or any similar form of determination by or decision of any Governmental Authority, that is binding or applicable to a Person, whether in effect as of the date on which this Scheme has been approved by the Boards of Directors of the Companies or at any time thereafter;

“Appointed Date” means the opening hours of business on the date on which the last of the Sanction Orders is passed or such other date as the NCLT may direct;

“Board of Directors” shall mean the board of directors or any committee thereof, of the Transferor Company and the Transferee Company, as the context may require;

“Business” means the business of: (i) engineering, product design, manufacturing, distribution and sale of bearings including inter alia taper roller bearings, cylindrical roller bearings, spherical roller bearings and slewing bearings; and (ii) procurement, distribution and sale of other bearings, grease, oil and UJ Cross not manufactured by the Transferor Company but are sold by the Transferor Company under the “ABC” brand;

“Companies” shall collectively mean the Transferor Company and the Transferee Company;

“Contracts” with respect to a Person, means any agreement, contract, undertaking, or legally binding commitment entered into by such Person;

“Effective Date” means the last of the dates on which all the conditions and matters referred to in Clause 20.1 have been fulfilled, obtained or waived, as applicable. References in this Scheme to the date of “coming into effect of this Scheme” or “Scheme becoming effective” shall be construed accordingly;

“Encumbrance” means any options, pledge, mortgage, lien, security interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint, or any other encumbrance of any kind or nature whatsoever, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law;

“Goodwill” means and includes the goodwill of Transferor Company, together with the exclusive right for the Transferee Company and its assignees to represent themselves as carrying on the Business in succession to the Transferor Company and includes the Business related claims, information, records, relationships with customers, product registrations/approvals, skilled employees, trademark, technical know-how and other Intangible Assets, as defined below;

“Governmental Authority” means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial, quasi-judicial or arbitral body in India or outside India and includes SEBI and the Stock Exchanges;

“Intangible Assets” means and includes all intellectual property and industrial property rights and rights in confidential information of every kind and description throughout the world, in each case whether registered or unregistered, and including but not limited to (i) rights in computer programs (whether in source code, object code, or other form), algorithms, databases, compilations and data, technology supporting the foregoing, and all documentation, including user manuals and training materials, related to any of the foregoing; (ii) copyrights and copyrightable subject matter; (iii) trademarks, service marks, names, corporate names, trade names, domain names, logos, slogans, trade dress, registered designs, design rights and other similar designations of source or origin; (iv) all know-how, patents, confidential information, trade secrets, ideas, proprietary processes, formulae, models and methodologies; (v) rights of publicity, privacy, and rights to personal information; (vi) moral rights and rights of attribution and integrity; or (vii) any rights or forms of protection of a similar nature or having equivalent or similar effect to any of the foregoing which subsist anywhere in the world;

“NCLT” means the National Company Law Tribunal at Mumbai and Bengaluru, or such other forum or authority as may be vested with the powers of the High Court under Sections 230 to 232 of the Act, as may be applicable;

“Person” means any individual, partnership, joint venture, firm, corporation, company, association, trust or other enterprise (whether incorporated or not) or government (central, state or otherwise), sovereign, or any agency, department, authority or political sub-division thereof, international organization, agency or authority (in each case, whether or not having separate legal personality) and shall include their respective successors and in case of an individual shall include his/her legal representatives, administrators, executors and heirs;

“Record Date” shall mean such date to be fixed by the Board of Directors of the Transferor Company after consultation with the Board of Directors of the Transferee Company for the purpose of determining the members of the Transferor Company to whom shares of the Transferee Company will be allotted pursuant to this Scheme in terms of Clause 12;

“Sanction Orders” means, collectively, the orders of the NCLT sanctioning the Scheme and **“Sanction Order”** means the order of either NCLT sanctioning the Scheme;

“Scheme” means this scheme of amalgamation and arrangement with such modification(s), if any made, in accordance with the terms hereof or the directions of the Stock Exchanges or any other Governmental Authority including SEBI or the NCLT, and approved by the NCLT;

“Stock Exchanges” means BSE Limited and National Stock Exchange of India Limited;

“TIL” means Timken India Limited, CIN No. L29130KA1996PLC048230, a company incorporated under the Companies Act, 1956, and having its registered office at 39-42, Electronic City, Phase II, Hosur Road, Bengaluru – 560 100, Karnataka,, India;

“Taxes” or “Tax” or “Taxation” means all forms of taxation with reference to profits, gains, net wealth, asset values, turnover, gross receipts, duties (including stamp duties), levies, imposts, including without limitation corporate income–tax, wage withholding tax, fringe benefit tax, provident fund, employee state insurance and gratuity contributions, value added tax, customs, service tax, excise duties, goods and services tax, fees or levies and other legal transaction taxes, dividend/withholding tax, real estate taxes, other municipal taxes and duties, environmental taxes and duties, any other similar assessments or other type of taxes or duties in any relevant jurisdiction, together with any interest, penalties, surcharges or fines relating thereto, assessments, or addition to Tax, due, payable, levied, imposed upon or claimed to be owed in any relevant jurisdiction or country; and

“Transferor Company Shareholders” has the meaning ascribed to it Clause 12.1 of the Scheme.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract Regulation Act, 1956, the Depositories Act, 1996, other Applicable Laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2. **DATE OF TAKING EFFECT AND APPOINTED DATE**

The Scheme shall come into operation from the Effective Date but with effect from the Appointed Date.

Chapter 2

AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

Part 1

3. SHARE CAPITAL

The authorized, issued, subscribed and paid up share capital of the Transferee Company as on 31 March 2017 is below:

Particulars	Rupees
Authorized Capital	
75,000,000 Equity Shares of Rs. 10 /- each	750,000,000
2,600,000 9% Cumulative Redeemable Preference Shares of Rs.100/- each	260,000,000
Total	1,010,000,000
Issued	
68,015,134 Equity Shares of Rs.10/- each	680,151,340
Subscribed and fully paid up	
67975784 Equity Shares of Rs.10/- each	679,757,840
Subscribed and partly paid up	
24200 Equity Shares of Rs.10/- each (net of calls in arrears)	130,000
Total	679,887,840

The authorized, issued, subscribed and paid up share capital of the Transferor Company as on 31 March 2017 is as under:

Particulars	Rupees
Authorized Capital	
1,20,00,000 Equity Shares of Rs. 10 each	12,00,00,000
Total	12,00,00,000
Issued, Subscribed and Paid-up	
1,15,50,000 Equity Shares of Rs. 10 each	11,55,00,000
Total	11,55,00,000

Part 2

4. AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferor Company shall, in accordance with Sections 230 to 232 of the Act, without any further act or deed, stand amalgamated with the Transferee Company and consequently (i) all assets and liabilities of the Transferor Company shall, as on the Appointed Date, stand transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company as a going concern, and (ii) the Transferor Company shall stand dissolved without being wound up.

4.1. TRANSFER OF ASSETS

4.1.1. Upon the Scheme becoming effective, as on the Appointed Date, the whole of the assets of Transferor Company, wherever situated and of whatsoever nature whether capable of passing by manual delivery and/or endorsement or otherwise however shall, under the provisions of Sections 230 to 232, without any further act or deed be transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company as a going concern so as to vest in, become and form part of the Transferee Company along with all the rights, claims, title and interest of the Transferee Company therein, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions.

-
- 4.1.2. Without prejudice to Clause 4.1.1, upon the Scheme becoming effective, as on the Appointed Date, all moveable assets including cash, if any, of Transferor Company which are capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed as the case may be to the Transferee Company and shall become the property of the Transferee Company, to the end and intent that the ownership and property therein passes to the Transferee Company in pursuance of the provisions of Section 232 of the Act, without requiring any deed or instrument of conveyance for transfer of the same, subject only to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions.
- 4.1.3. Without prejudice to Clause 4.1.1, upon the Scheme becoming effective, in respect of the moveable assets of the Transferor Company, as on the Appointed Date, other than those specified in Clause 4.1.2 above and any intangible assets, including sundry debtors, loans, receivables, bills, credits, advances, if any, recoverable in cash or kind or for value to be received, bank accounts including bank balances, investments, cash equivalents, financial assets, insurance policies, provisions, funds, equipment, and any related capitalized items and other tangible property of every kind, nature and description, share of any joint assets, benefits of any bank guarantee, performance guarantee and any letter of credit, earnest money, advances and deposits, if any, with government, semi-government, local and other authorities and bodies, companies, firm, individuals, trusts, etc., the same shall, on and from the Appointed Date, stand transferred to the Transferee Company to the end and intent that the right of the Transferor Company to receive the benefit of such investments, cash equivalents, financial assets, insurance policies, provisions, funds, equipment, capitalized items and tangible property, share of any joint assets, bank guarantee, performance guarantee and any letter of credit earnest money, advances or deposits or recover or realize all such debts (including the debts payable by such Persons or depositors to the Transferor Company) stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid change, without any notice or other intimation to such debtors or other Persons (although the Transferee Company may itself without being obliged and if it so deems appropriate at its sole discretion, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law, give notices in such form as it may deem fit and proper, to each Person, debtors or depositors, as the case may be, that pursuant to the NCLTs having sanctioned the Scheme, the said asset stands transferred and vested in the Transferee Company and be paid or made good or held on account of the Transferee Company as the Person entitled thereto.
- 4.1.4. Without prejudice to Clause 4.1.1, upon the Scheme becoming effective, as on the Appointed Date, all immovable properties of the Transferor Company, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or licensed or otherwise, any tenancies in relation to warehouses, all rights, covenants, continuing rights, title and interest in connection with the said immovable properties and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations in relation to or applicable to such immovable properties. The mutation of the ownership or title, or interest in the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate Governmental Authority pursuant to the sanction of this Scheme by the NCLT in accordance with the terms hereof.
- 4.1.5. In respect of the assets belonging to the Transferor Company, other than those referred to in Clauses 4.1.2 and 4.1.4 above, whether or not recorded in the books of the Transferor Company, including but not limited to all earnest money, security deposits and advances paid by the Transferor Company and benefit of any deposits, the same shall, as more particularly provided in Clause 4.1.1 above, without any further act, instrument or deed, stand transferred to and vested in and/or be deemed to be amalgamated with the Transferee Company upon the coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.
- 4.1.6. All the licenses, permissions, approvals, sanctions, consents, permits, entitlements, quotas, registrations, bids, tenders, letters of intent, expressions of intent, memoranda of understanding or similar instruments, incentives, exemptions and benefits, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, shall, without any further act, instrument or deed, cost or charge be and stand transferred to and vested in and/or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become licenses, permissions, approvals, sanctions, consents, permits, entitlements, quotas, registrations, incentives, exemptions and benefits, grants, rights, claims, liberties, special status and other benefits or

privileges of the Transferor Company and shall remain valid, effective and enforceable on the same terms and conditions. For the avoidance of doubt and without prejudice to the generality of the foregoing, all consents, no-objection certificates, certificates, clearances, authorities (including operation of bank accounts), powers of attorney given by, issued to or executed in favour of the Transferor Company shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company.

- 4.1.7. All cheques and other negotiable instruments, payment orders, electronic fund transfers (like NEFT, RTGS, etc.) received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be deemed to be in the name of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company or received through electronic transfers and the bankers of the Transferee Company shall accept the same. Similarly, the banker of the Transferee Company shall honour all cheques/electronic fund transfer instructions issued by the Transferor Company for payment after the Effective Date. If required, the bankers of the Transferor Company and/or the Transferee Company shall allow maintaining and operating of the bank accounts (including banking transactions carried out electronically) in the name of the Transferor Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques, pay order and electronic transfers that have been issued/made in the name of the Transferee Company, subject to such accounts being operated by the Transferee Company.
- 4.1.8. Without prejudice to the generality of the foregoing, upon the effectiveness of the Scheme, all Intangible Assets including but not limited to rights in intellectual property (whether owned, licensed or otherwise, whether registered or unregistered) used in relation to the Transferor Company, including with respect to the Business, including the logo and trademark of the Transferor Company, and all other trade names, service names, trademarks, brands, copyrights, designs, know-how and trade secrets, patents, along with all rights of commercial nature including attached Goodwill, title, interest, labels and brand registrations and all such other industrial or intellectual rights of whatsoever nature and advantages of whatever nature in connection with the above including any Goodwill relating to such intellectual property, whether or not provided in the books of accounts of the Transferor Company, shall under the provisions of Sections 230 to 232 of the Act, as applicable, and all other provisions of Applicable Law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a going concern, so as to become, as and from the Appointed Date, the Intangible Asset of the Transferee Company.
- 4.1.9. All books, records, files, papers, engineering and process information, software, licenses for software, algorithms, programs, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form of the Transferor Company, including in connection with or relating to the Business, shall, under the provisions of Sections 230 to 232 of the Act, as applicable, and all other provisions of Applicable Law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a going concern, with effect from the Appointed Date.
- 4.1.10. All benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise, shall under the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken/complied with by the Transferee Company.
- 4.1.11. Any assets, acquired by the Transferor Company after the Appointed Date but prior to the Effective Date shall upon the coming into effect of this Scheme also without any further act, instrument or deed stand transferred to and vested in or be deemed to have been transferred to or vested in the Transferee Company upon the coming into effect of this Scheme.
- 4.1.12. Without prejudice to the provisions of the foregoing Clauses, upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall execute all necessary instruments or documents or do all the acts and deeds as may be required, including making the necessary filings with the relevant Governmental Authority or any other third party, to give formal effect to the above provisions, if required.

5. TRANSFER OF LIABILITIES

- 5.1. Upon the Scheme becoming effective, all the liabilities of the Transferor Company, as on the Appointed Date, shall also, under the provisions of Sections 230 to 232 of the Act without any further act or deed be transferred or deemed to be transferred to the Transferee Company so as to become as and from the Appointed Date the debts, liabilities, duties, losses, obligations of the Transferee Company and further that all the liabilities incurred/contracted by the Transferor Company during the period

commencing from the Appointed Date till the Effective Date shall be deemed to have been incurred/contracted by the Transferee Company and shall be deemed to be the liabilities and obligations of the Transferee Company and further that it shall not be necessary to obtain consent of any Person in order to give effect to the provisions of this Clause.

- 5.2. Where any of the loans, debts, liabilities, duties and obligations of the Transferor Company which are deemed to be transferred to the Transferee Company under this Scheme have been discharged by the Transferor Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.
- 5.3. Without prejudice to Clause 5.1, upon the coming into effect of the Scheme, all loans raised and used and all debts, liabilities, duties and obligations incurred by the Transferor Company for the operations of the Business with effect from the Appointed Date and prior to the Effective Date shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company, and shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Transferee Company and shall become the loans, debts, liabilities, duties and obligations of the Transferee Company.
- 5.4. The Scheme shall not operate to enlarge the security of any loan, deposit or facility created by or available to Transferor Company which shall vest in the Transferee Company by virtue of the Scheme, including for the avoidance of doubt and notwithstanding anything contained herein, that no Encumbrances shall be extended to any of the assets of the Transferee Company.
- 5.5. It is expressly provided that, no term or condition of the liabilities that are being transferred to the Transferee Company as part of the Scheme and terms on which the liabilities are transferred to the Transferee Company as part of the Scheme, shall be modified by virtue of this Scheme.
- 5.6. Upon the Scheme becoming effective, with effect from the Appointed Date, all inter-se liabilities, between Transferee Company and Transferor Company, if any, due or outstanding or which may at any time immediately prior to the Appointed Date become due or remain outstanding, shall stand cancelled and be deemed to have been discharged by such cancellation and consequently, there shall remain no inter-se liability between them as of the Appointed Date and corresponding effect shall be given in the books of account and records of Transferee Company.
- 5.7. Without prejudice to the provisions of the foregoing Clauses, upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall execute all instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modifications of charge with the Registrar of Companies, to give formal effect to the above provisions, if required.
- 5.8. The provisions of this Clause 5 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing to which the relevant liability relates or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified by the foregoing provisions.

6. TAXES AND TAXATION

- 6.1. Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961, central sales tax, applicable state value added tax, service tax laws, excise duty laws and other Tax laws, and to claim refunds and/or credit for Taxes paid (including, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.
- 6.2. Without prejudice to the generality of the above, all Tax benefits, incentives, credits (including, without limitation in respect of income tax, service tax, excise duty, central sales tax, applicable state value added tax, goods and service tax, etc.) to which the Transferor Company is entitled to in terms of Applicable Laws, shall be available to and vest in the Transferee Company, upon this Scheme coming into effect.
- 6.3. All Taxes payable by the Transferor Company from the Appointed Date onwards for the operations of the Transferor Company, including the Business, shall be to the account of the Transferee Company; similarly all Tax credits pertaining to the Transferor Company, shall be made or deemed to have been made and duly complied with by the Transferee Company if so made by Transferor Company. If, during the period between the Appointed Date and the Effective Date, any Tax returns or any other filings, representations or other submissions pertaining to the Transferor Company are required to be filed or made by the Transferor Company with or to the Tax authorities, the Transferor Company shall do the same in consultation with the Transferee Company and not without the prior written consent of the Transferee Company.
- 6.4. The provisions of this Scheme, as they relate to amalgamation of the Transferor Company into the Transferee Company, have been drawn up to comply with the conditions relating to "amalgamation" as defined under Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the

Income-tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modification will, however, not affect the other parts of the Scheme.

7. EMPLOYEES

- 7.1. On the Scheme becoming effective, all employees of the Transferor Company (other than the current executive directors of the Transferor Company) who are employed with the Transferor Company on the Effective Date ("Transferred Employees"), shall be deemed to have become employees of the Transferee Company with effect from the Appointed Date or their respective joining date, whichever is later, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall not be less favorable than those applicable to them as employees of the Transferor Company on the Effective Date.
- 7.2. The services of the Transferred Employees with the Transferor Company prior to the transfer, as aforesaid, shall be taken into account for the purposes of all benefits to which the Transferred Employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans, superannuation plans and any other retirement benefits and accordingly, shall be reckoned therefore from the date of their respective appointment in the Transferor Company.
- 7.3. It is expressly provided that, on the Scheme becoming effective, the contributions made by the Transferor Company in respect of the Transferred Employees under Applicable Law to the provident fund, gratuity fund, contribution towards employees state insurance, superannuation fund, retirement fund or any other special fund or trusts created or existing for the benefit of the Transferred Employees (collectively referred to as the "Funds") for the period after the Appointed Date shall be deemed to be contributions made by Transferee Company, and the Funds shall be transferred to similar Funds created by the Transferee Company and shall be held for their benefit pursuant to this Scheme or, at the Transferee Company's sole discretion, maintained as separate Funds by the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous and not interrupted for the purpose of the said Fund or Funds.
- 7.4. In relation to any other fund created or existing for the benefit of the Transferred Employees, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such Transferred Employees.

8. LEGAL PROCEEDINGS

All legal proceedings of whatsoever nature by or against the Transferor Company pending and/or arising before the Effective Date, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Transferee Company, as the case may be, in a manner and to a similar extent as would or might have been continued and enforced by or against the Transferor Company.

9. CONTRACTS, DEEDS, ETC.

- 9.1. Upon the coming into effect of the Scheme and with effect from the Appointed Date, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, shall continue in full force and effect against or in favour of the Transferee Company, and may be enforced effectively by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto from inception.
- 9.2. Without prejudice to Clause 9.1, upon the Scheme becoming effective, with effect from the Appointed Date, all Contracts and arrangements in any form relating to the Business, including Contracts pertaining to, customers, vendors, benefits of all Contracts, whether registered or not registered, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder.
- 9.3. The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if it considers necessary, enter into, or issue or execute deeds, writings, tripartite arrangements, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which the Transferor Company

is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Transferor Company. The Transferor Company shall execute such writings as may be reasonably required by the Transferee Company in this regard.

- 9.4. For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, all the rights, title, interest and claims of the Transferor Company in any leasehold/licensed properties or otherwise of the Transferor Company, including but not limited to security deposits and advance or prepaid lease or license fee, shall, on the same terms and conditions, pursuant to Section 232(4) of the Act, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company automatically without requirement of any further act or deed. The Transferee Company shall continue to pay rent or lease or license fee as provided for under such agreements, and the Transferee Company and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants thereunder.

10. CONDUCT OF BUSINESSES TILL THIS SCHEME COMES INTO EFFECT

- 10.1. With effect from the Appointed Date and up to and including the Effective Date, the Transferor Company:

10.1.1. shall be deemed to have been carrying on and to be carrying on the Business and other activities in relation to the operations of the Transferor Company and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions of the Transferor Company for and on account of, and in trust for, the Transferee Company;

10.1.2. all profits or income arising or accruing in favour of the Transferor Company whether or not in relation to the Business and all Taxes paid thereon or losses, expenditures arising or incurred by the Transferor Company in relation thereto shall, for all purposes, be treated as and deemed to be the profits or income, Taxes or losses, expenditures as the case may be, of the Transferee Company;

10.1.3. any of the rights, powers, authorities, privileges, attached, related or pertaining to the Business exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Business that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company;

10.1.4. shall cause the Business (including making applications to any Governmental Authority for the renewal of permits which have expired) to be conducted as a going concern in trust for the Transferee Company and in the ordinary course of business; and

10.1.5. shall not, except as may be expressly required or permitted under this Scheme, make any change in its capital structure in any manner either by any increase (including by way of issue of equity and/or preference shares on a rights basis or by way of a public issue, bonus shares and/or convertible debentures or otherwise), decrease, reduction, reclassification, subdivision, consolidation, re-organization, or in any other manner which may, in any way, affect the Share Exchange Ratio, except with the prior approval of the Transferee Company.

- 10.2. Except with the prior approval of the Transferee Company, with effect from the date on which the board of directors of the Companies approve this Scheme up to and including the Effective Date, the Transferor Company shall not take any actions prohibited in terms of any agreement, arrangement, undertaking, deed or other document executed in writing *inter-alia* between the Companies and/or any of its shareholders.

11. SAVINGS OF CONCLUDED TRANSACTIONS

The transfer and vesting of the assets and liabilities of the Transferor Company as above and the continuance of proceedings by or against the Transferor Company shall not affect any transaction or proceedings already concluded on or after the Appointed Date or till the Effective Date in accordance with this Scheme.

Part 3

12. CONSIDERATION

- 12.1. Upon coming into effect of the Scheme and in consideration for the Amalgamation, the Transferee Company shall, without any further application or deed, issue and allot its equity shares, credited as fully paid up, to all the equity shareholders of the Transferor Company whose names appear in the register of members of the Transferor Company as on the Record Date to be fixed in that behalf for the purpose of reckoning names of equity shareholders of the Transferor Company ("Transferor Company Shareholders"), in the following ratio:

"5 (five) equity shares of the Transferee Company of Rs. 10 (Rupees ten only) each, fully paid up to be issued for every 8 (eight) equity shares of Rs. 10 (Rupees ten only) each held by Transferor Company Shareholders" (the "ShareExchangeRatio").

The equity shares of the Transferee Company issued and allotted to the Transferor Company Shareholders based on the Share Exchange Ratio provided above shall be referred to as "Amalgamation Consideration Shares".

- 12.2. In case any equity shareholder of the Transferor Company owns shares in the Transferor Company, such that it becomes entitled to a fraction of an equity share of the Transferee Company, the Transferee Company shall not issue fractional share certificates to such member but shall instead, at its absolute discretion, decide to take any or a combination of the following actions:
- 12.2.1. consolidate such fractions and issue consolidated shares to a trustee nominated by the Transferee Company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements;
- 12.2.2. round off all fractional entitlements to the next whole number above the fractional entitlement and issue such number of securities to the relevant shareholders; or
- 12.2.3. deal with such fractional entitlements in such other manner as they may deem to be in the best interests of the Transferor Company Shareholders and the Transferee Company.
- 12.3. SSPA & Co., have issued the valuation report on the Share Exchange Ratio adopted under the Scheme. Keynote Corporate Services Limited, a Category-I Merchant Banker, has provided its fairness opinion on the Share Exchange Ratio to the Board of Directors of the Transferor Company and JM Financial Institutional Securities Limited, a Category-I Merchant Banker, has provided its fairness opinion on the Share Exchange Ratio to the Board of Directors of the Transferee Company. Additionally, the Transferee Company has also procured a fairness opinion on the Share Exchange Ratio from SBI Capital Markets Limited, a Category-I Merchant Banker.
- 12.4. Equity shares to be issued by the Transferee Company to the respective Transferor Company Shareholders as above shall be subject to the Memorandum and Articles of Association of the Transferee Company and shall rank *paripassu* with the existing equity shares of the Transferee Company in all respects including dividends.
- 12.5. Equity shares in the Transferee Company shall be issued in dematerialized form to the Transferor Company Shareholders who hold shares of the Transferor Company in dematerialized form, in to the account in which the Transferor Company shares are held or such other account as is intimated by the shareholders to the Transferee Company and/or its Registrar. All the Transferor Company Shareholders who hold equity shares of the Transferor Company in physical form shall also have the option to receive the equity shares in the Transferee Company, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to the Transferee Company and/or its Registrar. If not so notified, they would be issued equity shares in physical form.
- 12.6. The Board of Directors of the Transferee Company and the Transferor Company shall, if and to the extent required, apply for and obtain any approvals from all appropriate Governmental Authorities for the issue and allotment of equity shares to the Transferor Company Shareholders pursuant to Clause 12.1 of the Scheme.
- 12.7. Equity shares to be issued by the Transferee Company to the Transferor Company Shareholders pursuant to Clause 12.1 of this Scheme shall, subject to the receipt of necessary approvals, be listed and/or admitted to trading on the Stock Exchanges, where the shares of the Transferee Company are listed and/or admitted to trading. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Laws for complying with the formalities of the said Stock Exchanges. The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated Stock Exchange.
- 12.8. The equity shares to be issued by the Transferee Company pursuant to this Scheme in respect of any equity shares of the Transferor Company which are held in abeyance under the Act or otherwise shall, pending allotment or settlement of dispute by order of a court or otherwise, also be kept in abeyance by the Transferee Company. In the event of there being any pending share transfers, whether lodged or outstanding, of any of the Transferor Company Shareholders, the board of directors of the Transferee Company shall be empowered to take such actions as may be necessary in order to remove any difficulties arising to the transferor of the share in the Transferee Company and in relation to the shares issued by the Transferee Company pursuant to the Scheme.
- 12.9. Approval of this Scheme by the shareholders of the Transferee Company shall be deemed to be the due compliance of the provisions of Section 62 of the Act and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by the Transferee Company to the Transferor Company Shareholders, as provided in this Scheme and there shall be no need to pass a separate shareholders' resolution at a general meeting for the same, as is required under Section 62 and other applicable provisions of the Act.

12.10. The equity shares of the Transferee Company issued pursuant to this Scheme may not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and the Transferee Company may elect, in its sole discretion, to rely upon an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof or any other exemption that the Transferee Company may elect to rely upon. In the event the Transferee Company elects to rely upon an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof, the sanction of the NCLTs to this Scheme will be relied upon for the purpose of qualifying the issuance and distribution of the equity shares of the Transferee Company for such an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof.

13. DISSOLUTION OF THE TRANSFEROR COMPANY

Upon the effectiveness of the Scheme, the Transferor Company shall be dissolved without winding up and the Board of Directors and any committees thereof of the Transferor Company shall, without any further act, instrument or deed, be and stand dissolved.

14. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEEE COMPANY

14.1. On the Scheme becoming effective:

14.1.1. The Transferee Company shall record all the assets and liabilities of the Transferor Company transferred and vested in it pursuant to the Scheme, as per Indian Accounting Standard 103 or any other applicable Indian Accounting Standard.

14.1.2. The Transferee Company shall account for shares issued to the Transferor Company Shareholders as per applicable Indian Accounting Standard.

14.1.3. The difference between the value of Net Assets ("Net Assets" means value of assets over the value of liabilities as per Clause 14.1.1 pertaining to the Transferor Company and the value of Amalgamation Consideration Shares) shall be recorded as per Indian Accounting Standard 103 or any other applicable Indian Accounting Standard.

15. INCREASE IN THE AUTHORIZED SHARE CAPITAL OF THE TRANSFEEE COMPANY

15.1. As an integral part of the Scheme, and, upon the Scheme becoming effective, the authorized share capital of the Transferor Company, as on the Effective Date, shall be added to the authorized share capital of the Transferee Company, as on the Effective Date, without any further act or deed and without any further payment of stamp duty or registration fees and Clause V of the Memorandum of Association of the Transferee Company and Article 5 of the Articles of Association of the Transferee Company shall be altered accordingly.

15.2. It is clarified that the approval of the members of Transferee Company to the Scheme shall be deemed to be their consent/approval for the increase of the authorized capital, amendment of the capital clause of the Memorandum of Association and the relevant provision of the Articles of Association of the Transferee Company under the provisions of Section 13, 14 and 61 of the Act and other applicable provisions of the Act. Pursuant to this Scheme, the Transferee Company shall file requisite forms with the relevant Registrar of Companies to give effect to the increase in its authorized equity share capital, as may be directed.

16. BOOKS AND RECORD OF THE TRANSFEROR COMPANY

The Transferor Company acknowledges that all books, records, files, papers, engineering and process information, software, licenses for software, algorithms, programs, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic of the Transferor Company shall be transferred to the Transferee Company on the Effective Date.

Chapter 3

GENERAL TERMS AND CONDITIONS

17. APPLICATION TO NCLT

- 17.1. The Transferor Company and the Transferee Company shall make applications/petitions under Sections 230 to 232 of the Act and other applicable provisions of the Act to their respective jurisdictional NCLTs for sanction of this Scheme under the provisions of law.
- 17.2. The Transferee Company shall be entitled, pending the effectiveness of the Scheme, to apply to any Governmental Authority, if required, under any Applicable Law for such consents and approvals which the Transferee Company may require to effect the transactions contemplated under the Scheme.
- 17.3. The shareholders of the Transferor Company and the Transferee Company, including public shareholders, shall be able to vote in relation to the Scheme through e-voting or postal ballot at the time of the court convened meeting of the shareholders of the Transferor Company and the Transferee Company in relation to the Scheme in accordance with the applicable provisions of the Companies (Management and Administration) Rules, 2014 and Clause 9(a) of Para I.A of Annexure I to SEBI Circular dated March 10, 2017 (reference no. CFD/DIL3/CIR/2017/21). Further, the Transferor Company and the Transferee Company shall provide all shareholders the Scheme and disclose all material facts and information in relation to the Scheme in the explanatory statement sent to the shareholders in relation to such resolution.

18. DECLARATION OF DIVIDEND, BONUS, ETC.

- 18.1. During the period between the date of approval of this Scheme by its Board of Directors and up to and including the Effective Date, the Transferor Company shall not declare or pay any dividends.
- 18.2. It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of the Companies to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Boards of Directors of the Companies and subject, wherever necessary, to the approval of the shareholders of the concerned Company.

19. MODIFICATION OR AMENDMENTS TO THE SCHEME

- 19.1. The Transferor Company and the Transferee Company agree that if, at any time, either of the NCLTs or any Governmental Authority directs or requires any material modification or amendment of the Scheme, such material modification or amendment shall not be binding on the Transferor Company or the Transferee Company, except where the prior written consent of both the Transferor Company or the Transferee Company, as the case may be, has been obtained for such modification or amendment, which consent shall not be unreasonably withheld by the Transferor Company and the Transferee Company. Notwithstanding the above, if any modification or amendment to the Scheme, whether material or not, adversely affects the interest of the Transferor Company or the Transferee Company, then, such modification or amendment shall not be binding on the Transferor Company or the Transferee Company, except where the prior written consent of both the Transferor Company or the Transferee Company, as the case may be, has been obtained for such modification or amendment, which consent shall not be unreasonably withheld by the Transferor Company and the Transferee Company.
- 19.2. In the event a modification or amendment to the Scheme as required by the NCLTs or any Governmental Authority is not approved in accordance with this Clause 19, the Transferor Company and the Transferee Company shall enter into good faith discussions on the manner in which they shall proceed in relation to consummation of the transactions contemplated under the Scheme.
- 19.3. Notwithstanding anything contained in Clauses 19.1 and 19.2, any modification to the Scheme by any of the Companies, after receipt of sanction by the NCLTs and/or the Stock Exchanges, shall be made only with the prior approval of the NCLTs and/or the Stock Exchanges.

20. CONDITIONALITY OF THE SCHEME

- 20.1. This Scheme is conditional upon and subject to:
 - 20.1.1. The Scheme being approved by the written consents or requisite majorities in number and value of such classes of Persons including the respective members and/or creditors of the Companies as may be directed by the relevant NCLTs or any other competent authority, as may be applicable.
 - 20.1.2. Receipt of pre-filing and post sanction approvals of the Stock Exchanges and the Securities and Exchange Board of India ("SEBI") in terms of the applicable circulars issued by SEBI.

20.1.3. The Scheme being sanctioned by the concerned NCLTs under Sections 230 to 232 of the Act.

20.1.4. Certified copy of the Order of the NCLTs sanctioning the Scheme being filed with the Registrars of Companies having jurisdiction over the Companies.

20.1.5. The fulfillment, satisfaction or waiver (as the case may be) of such other conditions precedent as may be agreed in writing *inter-alia* between the Transferor Company and the Transferee Company.

20.1.6. The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. The Scheme would be given effect to only if is approved in its entirety unless specifically agreed otherwise by the respective Board of Directors of the Companies.

20.2. The Scheme shall come into operation from the Effective Date but with effect from the Appointed Date.

21. EFFECT OF NON-RECEIPT OF APPROVAL/SANCTION

21.1. In the event the Scheme does not come into effect within 18 (eighteen) months from the date on which the board of directors of the Companies have approved this Scheme ("Long Stop Date"), either the Transferor Company or the Transferee Company may opt to terminate this Scheme and if required may file appropriate proceedings before the concerned NCLT in this respect. Provided however, that the Transferor Company or the Transferee Company shall have the right to mutually extend the Long Stop Date, in writing and provided, however, that the right to terminate this Scheme shall not be available to the Transferor Company or the Transferee Company if its failure to fulfil any of its obligation contained hereunder or otherwise agreed in writing between the Companies, shall have been the cause of, or shall have resulted in, the failure of the Effective Date to occur on or prior to the Long Stop Date.

22. EXPENSES CONNECTED WITH THE SCHEME

22.1. Except as stated in Clause 22.2 below, each Company shall bear its own costs, charges and expenses in relation to the transactions contemplated herein.

22.2. All costs, charges and expenses in respect of the Amalgamation of the Transferor Company with the Transferee Company in terms of or pursuant to the Scheme and in relation to the registration and the stamping of the Sanction Orders including registration charges, stamp duty, transfer charges/duty/fees and all other expenses in respect of the Amalgamation, including transfer of all properties, if any, in terms of or pursuant to the Scheme shall be borne by the Transferee Company.

23. POWER TO REMOVE DIFFICULTIES

The Board of Directors of the Companies, either by themselves or through a committee appointed by them in this behalf, may jointly and as mutually agreed in writing:

23.1. give such directions (acting jointly) as may be mutually agreed in writing by the Companies as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those.

23.2. do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

24. SAVINGS

Nothing contained in this Scheme shall be deemed as a waiver or modification of the rights/obligations of the Transferor Company, Transferee Company and / or any shareholders of the Companies that arise from the Implementation Agreement dated July 4, 2017 executed between them (and the documents referred to therein) in relation to the amalgamation of the Transferor Company with the Transferee Company as contemplated in this Scheme.

Annexure 2 - Valuation Report issued by SSPA & Co. dated July 04, 2017

SSPA & CO.
Chartered Accountants
1st Floor, " Arjun", Plot No. 6 A,
V. P. Road, Andheri (W),
Mumbai - 400 058. INDIA.
Tel. : 91 (22) 2670 4376
91 (22) 2670 3682
Fax : 91 (22) 2670 3916
Website : www.sspa.in

STRICTLY PRIVATE & CONFIDENTIAL

July 04, 2017

The Board of Directors,
Timken India Limited
39-42, Electronic City,
Phase II, Hosur Road,
Bengaluru – 560 100,
Karnataka.

The Board of Directors,
ABC Bearings Limited
402 - B, Poonam Chambers,
Dr. Annie Besant Road, Worli
Mumbai – 400 018,
Maharashtra.

Re: Recommendation of fair share exchange ratio for the purpose of proposed amalgamation of ABC Bearings Limited into Timken India Limited.

Dear Sir(s),

As requested by the management of Timken India Limited (hereinafter referred to as "TIL") and ABC Bearings Limited (hereinafter referred to as "ABC") (hereinafter collectively referred to as "Companies"), we have undertaken the valuation exercise of equity shares of TIL and ABC for recommending the fair share exchange ratio for the purpose of proposed amalgamation of ABC into TIL through a scheme of amalgamation.

1. PURPOSE OF VALUATION

- 1.1 We have been informed that the Board of Directors of the Companies are considering a proposal for amalgamation of ABC into TIL. The amalgamation is proposed to be carried out through a scheme of amalgamation and arrangement under section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme"). In consideration for amalgamation of ABC into TIL, equity shares of TIL would be issued to the equity shareholders of ABC.
- 1.2 For this purpose, we have carried out valuation of the equity shares of TIL and ABC with a view to recommend fair share exchange ratio of equity shares of TIL to be issued to the equity shareholders of ABC for the consideration of the Board of Directors of the Companies.



The same is being issued as per the requirements of Securities and Exchange Board of India ("SEBI") circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with SEBI circular no. CFD/DIL3/CIR/2017/26 dated March 23, 2017.

2. BRIEF BACKGROUND

2.1. TIMKEN INDIA LIMITED

2.1.1. TIL, incorporated on December 12, 1996 has its registered office at 39-42, Electronic City, Phase II, Hosur Road, Bengaluru – 560 110. TIL is engaged in the business of engineering and manufacturing bearings and mechanical power transmission components including gear drives, coupling belts and chains. It also provides industrial services including those in the nature of bearing repair and powertrain rebuild. The manufacturing facility of TIL is located at Jamshedpur with cellular manufacturing technology.

2.1.2. The company also imports products such as spherical roller bearings, cylindrical roller bearings and specialty roller bearings from various Timken group entities.

2.1.3. The equity shares of TIL are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

2.2. ABC BEARINGS LIMITED

2.2.1. ABC, incorporated on May 30, 1961 having its registered office at 402 - B, Poonam Chambers, Dr. Annie Besant Road, Worli, Mumbai – 400 018 is engaged in engineering, product design, manufacturing, distribution and sale of various types of bearings.

2.2.2. The products manufactured by ABC includes spherical roller bearings, clutch release bearings, needle roller bearings, ball bearings, king pin bearings etc. The business of ABC comprises of (i) engineering, product design, manufacturing, distribution and sale of bearings including inter alia taper roller bearings, cylindrical roller bearings, spherical roller bearings and slewing bearings; and (ii) procurement, distribution and sale of other bearings, grease, oil and UJ Cross not manufactured by ABC but are sold under the "ABC" brand.

2.2.3. The equity shares of ABC are listed on BSE.

3. SOURCES OF INFORMATION

For the purposes of our valuation exercise, we have relied upon the following sources of information as provided to us by the management of the respective Companies:

(a) Audited financial statements of the Companies for the financial year (FY) ended March



31, 2017.

- (b) Draft Scheme of amalgamation and arrangement.
- (c) Other relevant details regarding the Companies such as their history, past and present activities and other relevant information and data, including information in the public domain.
- (d) Discussions with the management of the Companies on various issues relevant for the valuation including the prospects and outlook for the industry, expected profitability from expansion, expected growth rate, etc.

4. EXCLUSIONS AND LIMITATIONS

- 4.1. Our report is subject to the scope limitations detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.
- 4.2. Valuation is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. While SSPA has provided an assessment of the value based on the information available, application of certain formulae and within the scope and constraints of our engagement, others may place a different value to the same.
- 4.3. No investigation of the Companies' claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.
- 4.4. Our work does not constitute an audit or certification of the historical financial statements including the provisional results of the Companies referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation and the valuation date mentioned in the report is as per agreed terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.
- 4.5. A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the management of the Companies have drawn our attention to



all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on our opinion, on the fair value of the shares of the Companies including any significant changes that have taken place or are likely to take place in the financial position of the Companies, subsequent to the Appointed Date for the proposed amalgamation. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

- 4.6. In the course of the valuation, we were provided with both written and verbal information. We have not carried out due diligence or audit of the information provided for the purpose of this engagement. Public information, industry and statistical information relied in this report have been obtained from the sources considered to be reliable. However, we have not independently verified such information and make no representation as to the accuracy or completeness of such information from or provided by such sources. Our conclusions are based on the assumptions and other information given by/on behalf of the Companies. We assume no responsibility for any errors in the above information furnished by the Companies and consequential impact on the present exercise.
- 4.7. Our report is not, nor should it be construed as our opining or certifying the compliance of the proposed amalgamation with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such proposed amalgamation.
- 4.8. This report is prepared only in connection with the proposed amalgamation exclusively for the use of the Companies and for submission to any regulatory / statutory authority as may be required under any law applicable in India.
- 4.9. Any person / party intending to provide finance / invest in the shares / business of the Companies shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- 4.10. The decision to carry out the transaction (including consideration thereof) lies entirely with the Management / the Board of Directors of the Companies, our work and our finding shall not constitute an opinion as to whether or not the Management / the Board of Directors of the Companies should carry out the transaction.
- 4.11. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the proposed amalgamation as aforesaid, can be done only with our prior permission in writing.



- 4.12. SSPA & Co., nor its partners, managers, employees makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the valuation.

5. VALUATION APPROACH

- 5.1. For the purpose of valuation for amalgamation, generally the following approaches are adopted:

- (a) the "Underlying Asset" approach
- (b) the "Income" approach; and
- (c) the "Market" approach

- 5.2. In the present case, TIL and ABC are intended to be continued on a 'going concern basis' and there is no intention to dispose-off the assets, and therefore the "Underlying Asset" approach is not adopted for the present valuation exercise.

- 5.3. We have been informed that before the Appointed Date, the Management of ABC shall be entitled to divest certain non-core properties which are not used for the business of manufacture of bearings. As a result, we have not ascribed any value to such non-core properties. Considering this, we have not considered "Market" approach for the present valuation exercise.

5.4. INCOME APPROACH

Under the "Income" approach, shares of TIL and ABC have been valued using Comparable Companies Multiple ('CCM') method.

- 5.4.1. Under CCM Method, the value of the shares of the companies is determined by using multiples derived from valuations of comparable companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully. In the present case, Enterprise Value (EV) to Earnings before Interest Tax Depreciation and Amortization (EBITDA) multiples of comparable listed companies are used to arrive at Enterprise Value of both the Companies. While determining the comparable peer set for each of the Companies being valued, we have considered various qualitative factors such as size, market share, product portfolio, global support, growth potential, etc.

- 5.4.2. To the value so arrived, adjustments have been made for cash and cash equivalents, loan



funds, contingent liabilities adjusted for probability of devolvement, value of investments and other adjustments after considering the tax impact wherever applicable, to arrive at equity value.

- 5.4.3. The equity value so arrived at is divided by the outstanding/dilutive number of equity shares to arrive at the value per share.

6. RECOMMENDATION OF FAIR SHARE EXCHANGE RATIO

- 6.1. The fair basis of amalgamation of ABC into TIL would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove.
- 6.2. Our exercise is to work out relative value of shares to facilitate the determination of a fair share exchange ratio. As mentioned above we have considered the "Income" approach for arriving at the value per share of TIL and ABC.
- 6.3. The fair share exchange ratio has been arrived on the basis of a relative valuation of the shares of TIL and ABC as explained herein earlier and various qualitative factors relevant to company and the business dynamics and growth potential of the businesses of TIL and ABC, having regard to information base, management representations and perceptions, key underlying assumptions and limitations.
- 6.4. In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:

'If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made.



SSPA & CO.
Chartered Accountants

Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible.'

- 6.5. In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove earlier in this report, in our opinion, the relative fair value per share and fair share exchange ratio in the event of amalgamation of ABC into TIL is as under:

Method of Valuation	TIL		ABC	
	Value per Share (INR)	Weights	Value per Share (INR)	Weights
Assets Approach	Not Applied	0%	Not Applied	0%
Income Approach	759	100%	473	100%
Market Approach	Not Applied	0%	Not Applied	0%
Relative Value per Share	759		473	
Exchange Ratio (Rounded Off)	1.60			

Ratio:

5 (Five) equity shares of TIL of INR 10 each fully paid for every 8 (Eight) equity shares of ABC of INR 10 each fully paid.

Thank you,
Yours faithfully,

SSPA & Co.



SSPA & CO.
Chartered Accountants
Firm registration number: 128851W

Place: Mumbai

Annexure 3 - Fairness Opinions issued by JM Financial Institutional Securities Limited, a Category-I Merchant Banker dated July 04, 2017 and by SBI Capital Markets Limited, a Category-I Merchant Banker dated October 27, 2017



STRICTLY CONFIDENTIAL

July 4, 2017

The Board of Directors,
Timken India Limited
39-42, Electronic City,
Phase II, Hosur Road,
Bangalore - 560 100
Phone No. 080 41362000

Dear Sirs,

We refer to the engagement letter dated August 30, 2016 ("**Engagement Letter**") whereby Timken India Limited ("**Timken**" / "**Transferee Company**") has inter alia requested JM Financial Institutional Securities Limited ("**JM Financial**") to provide a fairness opinion to the Board of Directors of Timken ("**Fairness Opinion**") on the Share Exchange Ratio (as defined below) recommended by SSPA & Co, Chartered Accountants ("**SSPA**" / "**Valuer**"), appointed jointly by Timken and ABC Bearings Limited ("**ABC**" / "**Transferor Company**") for the proposed scheme of amalgamation and arrangement amongst Timken, ABC and their respective shareholders and creditors under the provisions of the Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, (the "**Proposed Scheme**").

Companies that are party to the Proposed Scheme:

- (a) ABC, a public limited company, incorporated under the provisions of the Companies Act, 1956, has its registered office situated at 402-B, Poonam Chambers, Dr. Annie Besant Road, Worli, Mumbai-400 018. ABC is engaged primarily in the business of: (i) engineering, product design, manufacturing, distribution and sale of bearings including inter alia taper roller bearings, cylindrical roller bearings, spherical roller bearings and slewing bearings; and (ii) procurement, distribution and sale of other bearings, grease, oil and UJ Cross not manufactured by it but sold under the "ABC" brand. The equity shares of ABC are listed on the BSE Limited ("**BSE**").
- (b) Timken, a public limited company, incorporated under the provisions of the Companies Act, 1956, has its registered office situated at 39-42, Electronic City, Phase II, Hosur Road, Bangalore - 560 100. Timken is engaged in the business of engineering and manufacturing bearings and mechanical power transmission components including gear drives, couplings, belts and chain. It also provides industrial services including those in the nature of bearing repair and powertrain rebuild. The equity shares of the Transferee Company are listed on the BSE and National Stock Exchange of India Limited ("**NSE**") (BSE and NSE collectively referred to as the "**Stock Exchanges**").

ABC and Timken shall be together referred hereinafter as the "**Companies**".

Background of Proposed Scheme

We understand that the Proposed Scheme, inter alia, provides for amalgamation of the Transferor Company with the Transferee Company ("**Amalgamation**") as a going concern in accordance with the provisions of section 2(1B) of the Income Tax Act, 1961. Consequently (i) the assets and liabilities of the Transferor Company shall, as on the Appointed Date, stand transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company as a going concern, and (ii)

JM Financial Institutional Securities Limited
Corporate Identity Number : U65192MH1995PLC092522
7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025.
T: +91 22 6630 3030, 6630 3115 (D). F: +91 22 6630 3330 www.jmfi.com

1



the Transferor Company shall stand dissolved without being wound up. Further, we understand that pending completion of the Proposed Scheme, the Transferor Company shall be entitled to divest certain non-core properties of the Transferor Company which are not used for the business of manufacturing of bearings by the Transferor Company.

We understand that the Proposed Scheme shall be evaluated by the Board of Directors of the Transferee Company and that the appointed date for the Proposed Scheme is the date on which the last of the sanction orders of National Company Law Tribunal (“NCLT”) at Mumbai and Bengaluru is passed or such other date as the NCLT at Mumbai and Bengaluru may direct. The Amalgamation shall take effect in accordance with the Proposed Scheme and after receipt of the statutory approvals including orders of NCLT at Mumbai and Bengaluru and filing of the same with the respective Registrar of Companies.

Scope and Purpose

Timken and ABC have jointly appointed the Valuer to recommend a fair and equitable Share Exchange Ratio for the Amalgamation pursuant to which Valuer has issued a report dated July 4, 2017 (“**Valuation Report**”). The Valuation Report recommended that the equity shareholders of ABC will receive 5 fully paid up equity shares of Timken of face value of Rs. 10 each in exchange for every 8 fully paid up equity share of ABC of face value of Rs. 10 each (the “**Share Exchange Ratio**”).

In this connection, Timken has engaged JM Financial (“**JM Financial**”) to submit an independent opinion to the Board of Directors of Timken on the fairness of the Share Exchange Ratio recommended by the Valuer.

Scope of work of this Fairness Opinion includes commenting only on the fairness of the Share Exchange Ratio and not on the fairness or economic rationale of the Amalgamation per se or the valuation methods used by the Valuer.

This Fairness Opinion is addressed to the Board of Directors of Timken. This Fairness Opinion is subject to the scope, assumptions, exclusions, scope limitations and disclaimers detailed hereinafter. As such the Fairness Opinion is to be read in totality, not in parts and in conjunction with the relevant documents referred to herein. The same has been issued as per the requirements of SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with SEBI circular no. CFD/DIL3/CIR/2017/26 dated March 23, 2017 (“**SEBI Circular**”). This Fairness Opinion has been issued only for the purpose of opining on the fairness of the Share Exchange Ratio under the Proposed Scheme and should not be used for any other purpose.

Source of Information

For the said examination and for arriving at the opinion set forth below, we have:

- a) held discussions with the Valuer and perused the Valuation Report issued by the Valuer;
- b) reviewed the draft of the Proposed Scheme;
- c) reviewed publicly available relevant financial information relating to the Companies; and
- d) reviewed the information provided by the Transferee Company through its management representation letter and held discussions with the management pursuant to the Proposed Scheme;



Scope Limitations

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by the Transferee Company for the purposes of this opinion. We have not conducted any due diligence, other than a review of such information / documents as has been provided to us and expressly set out in this Fairness Opinion and express no opinion and accordingly accept no responsibility with respect to or for such information, or the assumptions on which it is based. We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties, facilities, assets and liabilities of the Companies, and neither express any opinion with respect thereto nor accept any responsibility thereof. We have not made any independent valuation or appraisal of the assets or liabilities of the Companies, nor have we been furnished with any such appraisals. We have not reviewed any internal management information systems and instead, with your consent, have relied upon relevant information that was publicly available or provided or otherwise made available to us by the Transferee Company for the purposes of this Fairness Opinion.

We are not experts in the evaluation of contingent liabilities, litigation or other actual or threatened claims. We are not legal, taxation or actuarial advisors and accordingly, our opinion should not be construed as certifying the compliance with the provisions of any law including company and taxation laws or any legal, accounting or taxation implications or issues related to the Proposed Scheme. In addition, we have assumed that the Proposed Scheme will be approved by all the necessary regulatory authorities and that the Proposed Scheme will be consummated substantially in accordance with the terms set forth in the draft of the Proposed Scheme provided to us. We have not considered any contingent liabilities for the purposes of this opinion. Also, the Transferee Company has confirmed that there is no other material information other than already provided which is necessary for the purposes of this Fairness Opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Proposed Scheme, no change/ restrictions will be imposed that will have a material adverse effect on the benefits of the Proposed Scheme that may have been contemplated.

We understand that the management of the Transferee Company, during our discussion with them, has drawn our attention to all such information and matters which may have an impact on our analysis and opinion. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have an obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we were not authorized to solicit, and did not solicit, interest from any party with respect to the acquisition, business combination or other extraordinary transaction involving the Companies or any of its assets, nor did we negotiate with any other party in this regard.

In the ordinary course of business, the JM Financial group is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of the JM Financial group may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Proposed Scheme.

We express no opinion whatsoever and make no recommendation at all as to the Transferee Company's underlying decision to effect the Proposed Scheme or as to how the holders of equity shares or secured or unsecured creditors (as applicable) of the Transferee Company should vote at their respective meetings held in connection with the Proposed Scheme. We also do not provide any recommendation to the creditors of the Transferee Company with respect to Proposed Scheme. We do



not express and should not be deemed to have expressed any views on any other terms of the Proposed Scheme apart from that is relevant to the Fairness Opinion. We express no opinion and accordingly accept no responsibility as to the price at which the equity shares of the Transferee Company and / or of ABC will trade following the announcement of the Proposed Scheme or the price at which the equity shares of the Transferee Company and / or of ABC will trade following the Proposed Scheme being made effective. We also express no opinion and accordingly accept no responsibility for the value of the equity shares of the Transferee Company / ABC at any future date or their financial performance following the announcement of the Proposed Scheme / consummation of the Proposed Scheme. We do not express any opinion on the sufficiency of the methodology applied / procedures employed by the Valuer in determining Share Exchange Ratio. Shareholders should make their independent assessment of the economic benefits as also the overall transaction for arriving at their decision.

Conclusion

In the light of above and based on our examination of the Proposed Scheme, Valuation Report, such other information provided and represented to us by Timken and our independent analysis and evaluation of such information and subject to the scope limitations as mentioned hereinabove and to the best of our knowledge and belief, we are of the opinion that the Share Exchange Ratio recommended by the Valuer is fair for the equity shareholders of Timken.

Distribution of the Fairness Opinion

The Fairness Opinion is addressed only to the Board of Directors of Timken and is for the purpose of submission to the Stock Exchanges under the SEBI Circular. Further, the Fairness Opinion may be disclosed on the website of Timken and the Stock Exchanges and also be made part of the explanatory statement to be circulated the shareholders and/or creditors of the Transferee Company. The Fairness Opinion shall not otherwise be disclosed or referred to publicly or to any other third party without JM Financial's prior written consent. The Fairness Opinion should be read in totality and not in parts.

In no circumstances however, will JM Financial or any of its directors, officers, employees and controlling persons of JM Financial accept any responsibility or liability including any pecuniary or financial liability to any third party.

Further, this Fairness Opinion should not be used or quoted for any purpose other than the purpose mentioned hereinabove. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then we will not be liable for any consequences thereof. Neither this Fairness Opinion nor its contents may be referred to or quoted to / by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties.

Yours truly,

For JM Financial Institutional Securities Limited

Authorized Signatory



Date: October 27, 2017

To,
The Board of Directors,
Timken India Limited,
39-42, Electronic City,
Phase II, Hosur Road,
Bengaluru – 560 100,
Karnataka

Dear Sirs/Madams,

Subject: Fairness Opinion Report on the Share Exchange Ratio for the proposed amalgamation of ABC Bearings Limited with Timken India Limited

We, SBI Capital Markets Limited (hereinafter referred to as “SBICAP”), understand that Timken India Limited (hereinafter referred to as “TIL” or the “Company”) is contemplating an amalgamation of ABC Bearings Limited (hereinafter referred to as “ABC”) with TIL and has initiated a valuation exercise by appointing SSPA & Co (hereinafter referred to as “SSPA” or the “Valuer”) to determine the Swap Ratio. In this regard, the Company seeks Fairness Opinion Report from SBICAP on the Share Swap Ratio recommended by the Valuer.

SBICAP has not undertaken the valuation of TIL and ABC. The valuation exercise for the Proposed Scheme of Amalgamation has been done by SSPA. We have examined the Valuation Report dated July 04, 2017 submitted by SSPA to the Company. We have not independently checked or verified the assumptions made by SSPA. We have reviewed the historical financial and business information of the Company and certain comparable companies and their valuation multiples, and other relevant information from publicly available sources, and have taken into account such other matters as we deemed necessary including our assessment of general economic, market and monetary conditions.

We have used the following source of information for our analysis:-

- I. Audited financial statements of Timken India Limited and ABC Bearings Limited for the Financial year (“FY”) ended March 31, 2017
- II. Draft Scheme of Amalgamation and Arrangement (‘Draft Scheme’);
- III. Interviews and correspondence with the Management of TIL and ABC;
- IV. Secondary research and market data on comparable companies and information on recent transactions, to the extent readily available; and
- V. Other relevant details regarding the Companies such as their history, past and present activities and other relevant information and data, including information in the public domain

SBI CAPITAL MARKETS LIMITED

Registered Office: 202, Maker Tower ‘E’, Cuffe Parade, Mumbai 400 005. Tel: +91 22 22178300, Fax: +91 22 22188332

Email: corporate.office@sbicaps.com Web: www.sbicaps.com CIN: U99999MH1986PLC040298

A Subsidiary of State Bank of India





In addition to the above, we have had discussions with the Company officials on the past and current business operations of the businesses concerned.

Further, we have had discussions with SSPA on such matters which we believe are necessary or appropriate for the purpose of issuing the Fairness Opinion Report.

We assume no responsibility for the legal, tax, accounting or structuring matters including, but not limited to, legal or title concerns. Title to all subject business assets is assumed to be good and marketable and we would urge the Company to carry out an independent assessment of the same prior to entering into any transaction, after giving due weightage to the results of such assessment.

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information supplied or otherwise made available to us either in oral or written form, discussed with or reviewed by or for us, or publicly available. We have been informed that all information relevant for the purpose of issuing the Fairness Opinion Report has been disclosed to us and we are not aware of any material information that has been omitted or that remains undisclosed. This being so, no representation or warranty, express or implied, is or will be made, and no responsibility or liability is or will be accepted by SBICAP and its affiliates, its directors, employees, agents or representatives, or in relation to, the accuracy or adequacy of information, contained in the Fairness Opinion Report or any other written or oral information made available to any party or their advisors. We do not accept any liability to any third party in relation to the issuance of this Fairness Opinion Report.

We have not conducted any evaluation of the solvency or fair value of the Company, under any laws relating to bankruptcy, insolvency or similar matters. In addition we have not assumed any obligation to conduct any physical inspection of the properties or facilities of TIL and ABC. We have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or publicly available; we have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of TIL and ABC.

Our Fairness Opinion Report does not factor overall economic environment risk and other risks and is purely based on the information and representations provided to us. We have not assumed the risk of any material adverse change having an impact on the business of TIL and ABC.

We express no view as to, and our Fairness Opinion Report does not address, the underlying business decision of any company to effect the Proposed Scheme of Amalgamation or the merits of



Page 2 of 6



the Proposed Scheme of Amalgamation nor does it constitute any kind of recommendation to any shareholder or creditor of TIL and ABC as regards to the Proposed Scheme of Amalgamation or any matter related thereto. In addition, this Fairness Opinion Report does not address the fairness to, or any other consideration of, the holders of any class of securities, creditors or other constituencies of TIL and ABC.

Our Fairness Opinion Report is not and does not purport to be an appraisal or otherwise reflective of the prices at which any business or securities actually could be ideally bought or sold by any party and is not indicative of actual value or actual future results that might be achieved, which value may be higher or lower than those indicated, and any investment decision shall not be based solely on this Fairness Opinion Report and the buyer shall carry out their own due diligence.

Our Fairness Opinion Report is not necessarily based on economic, market and other conditions as in effect on the date of issuing this Fairness Opinion Report, and the information made available to us as of, the date hereof. It should be understood that in case of any subsequent developments we do not have any obligation to update, revise, or reaffirm this Fairness Opinion Report.

To the extent that the conclusions are based on projections, SBICAP expresses no opinion on the achievability of those forecasts.

In the ordinary course of business, we and our affiliates may actively trade or hold securities of the company that may be the subject matter of this transaction for our own account or for the account of our customers and accordingly, may at any time hold long or short position in such securities.

This Fairness Opinion Report is provided solely for the benefit of the Board of Directors of TIL and shall not confer rights or remedies upon, any shareholder of TIL or any other person other than the members of the Board of Directors of TIL or be used for any other purpose.

This Fairness Opinion Report is only a free and fair opinion and does not constitute a commitment by SBICAP to underwrite, subscribe for or place any securities or to extend or arrange credit or to provide any other services.

Disputes, if any, regarding this Fairness Opinion Report will be governed by and construed in accordance with the laws of India and the Courts in Mumbai, India shall have exclusive jurisdiction in this regard.



Page 3 of 6



On the basis of and subject to the foregoing, to the best of our knowledge and belief, it is our view that, as of the date hereof, the Share Swap Ratio as recommended by the Valuer in relation to the Proposed Scheme of Amalgamation is Fair, from a financial point of view.

Thanking you,

Yours faithfully,
For SBI Capital Markets Limited

A handwritten signature in black ink, appearing to read 'Ramnish Kochgave'.



Name: Ramnish Kochgave
Designation: Vice President



Disclaimer

This fairness opinion report ("Report" or "This Report" or "this report") contains proprietary and confidential information regarding Timken India Limited and ABC Bearings Limited ("Amalgamating Entities"). This report is issued for the exclusive use and benefit of the Company as per the Engagement letter dated October 27, 2017. This report has been issued by SBI Capital Markets Limited ("SBICAP"), on the basis of the information available in the public domain and sources believed to be reliable and the information provided by the Amalgamating Entities, Valuer and for the purpose to facilitate the Company to comply with, if applicable, The SEBI Listing Obligations and Disclosure Regulations 2015 as amended, ("Listing Regulations") and it shall not be valid for any other purpose or as at any other date. This Report is issued by SBICAP in the capacity of an Independent merchant banker, on the swap ratio of the Amalgamating Entities done by SSPA & Co. ("SSPA").

This report is issued by SBICAP without regard to specific objectives, suitability, financial situations and needs of any particular person and does not constitute any recommendation, and should not be construed as an offer to sell or the solicitation of an offer to buy, purchase or subscribe to any securities mentioned therein. Nothing in these materials is intended by SBICAP to be construed as legal, accounting, technical or tax advice. Past performance is not a guide for future performance. Forward-looking statements are not predictions and may be subject to change without notice. Actual results may differ materially from these forward-looking statements due to various factors. This report has not been or may not be approved by any statutory or regulatory authority in India or by any Stock Exchange in India. This report may not be all inclusive and may not contain all of the information that the recipient may consider material.

This report and information contained herein or any part of it does not constitute or purport to constitute investment advice in publicly accessible media and should not be printed, reproduced, transmitted, sold, distributed or published by the recipient without the prior written approval from SBICAP. The distributing/taking/sending/dispatching/transmitting of this document in certain foreign jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

Neither SBICAP and its affiliates, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of this document. This document may contain confidential, proprietary and/or legally privileged information and it must be kept confidential by the recipient.

SBICAP has not carried out any due – diligence independently in verifying the accuracy or veracity of data provided by the Company and/or Valuer and SBICAP assumes no liability for the accuracy, authenticity, completeness or fairness of the data provided by the Company and/or Valuer. SBICAP has also assumed that the business continues normally without any disruptions.

Neither SBICAP nor State Bank of India or any of its associates, nor any of their respective Directors, officers, employees, agents or advisors or affiliate of any such person or such persons make any expressed or implied representation or warranty and no responsibility or liability is accepted by any of them and is expressly disclaimed with respect to the accuracy, completeness, authenticity or reasonableness of the facts, opinions, estimates, forecasts, projections or other information set forth in this report, or the underlying assumptions on which they are based and nothing contained herein is or shall be relied upon as a promise or representation regarding the historic or current position or performance of the Company or any future events or performance of the Company.



This report may be divided into chapters & sub-sections only for the purpose of reading convenience. Any partial reading of this report may lead to inferences, which may be at divergence with the conclusions and opinions based on the entirety of this report.

The opinion of SBICAP ["Opinion"] under this Report is not intended to and does not constitute a recommendation to any shareholders as to how such shareholder should vote or act in connection with the proposed business transaction or any matter related therein. The opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed business transaction with the provisions of any law including company law, taxation and capital market related laws or as regards any legal implications or issues arising thereon. SBICAP assumes no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof. In rendering the Opinion, SBICAP has assumed, that the proposed business transaction will be implemented on the terms described in the Amalgamation Agreement, without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary regulatory or third party approvals for the business transfer, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on the entities under the proposed business transaction and / or its holding or subsidiaries or affiliates and their respective shareholders.

In the past, SBICAP may have provided, and may currently or in the future provide, Investment Banking services to the entities under the proposed business transaction and / or its holding or subsidiaries or affiliates and their respective shareholders, for which services SBICAP has received or may receive customary fees. In addition, in the ordinary course of their respective businesses, affiliates of SBICAP may actively trade securities of the entities under the proposed business transaction and / or its holding or subsidiaries or affiliates and their respective shareholders for their own accounts and for the accounts of their customers and, accordingly, may at any time hold a position in such securities. SBICAP engagement and the opinion expressed herein are for the benefit of the Board of Directors of the entities under the proposed business transaction and for no other purposes. Neither SBICAP, nor its affiliates, partners, directors, shareholders, managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the information and documents provided to us, based on which the opinion has been issued. All such parties and entities expressly disclaim any and all liability for, or based on or relating to any such information contained therein.

This report is furnished on a strictly confidential basis and is for the sole use of the person to whom it is addressed. Neither this report, nor the information contained herein, may be reproduced or passed to any person or used for any purpose other than stated above, without the prior written approval from SBICAP. By accepting a copy of this report, the recipient accepts the terms of this Notice, which forms an integral part of this report.

Annexure 4 - Observation Letter issued to Timken India Limited by BSE Limited ("BSE") dated November 03, 2017 and by National Stock Exchange of India Limited ("NSE") dated November 06, 2017



DCS/AMAL/SD/R37/970/2017-18

November 3, 2017

The Company Secretary
Timken India Ltd.
39-42, Electronic City Phase II,
Hosur Road , Bengaluru ,Karnataka ,560100

Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement between Timken India Limited and ABC Bearings Limited

We are in receipt of Draft Scheme of Arrangement between Timken India Limited and ABC Bearings Limited and their respective shareholders and creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated November 02, 2017, has inter alia given the following comment(s) on the draft scheme of arrangement:

- "Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, from the date of receipt of this letter is displayed on the websites of the listed company."
- "Company shall duly comply with various provisions of the Circulars."
- "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."
- "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT. Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble NCLT, the listed company shall submit to the stock exchange the following:

- Copy of the NCLT approved Scheme;
- Result of voting by shareholders for approving the Scheme;



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234/33 E: corp.comm@bseindia.com www.bseindia.com
Corporate Identity Number : L67120MH2005PLC155188

-
-
- Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
 - Copy of the observation letter issued by all the Stock Exchanges where Company is listed;
 - Status of compliance with the Observation Letter/s of the stock exchanges;
 - The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
 - Complaints Report as per Annexure II of this Circular.
 - Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

PS


Nitin Pujari
Sr. Manager



**NATIONAL STOCK EXCHANGE
OF INDIA LIMITED**



Ref: NSE/LIST/12821_1

November 06, 2017

The Company Secretary
Timken India Limited
39-42, Electronic City,
Phase II, Hosur Road,
Bangalore - 560100

Kind Attn.: Mr. Soumitra Hazra

Dear Sir,

Sub: Observation letter for draft Scheme of Arrangement and Amalgamation between Timken India Limited and ABC Bearigns Limited and its respective shareholders and Creditors

We are in receipt of the draft Scheme of Arrangement and Amalgamation between Timken India Limited and ABC Bearigns Limited and its respective shareholders and Creditors, filed by Timken India Limited vide application dated August 07, 2017.

Based on our letter reference no Ref: NSE/LIST/12821 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("Circular"), SEBI vide letter dated November 02, 2017, has given following comments:

- a. *The Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the receipt of this letter is displayed on the website of the listed company.*
- b. *The Company shall duly comply with various provisions of the Circulars.*
- c. *The Company is advised that the observations of SEBI/ Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- d. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/ representations.*

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of Regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.



The validity of this "Observation Letter" shall be six months from November 06, 2017, within which the scheme shall be submitted to NCLT. Further pursuant to the above SEBI circulars upon sanction of the Scheme by NCLT, you shall submit to NSE the following:

- a. Copy of Scheme as approved by NCLT;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per Annexure III of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017.

Yours faithfully,
For **National Stock Exchange of India Limited**

Divya Poojari
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

Annexure 5 - Complaints report filed with BSE and NSE by Timken India Limited

TIMKEN

Sanjay Koul
Chairman & Managing Director
T 080 41362006
F 080 41362010
sanjay.koul@timken.com

September 6, 2017

To,

The Listing Department
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Fort, Mumbai – 400 001.
Security Code: 522113
ISIN No: INE325A01013

Listing – Compliance Department
National Stock Exchange of India Limited,
Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra East, Mumbai – 400 051.
NSE Symbol: TIMKEN
ISIN No: INE325A01013

Ref: Application for approval under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”) for the proposed scheme of arrangement and amalgamation amongst ABC Bearings Limited and Timken India Limited and their respective shareholders and creditors (“Scheme”).

Subject: Complaints Report in terms of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (“SEBI Circular”).

Dear Sir,

In accordance with the Paragraph I(A)(6) of Annexure I of the SEBI Circular, we hereby confirm that as on the close of September 1, 2017, neither the Company nor its Registrar and Share Transfer Agent being C B Management Service Private Limited, P 22, Bondel Road, Kolkata 700019, either directly or through the stock exchanges / SEBI, have received any complaints from any shareholder of the Company in connection with the captioned Scheme.

We would like to bring to your attention the following:

- 1) The captioned Application was filed with BSE on August 8, 2017;
- 2) The captioned Application was filed with NSE on August 7, 2017;
- 3) The draft Scheme and the related documents were hosted on the website of the Company on August 02, 2017;
- 4) The Application, draft Scheme and the related documents were hosted on the website of BSE on August 11, 2017; and

Registered office:
Timken India Limited
39-42, Electronic City,
Phase II, Hosur Road,
Bangalore 560 100.

TIMKEN

- 5) The Application, draft Scheme and the related documents were hosted on the website of NSE on August 21, 2017.

Consequently, in terms of Paragraph I(A)(6) of Annexure I of the SEBI Circular, we are filing the Complaints Report attached as **Annexure 1** hereto, containing details of the complaints / comments received on the draft Scheme in the format prescribed in Annexure III of the SEBI Circular for the period between August 11, 2017 and September 1, 2017 i.e. 21 days from the date the Application, Scheme and related documents were hosted on the website of BSE (Designated Stock Exchange).

Please note that we will file another Complaints Report for the period ending September 11, 2017 i.e. 21 days from the date the Application, Scheme and related documents were hosted on the website of NSE.

Request you to take the enclosed information on record and to take necessary action in this regard.

We would be happy to provide any clarifications or further information.

Thanking you,
Yours faithfully,
For **Timken India Limited**


Sanjay Koul
Chairman & Managing Director
Enclosed: As stated above



TIMKEN

Annexure 1

(Commencing from the date of uploading the draft Scheme and related documents under Regulation 37 of the LODR Regulations on the website of BSE i.e. August 11, 2017 (the date of upload of documents on the website of the BSE being the Designated Stock Exchange) till the date of expiry of 21 days from the same.)

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchanges	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

Part B

Sr. No.	Name of complainant	Date of Complaint	Status (Resolved/pending)
			N.A.

For Timken India Limited


Sanjay Koul
Chairman & Managing Director

Date: 6 SEP 2017



TIMKEN

Sanjay Koul

Chairman & Managing Director

T 080 41362006

F 080 41362010

sanjay.koul@timken.com

September 12, 2017

To,
Listing – Compliance Department
National Stock Exchange of India Limited,
Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra East, Mumbai – 400 051.
NSE Symbol: TIMKEN
ISIN No: INE325A01013

Ref: Application for approval under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”) for the proposed scheme of arrangement and amalgamation amongst ABC Bearings Limited and Timken India Limited and their respective shareholders and creditors (“Scheme”).

Subject: Complaints Report in terms of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (“SEBI Circular”).

Dear Sir,

Further to our letter dated September 6, 2017 submitted to you in accordance with the Paragraph I(A)(6) of Annexure I of the SEBI Circular, we hereby confirm that as on the close of September 11, 2017, neither the Company nor its Registrar and Share Transfer Agent being C B Management Service Private Limited, P 22, Bondel Road, Kolkata 700019, either directly or through the stock exchanges / SEBI, have received any complaint from any shareholder of the Company in connection with the captioned Scheme.

Consequently, in terms of Paragraph I(A)(6) of Annexure I of the SEBI Circular, we are filing the Complaints Report attached as **Annexure 1** hereto, containing details of the complaints / comments received on the draft Scheme in the format prescribed in Annexure III of the SEBI Circular for the period between August 21, 2017 and September 11, 2017 i.e. 21 days from the date the Application, Scheme and related documents were hosted on the website of NSE.

Request you to take the enclosed information on record and to take necessary action in this regard.

Registered office:
Timken India Limited
39-42, Electronic City,
Phase II, Hosur Road,
Bangalore 560 100.

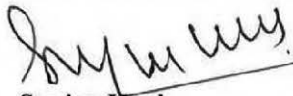
CIN: L29130KA1996PLC048230
Website: www.timken.com/en-in

Stronger. Commitment. Stronger. Value. Stronger. Worldwide. Stronger. Together. | Stronger. By Design.

TIMKEN

We would be happy to provide any clarifications or further information.

Thanking you,
Yours faithfully,
For **Timken India Limited**



Sanjay Koul
Chairman & Managing Director
Enclosed: As stated above



TIMKEN

Annexure 1

(Commencing from the date of uploading the draft Scheme and related documents under Regulation 37 of the LODR Regulations on the website of NSE i.e. August 21, 2017 till the date of expiry of 21 days from the same.)

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchanges	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

Part B

Sr. No.	Name of complainant	Date of Complaint	Status (Resolved/pending)
			N.A.

For Timken India Limited


Sanjay Koul
Chairman & Managing Director



Date: 12 September, 2017

Annexure 6 - Observation Letter issued to ABC Bearings Limited by BSE dated November 03, 2017



DCS/AMAL/SD/R37/969/2017-18

November 3, 2017

The Company Secretary
ABC Bearings Limited,
402 - B, Poonam Chambers,
Dr Annie Besant Road, Worli,
Mumbai, Maharashtra, 400018

Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement between Timken India Limited and ABC Bearings Limited

We are in receipt of Draft Scheme of Arrangement between Timken India Limited and ABC Bearings Limited and their respective shareholders and creditors filed as required under SEBI Circular No. CFD/DIL3/CHR/2017/21 dated March 10, 2017; SEBI vide its letter dated November 02, 2017, has inter alia given the following comment(s) on the draft scheme of arrangement:

- "Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, from the date of receipt of this letter is displayed on the websites of the listed company."
- "Company shall duly comply with various provisions of the Circulars."
- "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."
- "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT. Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble NCLT, the listed company shall submit to the stock exchange the following:

- Copy of the NCLT approved Scheme;
- Result of voting by shareholders for approving the Scheme;



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
Registered Office : Floor 25, P J Towers, Dalel Street, Mumbai 400 001 India
T: +91 22 2272 1234/333 E: corp.comm@bseindia.com www.bseindia.com
Corporate Identity Number : L67120MH2005PLG165188

-
- Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
 - Copy of the observation letter issued by all the Stock Exchanges where Company is listed;
 - Status of compliance with the Observation Letter/s of the stock exchanges;
 - The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
 - Complaints Report as per Annexure II of this Circular.
 - Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,


Nitin Pujari
Sr. Manager

Annexure 7 - Unaudited Financial Statements of Timken India Limited for the period ended June 30, 2017

TIMKEN INDIA LIMITED PROVISIONAL BALANCE SHEET AS AT JUNE 30, 2017

Particulars	Note No.	As at June 30, 2017 Rupees	As at March 31, 2017 Rupees
ASSETS			
(1) Non-current Assets			
(a) Property, plant and equipment	3	2,264,297,330	2,305,827,615
(b) Capital Work-in-Progress		786,183,612	561,314,087
(c) Intangible Assets	4	341,252	380,627
(d) Intangible assets under development		-	-
(e) Financial assets			
(i) Investments	5 A	300,000	300,000
(ii) Trade receivables	10	15,348,779	14,100,147
(iii) Loans	6	31,311,466	30,536,076
(f) Deferred tax assets (Net)	7	45,304,864	32,240,764
(g) Other Non-current assets	8	177,238,853	268,296,468
		3,322,326,156	3,232,995,784
(2) Current Assets			
(a) Inventories	9	2,016,705,796	1,880,282,913
(b) Financial assets			
(i) Investments	5 B	850,697,924	905,514,763
(ii) Trade receivables	10	1,914,833,651	1,920,683,831
(iii) Cash and cash equivalents	11	230,799,542	146,589,603
(iv) Bank balances other than (iii) above	11	36,773,138	36,863,169
(v) Loans	12	1,677,652	1,403,063
(vi) Other current financial assets	13	35,386,663	52,966,686
(c) Other current assets	14	590,265,610	549,688,327
		5,677,139,976	5,493,992,355
Total Assets		8,999,466,132	8,726,988,139
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	15	679,887,840	679,887,840
(b) Other Equity	16	5,714,573,122	5,498,806,960
Total Equity		6,394,460,962	6,178,694,800
LIABILITIES			
Non-current Liabilities			
(a) Long term provisions	17	35,573,364	34,409,720
(b) Other non-current liabilities	18	237,247,890	182,943,213
		272,821,254	217,352,933
Current Liabilities			
(a) Financial liabilities			
(i) Short term borrowings	19	51,130,915	83,986,116
(ii) Trade payables	20	1,668,921,046	1,494,337,597
(iii) Other Current Financial Liabilities	21	264,200,217	374,013,958
(b) Other Current Liabilities	22	72,414,137	118,038,678
(c) Short-term Provisions	17	276,117,601	260,564,057
		2,332,183,916	2,330,940,406
Total Liabilities		2,605,005,170	2,548,293,339
Total Equity and Liabilities		8,999,466,132	8,726,988,139

See accompanying notes to the Financial Statements

2.1 to 30

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

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

Soumitra Hazra
Company Secretary & Chief- Compliance

Place : Bangalore

TIMKEN INDIA LIMITED
STATEMENT OF PROVISIONAL PROFIT AND LOSS FOR THE PERIOD ENDED JUNE 30, 2017

Particulars	Note No.	For the Period ended June 30, 2017 Rupees	For the Year ended March 31, 2017 Rupees
Revenue			
Revenue from Operations	23	3,176,454,261	11,172,182,574
Other Income	24	20,072,379	99,228,299
Total Income (I)		3,196,526,640	11,271,410,873
Expenses			
Cost of Materials Consumed	25	1,219,725,982	3,347,461,019
Purchase of Traded Goods		572,185,397	2,823,544,801
Changes in Inventories of Finished Goods, Traded Goods and Work-in-progress	26	(127,797,041)	33,866,028
Excise Duty on movement in stock of Finished goods		56,751,573	34,701,817
Excise duty on sale of goods		177,628,305	610,430,085
Employee Benefits Expense	27	216,218,946	737,156,522
Finance costs	28	2,275,227	8,369,928
Depreciation and amortisation expense	29	111,744,394	288,896,741
Other Expenses	30	638,080,455	2,005,197,307
Total Expenses (II)		2,866,813,238	9,889,624,248
III. Profit before tax for the year (I- II)		329,713,402	1,381,786,625
IV. Tax expense:			
(1) Current tax charge		123,691,909	407,620,539
(2) Deferred tax		(13,064,100)	2,185,834
Total Tax Expenses		110,627,809	409,806,373
V. Profit for the year (III - IV)		219,085,593	971,980,252
VI. Other Comprehensive Income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
(i) Re-measurement gains/ (losses) on defined benefit plans		(5,076,203)	(17,361,600)
(ii) Income tax effect on above		1,756,772	6,008,503
Other comprehensive income for the year, net of tax		(3,319,431)	(11,353,097)
VII. Total Comprehensive Income for the year (V + VI)		215,766,162	960,627,155
VIII. Earnings per equity share: Basic & Diluted (Nominal value Rs.10 per share (PY Rs. 10 per share)		3.22	14.30

See accompanying notes to the Financial Statements

2.1 to 30

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

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

Soumitra Hazra
Company Secretary & Chief- Compliance

Place : Bangalore

Annexure 8 - Unaudited Financial Statements of ABC Bearings Limited for the period ended September 30, 2017

ABC Bearings Limited

Unaudited Balance Sheet as at 30.09.2017

Particulars	As at	
	30-Sep-17	31-Mar-17
	Amount (Rs.)	Amount (Rs.)
ASSETS		
1. Non-current assets		
(a) Property, plant and equipment	1,38,00,15,830	1,43,90,70,211
(b) Capital work in progress	3,41,22,400	3,06,74,872
(c) Other Intangible assets	1,03,70,186	1,22,58,014
(d) Financial assets		
(i) Others	8,84,11,727	8,12,78,656
(e) Income tax Assets (net)	3,40,94,279	3,40,93,032
(f) Prepayments and Advances	2,42,08,860	2,44,87,686
	1,57,12,23,282	1,62,18,62,471
2. Current assets		
(a) Inventories	28,52,73,919	31,22,98,006
(b) Financial assets		
(i) Trade Receivables	27,67,40,414	27,63,14,797
(ii) Cash and cash equivalents	1,14,76,635	3,38,60,819
(iii) Other financial assets	3,83,31,664	2,16,10,207
(c) Other current assets	1,26,721	83,479
(d) Prepayments and Advances	71,55,837	75,83,320
	61,91,05,190	65,17,50,629
TOTAL ASSETS	2,19,03,28,472	2,27,36,13,100
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	11,55,00,000	11,55,00,000
(b) Other equity		
(i) Share premium	1,52,13,720	1,52,13,720
(ii) Retained earnings	20,20,01,081	20,17,58,178
(iii) Reserves representing unrealised gains/ losses	(70,66,283)	(74,16,133)
(iv) Other reserves	1,04,95,90,724	1,04,95,90,724
Reserves of a disposal group classified as held for distribution		
Equity attributable to equity holders of the parent	1,37,52,39,242	1,37,46,46,489
Non-controlling interests		
Total Equity	1,37,52,39,242	1,37,46,46,489
Liabilities		
Non-Current Liabilities		
(a) Financial liabilities		
(i) Borrowings	3,24,94,082	6,52,86,111
(b) Provisions	1,46,22,945	1,36,73,233
(c) Deferred tax liabilities	18,37,62,380	18,62,54,681
	23,08,79,407	26,52,14,025
Current Liabilities		
(a) Financial liabilities		
(i) Borrowings	17,08,07,204	19,26,74,952
(ii) Trade payables	18,77,34,980	23,61,67,664
(iii) Other financial liabilities	20,36,51,813	19,23,37,738
(b) Other Current Liabilities	1,18,28,990	97,34,532
(c) Provisions	44,19,990	28,37,700
(d) Income tax liabilities (Net)	57,66,846	-
	58,42,09,823	63,37,52,586
Total Liabilities	81,50,89,230	89,89,66,611
TOTAL EQUITY AND LIABILITIES	2,19,03,28,472	2,27,36,13,100

For ABC Bearings Limited

Place : Mumbai

S. B. Desai
Company Secretary

P. M. Patel
Managing Director
DIN:00012138

ABC Bearings Limited
Unaudited Statement of Profit and Loss for the period ended 30.09.2017

Particulars	30-Sep-17	31-Mar-17
	Amount (Rs.)	Amount (Rs.)
Revenue from operations	85,40,98,599	2,06,18,21,229
Other income	22,44,680	57,49,814
Total Revenue	85,63,43,279	2,06,75,71,043
Cost of materials consumed	35,69,84,806	90,40,77,875
Purchase of Stock in Trade	31,41,934	57,48,649
Changes in inventories of finished goods, stock in trade and work in progress	3,17,00,001	(2,01,54,542)
Employee benefits expense	11,48,29,739	21,15,52,172
Finance costs	1,20,79,527	5,13,36,978
Depreciation and amortization expense	5,95,32,598	12,53,84,051
Excise duty paid on goods sold	4,06,51,437	20,91,24,770
Other expenses	19,41,40,843	43,32,01,897
Total Expense	81,30,60,884	1,92,02,71,850
Profit/(loss) before exceptional items and tax from continuing operations	4,32,82,394	14,72,99,193
Exceptional items	-	-
Profit/(loss) before and tax from continuing operations	4,32,82,394	14,72,99,193
(1) Current tax	1,76,98,387	3,17,16,298
(2) MAT Credit Entitlement	-	(83,95,000)
(3) Adjustment of tax relating to earlier periods	-	-
(4) Deferred tax	(24,61,594)	2,97,08,130
Income tax expense	1,52,36,793	5,30,29,428
Profit for the year from continuing operations	2,80,45,601	9,42,69,765
DISCONTINUED OPERATIONS		
Profit/(loss) before tax for the year from discontinued operations	-	-
Tax Income/ (expense) of discontinued operations	-	-
Profit/(loss) for the year	2,80,45,601	9,42,69,765
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Net gain on hedge of a net investment	-	-
Income tax effect	-	-
Exchange differences on translation of foreign operations	-	-
Income tax effect	-	-
Net movement on cash flow hedges	5,39,919	-
Income tax effect	1,90,069	-
	3,49,850	-
Net (loss)/gain on FVTOCI debt securities	-	-
Income tax effect	-	-
	-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Re-measurement gains (losses) on defined benefit plans	-	(55,56,557)
Income tax effect	-	(11,85,858)
	-	(43,70,699)
Revaluation of land and buildings	-	-
Income tax effect	-	-
	-	-
Net (loss)/gain on FVTOCI equity Securities	-	5,72,30,616
Income tax effect	-	74,69,560
	-	4,97,61,056
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	3,49,850	4,53,90,357
Other comprehensive income for the year, net of tax	3,49,850	4,53,90,357
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	2,83,95,451	13,96,60,122
Earnings per equity share of face value of Rs. 10 each		
Basic, profit for the year attributable to equity holders of the Company	2.46	12.09
Diluted, profit for the year attributable to equity holders of the Company	2.46	12.09

For ABC Bearings Limited

Place : Mumbai

S. B. Desai P. M. Patel
Company Secretary Managing Director
DIN:00012138

Annexure 9 - Report pursuant to section 232(2)(c) read with section 102 and other applicable provisions of the Companies Act, 2013

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF TIMKEN INDIA LIMITED AT ITS MEETING HELD ON 10th DAY OF NOVEMBER, 2017 AT NEW DELHI EXPLAINING EFFECT OF THE SCHEME ON SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTER SHAREHOLDERS.

The proposed merger of ABC Bearings Limited ('ABC') with Timken India Limited ('Timken' or 'the Company') through a Scheme of Amalgamation and Arrangement ('the Scheme') was considered and approved by the Board of Directors of the Company at its meeting held on 4 July, 2017.

As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the Directors explaining effect of compromise on shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, is required to be circulated to the equity shareholders along with the notice convening the meeting.

Having regard to the aforesaid provisions, following was discussed by the Board of Directors:

1. Based on the Valuation Report on share exchange ratio obtained from M/s. SSPA & Co., the Scheme of Amalgamation and Arrangement provides the following exchange ratio:

"5 (five) equity shares of Timken India Limited of Rs. 10 (Rupees ten only) each, fully paid up to be issued for every 8 (eight) equity shares of Rs. 10 (Rupees ten only) each held by ABC Bearings Limited's Shareholders".
2. Post the Scheme becoming effective and allotment of shares by the Company as mentioned above, the rights and interests of the shareholders of the Company shall not be affected and the Scheme shall also not be prejudicial to the interest of the shareholders of the Company.
3. There would be no adverse effect of the proposed Scheme on the shareholders, key managerial personnel, promoters and non-promoter shareholders, creditors, employees and other stakeholders of the Company.
4. In the opinion of the Board, the said scheme will be advantageous and beneficial to the Company, its shareholders and other stakeholders and the terms thereof are fair and reasonable.

For Timken India Limited

Sanjay Koul
Chairman & Managing Director

Annexure 10 - Form of Proxy

Form No. MGT-11

Proxy form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L29130KA1996PLC048230

Name of the Company: Timken India Limited

Registered office: 39-42 Electronic City, Phase II Hosur Road, Bangalore - 560100

Name of the unsecured creditor(s):
Registered address:
E-mail Id:

I/We, being the unsecured creditor(s) of the above named company, hereby appoint

- Name: Address:
E-mail Id: Signature: or failing him
- Name: Address:
E-mail Id: Signature: or failing him
- Name: Address:
E-mail Id: Signature:

as my/ our proxy, to attend and vote (on a poll/ ballot paper) for me/ us at the Tribunal convened meeting of the unsecured creditors of Timken India Limited to be held on Thursday, February 01, 2018, at 02.00 p.m. at Tangerine Conference Hall, Lemon Tree Hotel, Plot No. 54B/55A, Hosur Main Road, Electronic City, Phase I, Bangalore - 560 100 at any adjournment thereof, in respect of such resolution as is indicated below :

Resolution No.	Particulars
1	Approval of Scheme of Amalgamation and Arrangement between the ABC Bearings Limited ('the Transferor Company') and Timken India Limited ('Transferee Company') and their respective shareholders and creditors

Signed this day of 2018

Signature of unsecured creditor

Signature of Proxy holder(s)

Affix Revenue Stamp

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Transferee Company, not less than 48 (forty eight) hours before the commencement of the Tribunal convened meeting of the Unsecured Creditors.

Annexure 11 - Attendance Slip and Route Map of the Meeting Venue

TIMKEN INDIA LIMITED

CIN: L29130KA1996PLC048230
Regd. Office: 39-42, Electronic City, Phase II, Hosur Road, Bengaluru – 560 100
EmailID:tilinvestor@timken.com TelNo: 080-41362000, Fax: 08041362010
Website: www.timken.com/en-in

ATTENDANCE SLIP

Name

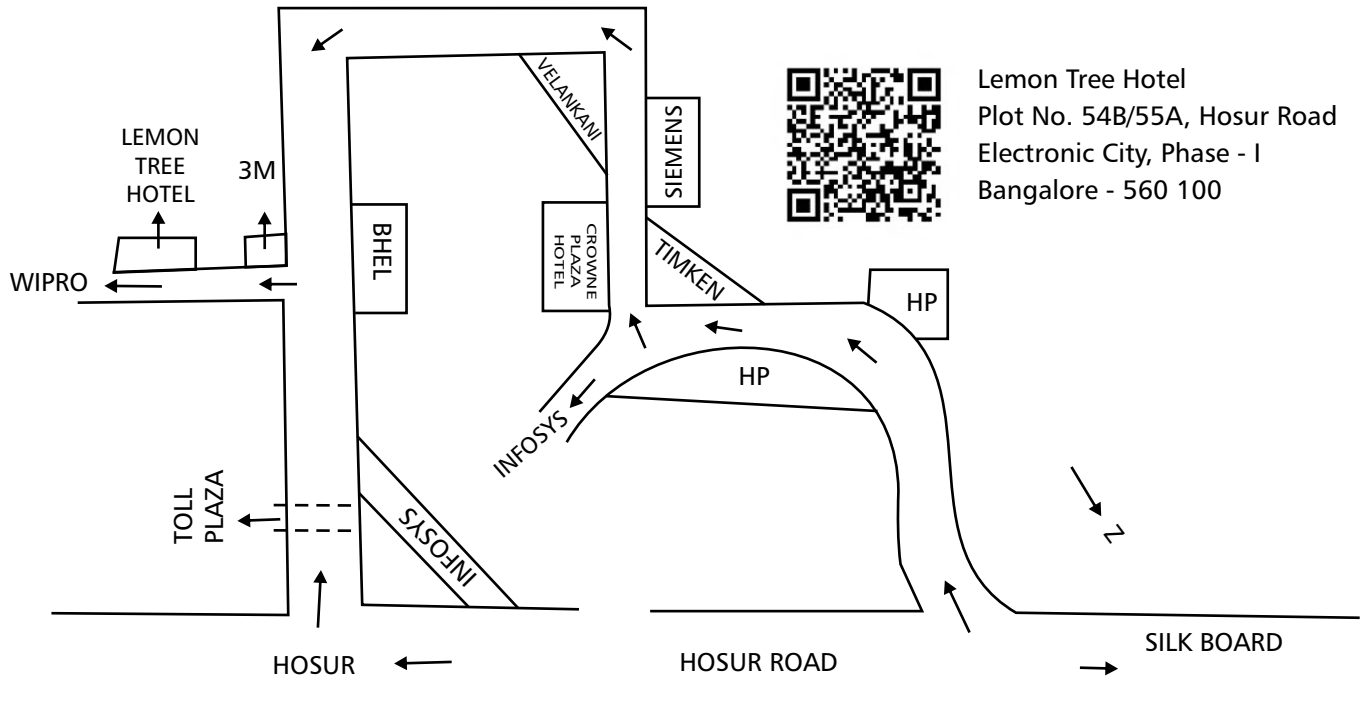
I hereby record my presence at the Meeting of the unsecured creditors of the Company convened by the Tribunal at Tangerine Conference Hall, Lemon Tree Hotel, Plot No. 54B/55A, Hosur Main Road, Electronic City, Phase I, Bangalore – 560100 on February 01, 2018 at 02:00 p.m.

SIGNATURE OF THE UNSECURED CREDITOR/ PROXY.....

Notes:

- 1. Unsecured creditor/ proxy holder/ authorised representative wishing to attend the meeting must bring the attendance slip to the meeting and handover at the entrance duly filled and signed.
- 2. Unsecured creditor/ proxy holder/ authorized representative are requested to bring their copy of notice for reference at the meeting.

Route Map for the Venue of the Meeting



NOT TO SCALE

