

A close-up, high-angle photograph of a metal roller, likely part of a bearing assembly. The roller is curved and has the word 'TIMKEN' engraved on its surface in a sans-serif font. The letters are arranged vertically: 'T' at the bottom, followed by 'I', 'M', 'K', 'E', and 'N' at the top. A registered trademark symbol (®) is visible to the right of the 'N'. The roller is surrounded by other similar rollers, creating a sense of depth and repetition. The lighting is soft, highlighting the metallic texture and the precision of the engraving.

TIMKEN INDIA LIMITED

2015-2016

29th ANNUAL REPORT

TIMKEN INDIA LIMITED

Board of Directors

(As on 20 May, 2016)

Chairman & Managing Director	Mr. Sanjay Koul
Directors	Mr. P. S. Dasgupta
	Mr. Jai. S. Pathak
	Mrs. Rupa Mahanty
	Mr. Ajay K Das
	Mr. Avishrant Keshava

Registered Office

CIN: L29130KA1996PLC048230
 39-42, Electronic City,
 Phase II, Hosur Road,
 Bangalore - 560 100
 Phone No. 080 41362000
 Fax No. 080 41362010
 E-mail : soumitra.hazra@timken.com
 Website: www.timken.com/india

Committees of the Board

(As on 20 May, 2016)

Audit Committee

Chairman	Mr. P. S. Dasgupta
Members	Mr. Sanjay Koul
	Mr. Jai S. Pathak
	Mrs. Rupa Mahanty

Stakeholders Relationship Committee

Chairperson	Mrs. Rupa Mahanty
Members	Mr. Sanjay Koul
	Mr. Ajay K Das

Nomination and Remuneration Committee

Chairperson	Mrs. Rupa Mahanty
Members	Mr. P. S. Dasgupta
	Mr. Jai S. Pathak
	Mr. Ajay K Das

Corporate Social Responsibility Committee

Chairman	Mr. Sanjay Koul
Members	Mr. Jai S. Pathak
	Mr. Avishrant Keshava

Risk Management Committee

Chairman	Mr. Sanjay Koul
Members	Mr. Avishrant Keshava
	Mr. S. Sivaramakrishnan

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Chairman's Statement

Dear Shareholders,

It gives me great pleasure to update you on Timken India Limited's steady progress. Timken's annual total income grew 14% to Rs 1068 crores for the year ended March 31, 2016 as compared to Rs 935 crores of previous year. The profit before tax for the period was Rs 145 crores compared to Rs 122 crores last year.

Even as the domestic political situation stabilized and the foundation for ambitious expansion projects was laid by the new government, the impact of economic uncertainty around the world and India's closest neighbor, China, was felt in our economy. The good news is that Timken posted positive growth and also increased exports by 8%. Prominent segments such as exports and distribution contributed to a healthy profit margin.

At Timken, we stand firm in our resolve to better serve our customers, and deliver greater value to our stakeholders. A lot has changed, a lot remains the same, the outlook is moderate, and we remain committed to our strategy for driving growth by enhancing our product portfolio and market penetration.

We are forging stronger partner ties, building the competencies of our sales and support teams, and building our competitiveness and market positioning through industry events and trade shows. We are making strategic investments in expanding our production capabilities. In addition to investing Rs 125 crores at our Jamshedpur plant to address the growing demand in India's rail segment, a Rs 64-crore expansion in the mobile segment will help us to achieve our growth targets.

The outlook for the coming year appears steady but unpredictability is the new normal. The Indian economy is expected to benefit from the infusion of new investments in public infrastructure, but the reality will largely depend on how the macroeconomic indicators stack up in the next few months.

Timken has always worked hard to anticipate change, and steer the course of our company's growth in the right direction. Our mission remains the same - solving complex real-world challenges and helping our customers to improve productivity, enhancing performance to create long-term value for our shareholders and giving back to the communities where we do business.

We owe our success to many - our associates and partners who work hard every day, our customers who place their trust in us, fellow board members and shareholders, whose faith and confidence is both a blessing and inspiration to us.

Team Timken is fully committed to our growth targets, and towards our long-term vision. We will continue together to focus on stronger performance and operational excellence.

Sincerely,

Sanjay Koul
Chairman & Managing Director
DIN: 05159352

Board's Report

To the Members,

The Board of Directors has pleasure in presenting the Twenty-ninth Annual Report of the Company for the year ended 31 March, 2016.

Financial Summary

(Rs./Million)

Particulars	Financial Year ended 31 March, 2016	Financial Year ended 31 March, 2015
Total Income	10676	9349
Total Expenditure	8994	7953
Earnings Before Interest, Tax, Depreciation, Amortization & Exceptional Item	1682	1396
Less: Depreciation & Amortization	225	167
Less: Finance cost	9	6
Profit before tax (PBT)	1448	1223
Less :Exceptional item	30	-
Less: Tax expenses	499	416
Profit after tax (PAT)	919	807
Add: Profit brought forward from previous year	2770	2289
Profit available for appropriation	3689	3096
Less: Appropriation		
- Proposed Dividend including dividend distribution tax	82	245
- Transfer to General Reserve	-	81
Balance carried forward	3607	2770

During the financial year under review, total income grew by approx 14%, primarily due to increase in domestic sales by 18% and increase in export sales by 8%. Expenditure on the other hand registered an increase of 13% due to volume increase and inflationary pressure. Increase in depreciation was due to capitalization of new Plant & Machinery and other assets for expansion projects and change in basis for charging depreciation in terms of applicable provisions of law. Exceptional item represents net loss arising out of fire at third party service provider's warehouse (please refer note no 38 in the financial statements). Profit before tax registered an increase of 18% to Rs. 1448 Million due to increase in volume and margin in respect of both domestic and export sales.

Finance

The Company continues to remain debt free and generated adequate cash flow to meet its working capital needs. Pending investment of such funds in growth opportunities, it was temporarily parked in debt based scheme offered by various mutual funds. Working capital was managed well. Value of inventory in absolute terms went up by 11% mainly due to increased volume of operation though the average number of inventory days registered a marginal increase from 104 days as on 31 March, 2015 to 106 days as on 31 March, 2016. Similarly, receivables at the year end also registered a marginal increase compared to that of previous year. Though the average number of days outstanding for domestic receivables registered an increase from 52 days as on 31 March, 2015 to 60 days as on 31 March, 2016, that of export dropped from 78 days as on 31 March, 2015 to 68 days as on 31 March, 2016.

Expansion Projects in Jamshedpur

Capacity Expansion of Railway Bearings :

In order to meet the rising global and domestic demands, the Company has embarked upon a capacity expansion programme for Railway Bearings at its Jamshedpur Plant. The estimated investment for the project will be Rs. 1247 Million, of which investment in plant and equipment will be Rs. 896 Million. So far, the Company has spent a sum of Rs. 130 Million. The project is expected to be complete by the last quarter of 2016.

TS capacity expansion:

This project involves expansion of Tapered Roller Bearings 0-8" finishing capacity at Jamshedpur through expansion of new cup, cone and roller capacity involving an investment of Rs. 643 Million. This investment will primarily be made in plants and equipments. So far, the Company has spent a sum of Rs. 30.83 Million. The project is expected to be complete by the last quarter of 2016-17.

The progress of both these projects has so far been satisfactory.

The business of the Company has not undergone any change in the financial year under review.

Post Balance Sheet event

There is no reportable event comprising material changes and commitment between the date of the financial year end and the date of this report affecting financial position of the Company.

Dividend

Your Directors are pleased to recommend a dividend of Rs. 1/- per equity share of Rs. 10/- each fully-paid (10%) for the year ended 31 March, 2016 out of the profits of the Company for the year 2015-16 as against a total dividend of Rs.3/- per equity share of Rs. 10/- each fully-paid (30%) for the previous financial year 2014-15, disbursed as an interim dividend on 28 November, 2014 which was confirmed as a final dividend at the 28th Annual General Meeting of the Company held on 12 August, 2015. The dividend recommended by your Directors is subject to approval of the shareholders at the forthcoming Annual General Meeting and if approved will be paid to those shareholders or beneficial owners for dematerialized shares whose names will appear on the Register of Members of the Company or the list of beneficial owners to be provided by the depositories as at the close of business on 3 August, 2016.

Board Meetings

Six Board meetings were held during the financial year 2015-16. For details please refer Annexure - I.

In addition to the above, one meeting of the Independent Directors was also held on 9 February, 2016 without participation of Non-Independent Directors and Senior Managerial Personnel. This meeting was attended by all the Independent Directors of the Company.

Directors and Key Managerial Personnel

Mr. R Ramesh (DIN: 06825573) resigned as CFO and Whole-time Director of the Company with effect from 30 September, 2015, as he decided to pursue career opportunity outside the Company.

Mr. Avishrant Keshava (DIN: 07292484) ('Mr. Keshava') has been appointed as an Additional Director, CFO and Whole-time Director with effect from 30 September, 2015.

Except the above, there has been no other change in the composition of the Board of Directors and Key Managerial Personnel.

In terms of relevant provisions of the Companies Act, 2013 ("the Act"), Mr. Keshava holds office as such up to the date of forthcoming Annual General Meeting. The Company has received a notice from a member in terms of Section 160 of the Act, signifying its intention to propose the name of Mr. Keshava for appointment as a Director of the Company at the 29th Annual General Meeting. This item has been included in the Notice convening the 29th Annual General Meeting of the Company. In this connection, the Company is in receipt from Mr. Keshava:

- a. Consent to act as a Director in Form DIR-2
- b. Intimation in Form DIR - 8

Mr. Ajay K Das (DIN: 02697466), Director of the Company is liable to retire by rotation and being eligible, offers himself for reappointment at the 29th Annual General Meeting.

Annual Declarations from Independent Directors

The Company has received necessary declaration from all Independent Directors of the Company under Section 149(7) of the Act confirming that each of them has met with the criteria of independence laid down in Section 149(6) of the Act and applicable provisions of Listing Agreement/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Audit Committee Meetings

Four meetings of the Audit Committee were held during the financial year 2015-16. For details, please refer Annexure - I.

Recommendations of the Audit Committee to the Board of Directors

During the financial year 2015-16, the Board of Directors of the Company accepted all the recommendations put forward to it by the Audit Committee of the Board.

Vigil Mechanism

The Company has adopted a Vigil Mechanism - a Whistle Blower Policy in terms of which the Directors and Associates of the Company have access to "The Timken Helpline", a toll free phone number that any Associate can call, if he has any concern or question, which he is not willing to discuss face to face with his Supervisor, Manager or a member of the Human Resource Team or Senior Management. This Helpline is available around the clock, every day. No call tracing or recording devices are ever used and if the Associate so wishes, he may remain completely anonymous. In terms of the said Policy, Associates of the Company have also got direct access to the Chairman of the Audit Committee to report matters of exceptional nature.

The Company follows the open door policy and adequate safeguards have been provided against victimisation of the reporting Directors/Associates.

The Whistle Blower Policy of the Company is disclosed on the Company's website - www.timken.com/india.

Nomination and Remuneration Committee

One meeting of the Nomination and Remuneration Committee was held during the financial year 2015-16. For details, please refer Annexure - I.

Nomination and Remuneration Policy

Based on the recommendation of the Nomination and Remuneration Committee, the Board has laid down a policy for remuneration of directors, key managerial personnel and other employees and also the criteria for determining qualifications, positive attributes and independence of a director, details of which can be seen in an attached document marked as Annexure - II

Other Committees

For details, please refer to Annexure - I.

Formal Annual Evaluation of the Board of Directors, its Committees and individual Directors

The Nomination and Remuneration Committee of the Board had recommended criteria for evaluation of performance of the Independent Directors, Board of Directors as a whole, various Committees of the Board and individual Directors which was approved and adopted by the Board of Directors of the Company.

Accordingly, the Board of Directors at its meeting held on 9 February, 2016 carried out performance evaluation of all Directors, Board of Directors as a whole and Committees thereof. The methodology of evaluation was discussed and each Director was requested to record his evaluation of the other Directors, Board as whole and Committees thereof and submit to the Chairperson of the Nomination and Remuneration Committee in terms of the criteria finalised earlier. The record of performance evaluation of the Chairperson of the Nomination and Remuneration Committee was sent to the Chairman & Managing Director of the Company.

Ratio of Remuneration

Pursuant to Section 197(12) of the Act read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, applicable details are given in the attached statement marked as Annexure - IIIA. Information required under Section 197(12) of the Act read with Rules 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in the Annexure - IIIB.

Risk Management Policy

In terms of relevant provisions of law, the Board of Directors of the Company has adopted a Risk Management Policy of the Company. The Policy has identified certain categories of risks that in the opinion of the Board, the Company may face as risks pertaining to the areas such as strategic, operational, financial, market, compliance and information technology.

Descriptions for each of the risks identified in the Risk Matrix are documented and recorded in a structured format in each area where the risk is identified covering; nature of risk, severity of risk, chance of occurrence of risk, chance of detection and control mechanism available.

Each aspect of severity, occurrence and detections are assigned with values on a scale of 1-5. These values are multiplied to determine the Risk Priority Number (RPN). The risks are thereafter prioritized based on the RPN, analysed and strategy developed accordingly.

After going through the above exercise, the Company's Risk Matrix has been finalized and was reviewed at the year end by the India Leadership Team and Risk Management Committee and reviewed at least once in a year by the Board of Directors of the Company. During the year under review, risk profile of the Company did not undergo any change.

Corporate Social Responsibility

During the year, the Company spent Rs 1.7 crores on the CSR activities. CSR Policy (its implementation and development) and annual report on CSR activities is marked as Annexure - IV. Apart from stated in the said Annexure - IV, the Company could not identify any other suitable project/programme for CSR spend during the financial year 2015-16. For CSR Committee composition, please refer to Annexure - I.

Statutory Audit

M/s S.R. Batliboi & Co., LLP, Chartered Accountants (Registration No. 301003E/E300005), have been appointed as the Statutory Auditors at the 27th Annual General Meeting to hold office from the conclusion of the 27th Annual General Meeting till the conclusion of 30th Annual General Meeting subject to ratification of the appointment by the members at every subsequent Annual General Meeting. The Company is in receipt of a confirmation from the Auditors that, *inter-alia*, they are not disqualified for appointment under Section 141 and other provisions of the Act, Chartered Accountants Act, 1949 or the Rules and Regulations made thereunder. Accordingly, proposal for ratification of appointment of Statutory Auditors has been included in the Notice convening ensuing the Annual General Meeting.

Secretarial Audit

Mr. R Vijayakumar, Practising Company Secretary (FCS 6418 & COP 8667) Bangalore has been appointed by the Board of Directors as the Secretarial Auditor to carry out Secretarial Audit for financial year 2015-16 in terms of Section 204 of the Act and Mr. R Vijayakumar has since submitted his report, a copy of which is annexed to this report marked as Annexure - V. The Board has re-appointed Mr. R Vijayakumar, Practising Company Secretary (FCS 6418 & COP 8667) as Secretarial Auditor for the financial year 2016-17.

Cost Audit

Messrs. Shome & Banerjee, Cost Accountants (F000001), Kolkata have been re-appointed to audit the cost accounts of the Company for the year 2015-16. Based on the recommendation of the Audit Committee, the Board of Directors has re-appointed Messrs. Shome & Banerjee, Cost Accountants (F000001), Kolkata to audit the cost accounts for the year 2016-17 and pursuant to Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to them requires a ratification by the shareholders. The proposal for ratification of remuneration payable to the Cost Auditors has been included in the Notice convening the ensuing Annual General Meeting. The Cost Audit Report for the year 2014-15 was filed on 9 October, 2015 (within the stipulated due date). The due date for filing the Cost Audit Report for the financial year ended 31 March, 2016 is 30 October, 2016.

Qualifications in Audit Reports

The reports issued by the Statutory Auditors, the Secretarial Auditor and the Cost Auditors during the year do not contain any qualification, reservation or adverse remark or disclaimer. During the year under review, there were no frauds reported by the Auditors to the Audit Committee or the Board under Section 143(12) of the Act.

Related Party Transactions

All transactions with related parties were entered into in the ordinary course of business and were on arms length basis. However, in terms of provisions of section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, a summary of material related party transactions in the ordinary course of business and on arm's length basis is given in Form AOC-2, attached to this Report marked as Annexure - VI. The Policy for material related party transaction can be seen at www.timken.com/india. In terms of applicable provisions of laws, details of related party transactions are given in financial statements.

Listing with Stock Exchanges

The Company confirms that it has paid the Annual Listing Fees for the year 2016-2017 to National Stock Exchange and Bombay Stock Exchange where the Company's shares are listed.

Extract of Annual Return

As required, pursuant to Section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in Form MGT - 9 is attached as a part of this Report marked as Annexure - VII.

Other Reports/Annexures

Pursuant to Schedule-V of Listing Regulations and other applicable laws, the following reports form part of this report:

1. Management Discussion and Analysis - marked Annexure - VIII
2. Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance - marked Annexure - IX
3. Declaration signed by CEO regarding Compliance with Code of Conduct - marked Annexure - X
4. Disclosure with respect to demat suspense/unclaimed account - Nil
5. Business Responsibility Report - marked Annexure - XI

Conservation of Energy, Technology Absorption and Foreign Exchange Outgo

Sl. No	Particulars	Remarks	
(A)	<p>Conservation of energy:</p> <p>1. Steps taken / impact on conservation of energy;</p> <p>2. Steps taken by the company for utilizing alternate sources of energy including waste generated</p> <p>3. Capital investment on energy conservation equipment</p>	<p>At Raipur, application has been filed with Chattisgarh State Electricity Board for sanction of reduction of electrical load from 1000KVA to 500KVA to bring it in line with the required capacity at the plant level.</p> <p>At Jamshedpur plant, power factor continued to be maintained at more than 0.97 levels. Further, installation of LED lights as replacement of conventional lights would reduce consumption of power. Air leakage arresting and installation of motion sensors in offices & common room should also have favourable impact on conservation initiative.</p> <p>Nil.</p> <p>Rs 30 lakhs</p>	
(B)	<p>Technology absorption:</p> <p>1. Efforts, in brief, made towards technology absorption.</p> <p>2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.</p> <p>3. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished:</p> <p>a. Details of technology imported.</p> <p>b. Year of import.</p> <p>c. Whether the technology been fully absorbed</p> <p>d. If not fully absorbed, areas where absorption has not taken place, and the reasons therefore.</p> <p>4. Expenditure incurred on Research and Development</p>	<p>Under the Collaboration Agreement, technology update is released from The Timken Company which is transferred to the shop floor instructions. Any improvement in the technology / process is part of this continuous update and this is being regularly monitored by The Timken Company personnel. It has helped in development of Indian sources for products which has reduced cost and time.</p> <p>Manufacture of Tapered Roller Bearings 1991-92 onwards.</p> <p>It is being gradually absorbed and is continuous process.</p> <p>Ongoing in the areas of machining, heat treatment and finishing to make further improvements in the manufacturing process, product quality and production output in Jamshedpur and in Raipur it is in process of developing roller manufacturing for Industrial Bearing repair through Indian source.</p> <p>The benefits of Research facilities available with The Timken Company are extended to Timken India Limited on a continuing basis</p>	
(C)	Foreign exchange earnings and Outgo	2015-16 (Rs./million)	2014-15 (Rs./million)
(i)	Foreign Exchange Earnings	3,612	3,416
(ii)	Foreign Exchange Outgo	2,484	2,177

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or effectiveness was observed.

Director's Responsibility Statement

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Financial Performance of any Subsidiary / Associate/ Joint Venture Company

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

Details relating to Deposits

The Company has not accepted deposits as defined in the Act and Rules framed thereunder, during the financial year 2015- 16.

Particulars of Loans, Guarantees or Investments

The Company has duly complied with the provision of Section 186 of the Act, with reference to current and non-current investments. The Company has not taken any secured/unsecured loan except bills discounted with banks. The Company has also not given any loans except to its employees as part of the conditions of the service. During the financial year 2015-16, the Company has not given any guarantee or extended any securities in connection with any loan.

Significant and/or material orders passed by the Regulators

No significant and/or material order was passed by any Regulator, any Court in India or any Tribunal, impacting the going concern status and the Company's operations in future.

Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set-up to redress complaints received regarding sexual harassment. The Company has not received any sexual harassment complaint during the year 2015-16.

Disclosure regarding shares issued by the Company

Sweat Equity Share	The Company has not issued any Sweat Equity Share and therefore the disclosure norms are not applicable to the Company.
Shares with differential Rights	The Company has not issued any Share with differential rights and therefore the disclosure norms are not applicable to the Company.
Shares under Employees Stock Option Scheme	The Company does not have any stock option scheme and therefore disclosure norms are not applicable to the Company.
Purchase by Company or giving of loans by it for purchase of its shares	The Company has not purchased or given any loan to purchase its Equity Share and therefore the disclosure norms are not applicable to the Company.
Buy Back of Shares	The Company has not bought back any Equity Share and therefore the disclosure norms are not applicable to the Company.

Acknowledgment

The Directors acknowledge that the performance of the Company during the year 2015-16 could be made possible only with the collective contribution and excellent performance of the Associates both in terms of operational parameters and also at the market place. The Directors express their appreciation for the support received from Associates of the Company, Shareholders, Vendors, Customers and other Stakeholders.

For and on behalf of the Board of Directors

Bangalore
20 May, 2016

Sanjay Koul
Chairman & Managing Director
DIN: 05159352

Annexure - I

Details of the Meetings of the Board of Directors and Committees thereof along with attendance thereat:

Board of Directors

During the year ended 31 March, 2016, six Board Meetings were held on 22 May, 2015; 12 August, 2015; 14 August, 2015; 30 September, 2015; 9 November, 2015 and 9 February, 2016.

The Composition of Board along with attendance at Board Meetings is as follows:

Name of Directors	Designation	Category	No of Meetings attended
Mr. Sanjay Koul (DIN: 05159352)	Chairman & Managing Director	Promoter Director Executive, Non-Independent	6
Mr. P S Dasgupta (DIN: 00012552)	Director	Non-Executive, Independent	5
Mr. Jai S. Pathak (DIN: 00026416)	Director	Non-Executive, Independent	4
Mrs. Rupa Mahanty (DIN: 06746148)	Director	Non-Executive, Independent	6
Mr. Ajay K Das (DIN: 02697466)	Director	Promoter Director Non-Executive, Non- Independent	2
Mr. R Ramesh ¹ (DIN:06825573)	CFO & Whole-time Director	Promoter Director Executive, Non-Independent	3
Mr. Avishrant Keshava ² (DIN: 07292484)	CFO & Whole-time Director	Promoter Director Executive, Non-Independent	3

¹ resigned with effect from 30 September, 2015.

² appointed with effect from 30 September, 2015.

Audit Committee

During the year ended 31 March, 2016, four Audit Committee Meetings were held on 22 May, 2015; 12 August, 2015; 9 November, 2015 and 9 February, 2016.

The Composition of Audit Committee along with attendance at Audit Committee Meetings is as follows:

Name of Directors	Designation	Category	No of Meetings attended
Mr. P S Dasgupta (DIN: 00012552)	Chairman	Non-Executive, Independent	4
Mr. Sanjay Koul (DIN: 05159352)	Member	Promoter Director Executive, Non Independent	4
Mr. Jai S. Pathak (DIN: 00026416)	Member	Non-Executive, Independent	3
Mrs. Rupa Mahanty (DIN: 06746148)	Member	Non-Executive, Independent	4

Nomination and Remuneration Committee

During the year ended 31 March, 2016, one Meeting of Nomination and Remuneration Committee was held on 9 February, 2016, which was attended by all the Members of the Committee except Mr. Ajay K Das (DIN:02697466).

The Composition of Nomination and Remuneration Committee is as follows:

Name of Directors	Designation	Category
Mrs. Rupa Mahanty (DIN: 06746148)	Chairperson	Non-Executive, Independent
Mr. P S Dasgupta (DIN: 00012552)	Member	Non-Executive, Independent
Mr. Jai S. Pathak (DIN: 00026416)	Member	Non-Executive, Independent
Mr. Ajay K Das (DIN: 02697466)	Member	Promoter Director Non-Executive, Non- Independent

Stakeholders Relationship Committee

During the year ended 31 March, 2016, one Meeting of Stakeholders Relationship Committee was held on 9 February, 2016, which was attended by all the Members of the Committee except Mr. Ajay K Das (DIN:02697466). Generally, approvals of the Committee are obtained through circular resolutions. Updation on Investors Services is also communicated through circulation of reports at regular interval.

The composition of Stakeholders Relationship Committee is as follows :

Name of Directors	Designation	Category
Mrs. Rupa Mahanty (DIN: 06746148)	Chairperson	Non-Executive, Independent
Mr. Sanjay Koul (DIN: 05159352)	Member	Promoter Director Executive, Non-Independent
Mr. Ajay K Das (DIN: 02697466)	Member	Promoter Director Non-Executive, Non- Independent

Corporate Social Responsibility Committee

During the year ended 31 March, 2016, no meeting was required to be held. Generally, approvals of the Committee are obtained through resolution by way of circulation.

Composition - Mr. Sanjay Koul (Chairman), Mr. Jai S Pathak and Mr. Avishrant Keshava

Mr. Avishrant Keshava was added as member of this Committee in place of Mr. R. Ramesh w.e.f. 30 September, 2015.

Risk Management Committee

During the year ended 31 March, 2016, no meeting was required to be held. Approval of the Committee whenever required was obtained through electronic mails.

Composition - Mr. Sanjay Koul (Chairman), Mr. Avishrant Keshava and Mr. S Sivaramakrishnan

Mr. Avishrant Keshava was added as member of this Committee in place of Mr. R. Ramesh w.e.f. 30 September, 2015.

For and on behalf of the Board of Directors

Bangalore
20 May, 2016

Sanjay Koul
Chairman & Managing Director
DIN: 05159352

TIMKEN INDIA LIMITED
(CIN: L29130KA1996PLC048230)
Nomination and Remuneration Policy

1. Objective

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable Rules thereto and Clause 49 under the Listing Agreement. The Key objectives of the Committee would be:

- To lay down the criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To recommend to the Board, remuneration payable to the Directors, Key Managerial Personnel and Senior Management, based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry.
- To provide to the Key Managerial Personnel and Senior Management, reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To carry out evaluation of every director's performance.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To devise a policy on Board diversity.

2. Definitions

2.1 **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

2.2 **Board** means Board of Directors of the Company.

2.3 **Committee** means the Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board

2.4 **Directors** mean Directors of the Company.

2.5 **Independent Director** means a director referred to in Section 149 (6) of the Companies Act, 2013

2.6 **Key Managerial Personnel** means:

- Chief Executive Officer or the Managing Director or the Manager;
- Whole-time director;
- Chief Financial Officer;
- Company Secretary; and
- Such other officer as may be prescribed.

2.7 **Senior Management** means personnel of the Company who are members of its core management team excluding the Board of Directors including Functional Heads.

3. Roles of the Committee

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director;
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy;
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel;
- Ensure that the Board comprises of a balanced combination of Executive Directors and Non-executive Directors and also the Independent Directors; and

- Oversee the formulation and implementation of ESOP Schemes, its administration, supervision, and formulating detailed terms and conditions in accordance with SEBI Guidelines

Provided that the Committee shall set up a mechanism to carry out its functions and is further authorized to delegate any/ all of its powers to any of the Directors and/ or officers of the Company, as deemed necessary for proper and expeditious execution.

4. Policy for appointment of Director, KMP and Senior Management

Enhancing the competencies of the Board as well as retaining talented employees for the role of KMP/ senior management is the basis of the Committee to select a candidate for appointment to the Board. While recommending a candidate for appointment, the Committee shall consider the following aspects:

- The range of attributes of the candidate which includes, but is not limited to qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the position, being considered;
- The extent to which the candidate is likely to contribute to the overall effectiveness of the Board and the management, work constructively with the existing systems and enhance the efficiency of the Company;
- The skills and experience that the candidate brings to the role of Director/ KMP/ Senior Management and how he will enhance the skill sets and experience of the existing associates as a whole;
- The nature of existing position held by the candidate including directorships or other relationships and the impact they may have on the candidate's ability to exercise independent judgment;

Personal specifications:

- Degree holder in relevant disciplines;
- Experience of management in a diverse organization;
- Effective interpersonal and communication skills;
- Leadership skills;
- Commitment to high standards of ethics, personal integrity and probity;
- Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;
- Having continuous professional development to refresh knowledge and skills.

Appointment of Independent Directors is subject to compliance of provisions of Section 149 of the Companies Act, 2013, read with Schedule IV and Rules there under.

The Company shall not appoint or continue the employment of any person as Whole-time Director who is below the age of 21 or has attained the age of seventy years, as the case may be. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

Disqualifications for Appointment of Directors

A person shall not be eligible for appointment as Director of the Company, if he is disqualified under Section 164 of the Act.

Term/ Tenure

Managing Director/ Whole-time Director:

- The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment for another term of up to five consecutive years, on passing of a special resolution by the Company.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014, he/ she shall be eligible for appointment for one more term of 5 years only.

- At the time of appointment of the Independent Director, it shall be ensured that the number of Boards in which he/ she serves as an Independent Director is restricted to seven listed companies. If a person is a Whole-time Director in any listed company, he/ she shall serve as an Independent Director in not more than 3 listed companies or such other limit as may be prescribed under the Act.

Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management on an annual basis.

Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, Rules and regulations.

Retirement

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Act and the prevailing policy of the Company.

Board Diversity

The Board of the Company may consciously be drawn in a manner that it comprises of individuals from diversified backgrounds, possessing different skills, resources and potentials.

5. Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

- The remuneration/ compensation/ commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/ compensation/ commission etc. shall be subject to the prior/ post approval of the shareholders of the Company and Central Government, wherever required.
- The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage/ slabs/ conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
- Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
- The Whole-time Director/ KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
- Minimum Remuneration:
If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.
- Provisions for excess remuneration:
If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he/ she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Remuneration to Non- Executive/ Independent Director:

● Remuneration/ Commission:

The remuneration/ commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

● Sitting Fees:

The Non- Executive/ Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

● Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

6. Membership of the Committee

- The Committee shall consist of a minimum 4 non-executive directors, majority of them being independent.
- Minimum three (3) members shall constitute the quorum for the Committee meeting.
- Membership of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless terminated by the Board of Directors.

7. Chairperson

- Chairperson of the Committee shall be an Independent Director.
- Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

8. Frequency of meetings

The meeting of the Committee shall be held at such regular intervals as may be required.

9. Committee members' interests

A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

10. Secretary

The Company Secretary of the Company shall act as Secretary of the Committee.

11. Voting

Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

In the case of equality of votes, the Chairman of the meeting will have a casting vote.

12. Minutes of Committee meeting

The proceedings of all meetings shall be stored as minutes and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

Details as per Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Employee to CMD Ratio : 1:23 Employee to WTD Ratio : 1:06
(ii) the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	MD : 10%, WTD/CFO : 8%, CS : 6%
(iii) the percentage increase in the median remuneration of employees in the financial year;	7%
(iv) the number of permanent employees on the rolls of company;	637 as on 31 March, 2016 (including Union and Salaried Operators)
(v) the explanation on the relationship between average increase in remuneration and company performance;	During the year under review, total income grew by 14% whereas PBT increased by 18%. Against this backdrop the current average increase in remuneration is 7%, which is as per the Remuneration Policy of the Company
(vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	The average increase in remuneration of Key Managerial Personnel is 7% compared to an increase in total income by 14%.
(vii) variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	Market capitalization went down from Rs. 41623 Million (as on 31 March, 2015) to Rs. 29920 Million (as on 31 March, 2016) because of fall in market price of share at end of the year. Price Earnings Ratio has also gone down from 51.57 (as on 31 March, 2015) to 32.54 (as on 31 March, 2016) for the same reason despite better earning per share. The value of shares as reflected in the market quotations as on 31 March, 2016 indicates 44 times increase compared to price at which last public offer was made in 1991.
(viii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average increase: Employees: 9%, Key Managerial Personnel (MD, CFO & CS) 8% There have been no exceptions made, all hikes were made within company's Remuneration Policy.
(ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	The remuneration paid to Chairman & Managing Director, CFO & Whole-time Director and Company Secretary increased by 10%, 8% and 6% respectively during 2015-16 whereas the total income of the Company went up by 14% during the same period.
(x) the key parameters for any variable component of remuneration availed by the directors;	Financial metrics : EBIT, working capital.
(xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	Nil
(xii) Affirmation that the remuneration is as per the remuneration policy of the company.	Yes.

Annexure - IIIB

Statement of particulars of employees pursuant to Section 197(12) of the Act read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

SL No.	Name	Designation	Remuneration Received during 2015-16 (Rs)	Qualification	Age (Years)	Experience (Years)	Date of Commencement of Employment	Particulars of Last Employment (last post held, Employer, Period of Employment)
1	Koul Sanjay	Chairman & Managing Director	20,795,848	B.Sc (Mech), PGCBM	51	29	4-Oct-90	Jr Engg, Union Carbide, Sri Nagar, 3 Years
2	Ramachandran Ramesh*	Business Controller - India, CFO & Whole-time Director	4,706,933	CA, ICWA	52	28	7-Nov-11	ABB Ltd, Vice President - Finance - 8 Years
3	Sarangapani Srinivasan	GM - Chennai Ops	8,576,070	B.E (Mech) M.B.A. - Oprs Mgmt	42	21	20-Aug-10	GEN PACT, Asst Vice President -SCM, 7 Years
4	Dasgupta Kuntal	GM - Mobile Industries	7,050,932	BE (Mech) MBA Business Mgmt	45	24	21-Aug-00	Territory Incharge, Victaulic Company of America, 8 years
5	Kumar Sudesh	M.D Middle East, Africa, Turkey	7,147,621	M.B.A	49	24	1-Jul-91	-
6	Gupta Shyamal Kr	GM - Strategic Projects	6,037,220	BE (Mech) Master in Marketing Mgmt	59	30	15-Jan-08	Eaton Fluid Power, General Manager Sales, 3 Years

* Employed for part of the year.

Notes:

1. Remuneration received includes Salary, Allowances and Taxable Value of Perquisites, and in applicable cases, Company's contribution to Provident & Superannuation Funds, but excludes contribution to Gratuity Fund on the basis of actuarial valuation.
2. The Nature of Employment in all cases is contractual.
3. None of the Employees mentioned above is a relative of any Director of the Company.
4. None of the Employees mentioned above holds equity shares either by himself or along with spouse or dependent children, exceeding 2 % of the value of total equity shares of the Company.

For and on the behalf of the Board of Directors

Sanjay Koul
Chairman & Managing Director
DIN:05159352

Bangalore
20 May, 2016

CORPORATE SOCIAL RESPONSIBILITY-CSR

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	<p>Timken makes the world a better place through a combination of volunteer efforts, community leadership and financial support. Strengthening our communities is important not only to the communities where we operate, but also to the employees in those communities and to the ongoing success of the Company. The Company's CSR vision includes (i) Consult with local communities to identify needs (ii) Partnering with organizations of repute including NGOs, approved educational institutions and (iii) Continuously endeavour to find out ways to bring a stronger community.</p> <p>The Company wishes to focus the corporate resources on programs and agencies that (i) Promote lifelong learning through education; (ii) Work collaboratively to deliver health and human services; and (iii) Foster innovative ways to build a strong community. In terms of the CSR Policy of the Company, the following areas have been identified:</p> <ul style="list-style-type: none"> ● Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare and sanitation and making available safe drinking water ● Promoting education including special education , employment enhancing vocational skills among children, women, elderly and the differently abled and livelihood enhancement project ● Contribution or funds provided to technology incubators located within academic institutions approved by the Government ● Contribution to Prime Minister's National Relief Fund <p>CSR Policy of the Company is attached to this Annexure and can be seen at www.timken.com/india</p>					
2.	The Composition of the CSR Committee.	<p>As on 31 March, 2016 :</p> <p>Mr. Sanjay Koul - Chairman Mr. Jai S Pathak - Member Mr. Avishrant Keshava - Member</p>					
3	Average net profit of the company for last three financial years	Rs. 84,43,04,628					
4.	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	Rs. 1,68,86,093					
5.	Details of CSR spent during the financial year:						
a.	Total amount to be spent for the financial year;	Rs. 1,68,86,093					
b.	Amount unspent, if any;	NIL					
c.	Manner in which the amount spent during the financial year is detailed below: (Amount in Rs.)						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project or activity Identified.	Sector in which the Project is covered	Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs Subheads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1	To facilitate procurement of DEXA Machine to facilitate to measure bone marrow density	Preventive healthcare	Jamshedpur, East Singhbhum, Jharkhand	82,00,000	35,00,000	35,00,000	Directly
2	To support for procurement of equipment having latest imaging technique in diagnosis and management of retinal diseases and glaucoma	Preventive healthcare	Bangalore, Karnataka		40,00,000	40,00,000	Implementing Agency
3	For treatment of thalassemia patients	Preventive healthcare	Jamshedpur, East Singhbhum, Jharkhand		7,00,000	7,00,000	Implementing Agency
4	To facilitate construction of School building for economically backward children	Promoting Education	Hebbagodi, Bangalore, Karnataka	80,00,000	80,00,000	80,00,000	Implementing Agency
5	Prime Minister's National Relief Fund	N.A.	N.A.	8,00,000	8,00,000	1,70,00,000	Directly
	TOTAL			1,70,00,000	1,70,00,000	3,32,00,000	

6.	In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.	Not Applicable
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of , CSR Policy is in compliance with CSR objectives and Policy of the Company	It is confirmed that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Sanjay Koul
Chairman & Managing Director
(Chairman CSR Committee)
(DIN: 05159352)

Annexure - IV (Contd.)

**CORPORATE SOCIAL RESPONSIBILITY POLICY
OF
TIMKEN INDIA LIMITED**

1. CONTENTS

OVERVIEW
CSR FOCUS AREAS
IMPLEMENTATION OF CSR ACTIVITIES
GUIDELINES FOR CHOOSING A CSR PARTNER
CSR EXPENDITURE
CSR COMMITTEE
ROLE AND RESPONSIBILITIES OF THE CSR COMMITTEE
MONITORING MECHANISM
REPORTING
POLICY ON NON-DISCRIMINATION AND CONTROVERSIAL ORGANIZATIONS
SELF GOVERNANCE
POLICY REVIEW AND FUTURE AMENDMENT

2. OVERVIEW

As required under the provisions of the Companies Act, 2013 (“Act”), Timken India Limited (“Timken” or “Company”) is pleased to announce its Corporate Social Responsibility (“CSR”) Policy (“CSR Policy” or “Policy”).

CSR Philosophy:

Timken makes the world a better place through a combination of volunteer efforts, community leadership and financial support. Strengthening our communities is important not only to the communities where we operate, but also to the employees in those communities and to the ongoing success of the company. We focus our corporate resources on programs and agencies that:

- Promote lifelong learning through education;
- Work collaboratively to deliver health and human services; and
- Foster innovative ways to build a strong community.

CSR vision:

- Consult with local communities to identify needs
- Partnering with organizations of repute including NGOs, approved educational institutions
- Continuously endeavour to find out ways to bring a stronger community

Commitment:

The Company believes in creating a necessary balance between better business, cleaner environment and better lives. The Board of directors ("**Board**") of the Company is fully committed to implement CSR activities in the right spirit of law to contribute towards positive societal impact.

3. CSR FOCUS AREAS

CSR activities to be undertaken by the Company under this Policy shall be as follows:

Sl. No	Objectives as specified under Sch. VII	Projects or programme undertaken or to be undertaken	Method of execution
1	Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare and sanitation and making available safe drinking water.	Support efforts to promote medical support to the society to eradicate life threatening diseases and improving availability of medical aid to critical patients including without limitation, Stem Cell research and related activity including registry initiatives of organizations of repute including NGOs, trusts	Evaluate projects run by voluntary organizations of repute around the places where company facilities are located and providing them with financial aid to further their causes
2	Promoting education including special education, employment enhancing vocational skills among children, women, elderly and the differently abled and livelihood enhancement project	Support efforts to promote education to benefit under privileged children and children requiring special need	Give financial support to schools run for the purpose around the places where company facilities are located
3	Contribution or funds provided to technology incubators located within academic institutions approved by the Government	Support scientific research to bring about technological advancement in India especially in manufacturing and IT	Give financial support to academic institutions approved by the Government based on projects taken up by them
4	Contribution to Prime Minister's National Relief Fund	—	—

4. IMPLEMENTATION OF CSR ACTIVITIES

The Company may carry out the CSR activities in accordance with the terms of this Policy, either on its own, or through a registered trust or registered society or through a company registered under Section 8 of the Act, established by the Company or by an Associate Company¹ of the Company or by a third party.

If the Company chooses to carry out the CSR activities through a registered trust or registered society or a Section 8 Company incorporated under the Act, which is established by a third party ("**CSR Partner**"), guidelines mentioned hereunder are required to be followed in choosing such CSR Partner.

5. GUIDELINES FOR CHOOSING A CSR PARTNER

1. CSR Partner shall be either a registered trust or a registered society under the applicable laws or a company incorporated under Section 8 of the Act with an established track record of 3 years in undertaking activities in the focus areas in which the Company intends to carry out CSR activities.
2. CSR Partner should have complied with the applicable laws and no notice for non-compliance under any applicable laws should have been received from any authorities.
3. The CSR Committee shall discuss the CSR Policy and the objectives of the Company in this regard with the proposed CSR Partners.
4. The Company shall procure a detailed project report from the shortlisted CSR Partners regarding the course of action that they intend to undertake, if chosen to implement a particular CSR activity on behalf of the Company.

6. CSR EXPENDITURE

The Company shall utilise, every financial year, an amount not less than 2% of the average net profits of the company made during the three immediately preceding financial years, for CSR activities under this policy.

Net Profit for this purpose means, the net profit of a Company as per its financial statements prepared in accordance with the applicable provisions of the Companies Act, 2013, but does not include, profits arising from branches outside India or dividends received from other Companies in India, which comply with the CSR provisions.

Salaries paid by the Company to regular CSR staff as well as to volunteers of the Company (in proportion to company's time/hours spent specifically on CSR) from the Bank account can be factored into CSR project cost as part of the CSR expenditure.

Any profit/ revenue/ surplus arising out of CSR activities/ projects/ programs shall not be a part of business profits of the Company.

¹ Associate Company' in relation to the Company means a company in which the Company has significant influence. However, such other company is not a subsidiary company of the Company and includes a joint venture company. Significant influence means control of at least 20% of the total share capital or of business decisions under an agreement.

7. CSR COMMITTEE

CSR Committee shall be constituted by the Board. The roles, responsibilities and functioning of the CSR Committee are as provided below:

Constitution: CSR Committee shall consist of three directors of the Company, of which one shall be an independent director, at any given point of time. If the Board consists of only two directors, then two directors will form CSR Committee.

Quorum: The three directors personally present or via video conferencing, shall form quorum for every meeting of the CSR Committee. Provisions relating to conducting Board meetings via video conferencing shall apply *mutatis mutandis* to the CSR Committee meetings.

Meetings: The meetings of the CSR Committee shall be held as and when required. Meetings can be convened at such time, at such place and on such day, as the members of the CSR Committee may deem fit. The minutes recording the proceedings of the CSR Committee meetings shall be placed before the next Board meeting of the Company for approval.

Notices: The Company Secretary of the Company shall act as the Secretary of the CSR Committee. The Company Secretary, at the behest of any one of the CSR Committee members, shall be authorised to issue notice to convene the meetings of the CSR Committee. Every notice convening the meeting of CSR Committee shall be accompanied by an agenda.

Experts: The CSR Committee may invite experts from various fields to attend its meetings from time to time.

Decisions: Matters transacted at the meetings of the CSR Committee or by way of resolutions by circulation shall be decided by majority vote of the CSR Committee members.

Matters to be transacted: CSR Committee may as appropriate discuss the following matters at its meetings:

- (i) Preparation of budget outlay for each of the CSR activities;
- (ii) Implementation schedule for each of the CSR activities;
- (iii) Allocation of responsibilities to carryout CSR activities;
- (iv) Report on the CSR activities carried out from the date of last meeting till date with supporting documents;
- (v) Discussion on the new proposals, if any;
- (vi) Road map for the CSR activities to be carried out for the next 6 months; and
- (vii) Any other matter as the CSR Committee may deem fit.

8. ROLE AND RESPONSIBILITIES OF THE CSR COMMITTEE

CSR Committee shall:

- (i) formulate and recommend the CSR Policy to the Board. Any amendments to be carried out to the CSR Policy shall be taken up by the Board only with the recommendation of the CSR Committee;
- (ii) recommend the amount of expenditure to be incurred by the Company in each financial year in relation to the CSR activities to the Board. Such expenditure shall be calculated in accordance with the provisions of the Act after consultation with the finance department of the Company;
- (iii) identify and recommend CSR activities to the Board which are covered under this Policy by providing a detailed project report. The project report shall elaborate on the sectors in which the CSR activities shall be carried out, need, statistics, modalities of execution of the CSR activities, budget outlay, implementation schedule, location where the CSR activities are proposed to be implemented and impact of such CSR activities on the target audience;
- (iv) recommend CSR Partners, to the Board and procure their approval before engaging the CSR Partner(s) to carry out the CSR activities on behalf of the Company. The CSR Partners recommended to the Board shall be selected in accordance with the guidelines mentioned in this Policy;
- (v) allocate budget to each of the CSR activities and the CSR Partners;
- (vi) undertake all necessary steps to implement the CSR activities in accordance with the implementation schedule, as approved by the Board;
- (vii) monitor the CSR activities in such manner as prescribed in this Policy;
- (viii) update the Board from time to time on the progress of the CSR activities along with a report on the amount allocated for such activity, amount utilised, amount unspent, if any, additional funds required, if any and expenditure incurred;
- (ix) produce an annual CSR Report containing details of expenditure along with a report on the amount allocated, amount utilised, amount unspent, if any, additional funds required, if any and expenditure incurred;
- (x) ensure that the CSR activities do not benefit the Company or its employees and their families.

9. MONITORING MECHANISM

The CSR Committee shall monitor the CSR activities in the following manner:

- (i) Administration and execution:

CSR activity will be administered and execution would be monitored and guided by an internal team nominated by the Chairman and Managing Director.

Such internal team as nominated by the CSR Committee and approved by the Board (referred to as "Core CSR Group") is as under:

- | | |
|--------------------------|--------------------------|
| 1. Mr. Sanjay Koul | 4. Mr. Gouri Shankar Roy |
| 2. Mr. Avishrant Keshava | 5. Mr. Soumitra Hazra |
| 3. Mr. C Sakthivel | 6. Ms. Sunitha Pai |

The team will be responsible for monitoring the progress of the projects identified and brief CSR committee of the Board once in every six months.

- (ii) The Core CSR Group shall procure not later than 7 days from the end of each month from each of the CSR Partners, a monthly status report detailing the utilization of the funds, CSR activities carried out, reasons for deviation from the implementation schedule, if any, corrective measures taken in this regard, requirement of additional funds, if any, along with the reasons for such escalations.
- (iii) The CSR Committee shall provide its comments and submit such report to the Board within a reasonable time period.
- (iv) The CSR Committee shall procure pictures, videos and stories from the CSR Partners on the completed and ongoing CSR activities.

10. REPORTING

In the event Company fails to spend the amount earmarked for the CSR activities in a financial year, the CSR Committee shall submit a report in writing to the Board specifying the reasons for not spending the amount which in turn shall be reported by the Board in their report to the shareholders of the Company for that particular financial year.

The Board shall provide certain information in its report to its shareholders as well as on the website of the Company (if any). The format for the annual report on CSR activities to be included in the Board's report is attached herewith as Annexure 1 .

11. POLICY ON NON-DISCRIMINATION AND CONTROVERSIAL ORGANIZATIONS

The Company seeks to support organizations that are in alignment with the core values of the Company. The Company is committed to equal opportunity and fair treatment, and will not support charitable organizations that discriminate on the basis of race, colour, religion, sex, age, national origin, citizenship status, disability, veteran status, or any other protected status. The Company defines discrimination in connection with its charitable giving program to include (but not necessarily be limited to) denial of services, employment, or volunteer opportunities to any class of individuals in a manner that negatively restricts opportunities available to that class of individuals.

In addition, to ensure that all recipient organizations are aligned with the Company's values, the Company shall not make charitable grants to any organization or program that in any way is controversial or, implicitly or explicitly, promotes, advocates, or instigates an ideology or environment that is divisive or not otherwise aligned with the Company's values.

As part of an ongoing effort to support only those organizations that fully align with the Company's values and policies, the Company reserves the right to evaluate the eligibility of a recipient organization at any time regardless of whether prior grants have been made. The Company, in its sole discretion, may suspend or terminate current or future grants to any organization that is not aligned with the Company's values and policies.

12. SELF GOVERNANCE

The Company, its Board, employees, officers, CSR Committee members, its invitees, shall not:

- i. directly or indirectly engage in lobbying of CSR activities;
- ii. accept any kind of favours and gifts, in any form, from any prospective or potential CSR Partners or beneficiaries as a result of consideration of the proposal to grant funds to such CSR Partners or beneficiaries under this Policy.

13. POLICY REVIEW AND FUTURE AMENDMENT

The CSR Committee may, as and when required, suggest changes to the CSR Policy and submit the same for the approval of the Board.

ANNEXURE - 1

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
2. The Composition of the CSR Committee.
3. Average net profit of the company for last three financial years
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)
5. Details of CSR spent during the financial year.
 - a. Total amount to be spent for the financial year;
 - b. Amount unspent, if any;
 - c. Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity Identified	Sector in which the Project is covered	Projects or programs (1) Local area of other (2) Specify the State and district where Projects or programs was undertaken	Amount outlay (budget) project or programs wise (Rs.)	Amount spent on the projects or Programs Subhead : (1) Direct expenditure on projects or programs. (2) Overheads: (Rs.)	Cumulative expenditure upto to the reporting Period (Rs.)	Amount spent Direct or through Implementing agency
	TOTAL						

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board's Report.
7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Form No. MR-3**Secretarial Audit Report**

For the Financial year ended 31 March, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To the Members

Timken India Limited

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31 March 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2016 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) SEBI (Prohibition of Insider Trading) Regulations, 1992 [Upto 14 May 2015] and SEBI (Prohibition of Insider Trading) Regulations, 2015 [Effective 15 May 2015];
 - (c) SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (d) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not Applicable;
 - (e) SEBI (Share Based Employee Benefits) Regulations, 2014 - Not applicable;
 - (f) SEBI (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable;
 - (g) SEBI (Delisting of Equity Shares) Regulations, 2009 - Not applicable; and
 - (h) SEBI (Buyback of Securities) Regulations, 1998 - Not Applicable.

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The major head/groups of Acts, Laws and Regulations as applicable to the Company are (i) Industrial Laws; (ii) Labour Laws; (iii) Environmental and prevention of pollution Laws; (iv) Tax Laws; (v) Economic and Commercial Laws; (vi) Legal Metrology Act, 2009 and (vii) Acts prescribed under Shops and Establishment Act of various local authorities.

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

- (i) Secretarial Standard on Meetings of the Board of Directors (SS-1) issued by the Institute of Company Secretaries of India;
- (ii) Secretarial Standard-2 (SS-2) on "General Meetings" issued by the Institute of Company Secretaries of India and
- (iii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited [Upto 30 Nov 2015] and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; [Effective 01 Dec 2015]

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

I further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company has carried out the following specific event / action that have major bearing on the Company's affairs in pursuance of the above referred laws.

1. At the AGM held on 12 August 2015, the Shareholders passed special Resolutions as per Clause 49(VII) of the Listing Agreement in respect of material related party contracts / arrangements / transactions by the Company with
 - (a) The Timken Company;
 - (b) The Timken Corporation and
 - (c) Timken Engineering and Research-India Pvt. Ltd.

20 May, 2016
Bangalore

R Vijayakumar
Practicing Company Secretary
FCS No. 6418; C P No.8667

To the members
Timken India Limited

My Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively are the responsibilities of the management of the Company. My responsibility is to express an opinion on these secretarial records, systems, standards and procedures based on audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure the correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

20 May, 2016
Bangalore

R Vijayakumar
Practicing Company Secretary
FCS No. 6418; C P No.8667

FORM NO. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)
Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis					
During the year ended 31 March, 2016, there were no contracts or arrangements or transactions entered into by the Company which were not on arm's length basis.					
2. Details of material contracts or arrangement or transactions at arm's length basis					
Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions - (Value in Rs./ Millions)	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Timken Singapore PTE Limited (Holding Company)	Sale of Goods - 42M Agency Commission (Income) - 8M Purchase of Goods - 23M Expenses Receivable - 7M Expenses Payable - 2M	Purchase and sale of goods/ fixed assets on the basis of purchase orders raised by the buyer - ongoing in nature. Agency commission income/ expenditure - pursuant to a Representative Agreement - ongoing in nature. Expenses receivable and payable - pursuant to Service Agreement - ongoing in nature. Royalty - pursuant to Technology Licence/ Trademark Licence Agreements - ongoing in nature. Lease rental - pursuant to an agreement - on going in nature	Based on Transfer Pricing guidelines/ Reimbursement of actual expenses incurred	Appropriate approvals in terms of the management approval system have been taken in all the cases.	Advances paid have been adjusted against billing, wherever applicable.
Timken Engineering Research-India Pvt. Ltd (Fellow Subsidiary of the same holding Company)	Expenses Receivable - 49M Expenses Payable - 1.18M Purchase of goods - 1359M Sale of goods - 148M Lease rental - 30M Purchase of DEPB licence - 11M Purchase of Fixed Assets - 10M	Referrals/requests based on merit - as and when required.			
New Delhi Law Offices	Expense Payable - 2M (fees payable for professional services and reimbursement of travelling expenses for attending Board/Committees Meetings)	Referrals/requests based on merit - as and when required.			
Gibson, Dunn & Crutcher LLP	Expense Payable - 7M (Reimbursement of travelling expenses incurred for attending Board/Committees Meetings)				
Mr. Sanjay Koul	Managerial Remuneration - 20M Expenses payable - 0.1 M	5 Years from the date of appointment as Director	As approved by the shareholders at the AGM		
Mr. R Ramesh	Managerial Remuneration - 5M Expenses payable - 0.1 M	5 Years from the date of appointment as Director*	As approved by the shareholders at the AGM		
Mr. Avishrant Keshava	Managerial Remuneration - 2M Expenses payable - 0.01 M	5 Years from the date of appointment as Director	Referred to Item No. 6 of the AGM Notice		
Mr. PS Dasgupta	Sitting Fees - 0.14M				
Mrs. Rupa Mahanty	Sitting fees - 0.17M Expenses payable - 0.13M (fees payable for professional services and reimbursement of travelling expenses for attending Board/Committees Meetings)	Ongoing	As per the rules of the Company		
Mr. Jai S Pathak	Sitting Fees - 0.12M				
Mr. Sourmitra Hazra	Remuneration - 3.6M Expenses payable - 0.015M				

* since resigned.

Bangalore
20 May, 2016

For and on behalf of the Board of Directors
Sanjay Koul
Chairman & Managing Director
DIN: 05159352

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31 March, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L29130KA1996PLC048230
2.	Registration Date	15 June, 1987
3.	Name of the Company	Timken India Limited
4.	Category / Sub-Category of the Company	Company Limited by Share/Indian Non-Government Company
5.	Address of the Registered office and contact details	39-42, Electronic City, Phase II, Hosur Road, Bangalore - 560 100 Tel. No. 080 - 40053131 Fax No. 080-41362010 e-mail: soumitra.hazra@timken.com Website: www.timken.com/india
6.	Whether listed company	Yes
7.	Name, Address and Contact details of Registrar and Share Transfer Agent, if any	C B Management Services (P) Limited P-22, Bondel Road, Kolkata - 700 019 Tel. No. 033 - 40116700, 40116725, 40116729 Fax No. 033 - 4011 6739 E-mail: rta@cbmsl.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Tapered Roller Bearings	2814	71%
2	AP Cartridge Tapered Roller Bearings	2814	21%
3	Other including combined ball/roller bearings	2814	8%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sl. No	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Timken Singapore Pte. Ltd 51, Changi Business Park, Central 2, #08-06/07 The Signature Building Singapore - 486066	N.A.	Holding	75%	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
(a) Individual/HUF	0	0	0	0	0	0	0	0	0.00
(b) Central Govt	0	0	0	0	0	0	0	0	0.00
(c) State Govt (s)	0	0	0	0	0	0	0	0	0.00
(d) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
(e) Banks / FI	0	0	0	0	0	0	0	0	0.00
(f) Any Other	0	0	0	0	0	0	0	0	0.00
Sub-Total (A) (1)	0	0	0	0	0	0	0	0	0.00
(2) Foreign									
(a) NRIs - Individuals	0	0	0	0	0	0	0	0	0.00
(b) Other - Individuals	0	0	0	0	0	0	0	0	0.00
(c) Bodies Corp.	50,999,988	0	50,999,988	75.00	50,999,988	0	50,999,988	75.00	0.00
(d) Banks / FI	0	0	0	0	0	0	0	0	0.00
(e) Any Other	0	0	0	0	0	0	0	0	0.00
Sub-Total (A) (2)	50,999,988	0	50,999,988	75.00	50,999,988	0	50,999,988	75.00	0.00
Total Shareholding of Promoter = (A) (1) + (A) (2)	50,999,988	0	50,999,988	75.00	50,999,988	0	50,999,988	75.00	0.00
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	6,527,571	0	6,527,571	9.60	6,266,121	0	6,266,121	9.22	(-)0.38
(b) Banks/FI	19,096	260	19,356	0.03	8,085	260	8,345	0.01	(-)0.02
(c) Central Govt	0	0	0	0	0	0	0	0	0.00
(d) State Govt (s)	0	0	0	0	0	0	0	0	0.00
(e) Venture Capital funds	0	0	0	0	0	0	0	0	0.00
(f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
(g) Foreign Institutional Investors (FII)	895,942	0	895,942	1.32	398,868	0	398,868	0.59	(-)0.73
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
(i) Others (Specify Foreign Portfolio Investors)	0	0	0	0	805,079	0	805,079	1.18	(+)1.18
Sub-Total (B)(1)	7,442,609	260	7,442,869	10.95	7,478,153	260	7,478,413	11.00	(+)0.05

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non- Institutions									
(a) Bodies Corp									
i. Indian	1,027,369	11,367	1,038,736	1.53	805,127	11,567	816,694	1.20	(-)0.33
ii. Overseas	0	0	0	0	0	0	0	0	0.00
(b) individuals									
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	5,027,348	2,502,885	7,530,233	11.06	5,341,202	2,411,721	7,752,923	11.40	(+)0.34
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	603,044	0	603,044	0.89	577,715	0	577,715	0.85	(-)0.04
(C) Others (Specify)									
1 NRI	255,833	1,443	257,276	0.38	321,097	1,443	322,540	0.47	(+)0.09
2 Clearing Member	126,738	0	126,738	0.19	50,611	0	50,611	0.08	(-)0.11
3 OCB	0	0	0	0	0	0	0	0	0.00
4 Trust	1,100	0	1,100	0.00	1,100	0	1,100	0.00	0.00
5 Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0.00
Sub-Total (B)(2)	7,041,432	2,515,695	9,557,127	14.05	7,096,852	2,424,731	9,521,583	14.00	(-)0.05
Total Shareholding of Public = (B) (1) + (B) (2)	14,484,041	2,515,955	16,999,996	25.00	14,575,005	2,424,991	16,999,996	25.00	0.00
TOTAL (A)+(B)	65,484,029	2,515,955	67,999,984	100.00	65,574,993	2,424,991	67,999,984	100.00	0.00
C. Shares held by custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
Grand Total (A+B+C)	65,484,029	2,515,955	67,999,984	100.00	65,574,993	2,424,991	67,999,984	100.00	0.00

TIMKEN INDIA LIMITED

(ii) Shareholding of Promoters:

Sl.No	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change during the Year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Timken Singapore Pte. Ltd.	50,999,988	75.00	0	50,999,988	75.00	0	0.00
	Total	50,999,988	75.00	0	50,999,988	75.00	0	0.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Timken Singapore Pte. Ltd				
	At the beginning of the year	50,999,988	75.00	50,999,988	75.00
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	-	-	50,999,988	75.00

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Date wise increase/decrease (DD/MM/YY)	Shareholding at the beginning/ changes during the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MIDCAP					
	At the beginning of the year	01/04/2015	1462413	2.15	1462413	2.15
	Decrease- Sale	05/06/2015	1615	0.00	1460798	2.15
	Decrease- Sale	26/06/2015	3619	0.01	1457179	2.14
	Decrease- Sale	24/07/2015	3085	0.00	1454094	2.14
	Decrease- Sale	04/08/2015	4082	0.01	1450012	2.13
	At the end of the year	31/03/2016			1450012	2.13

Sl. No.	For Each of the Top 10 Shareholders	Date wise increase/decrease (DD/MM/YY)	Shareholding at the beginning/ changes during the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2.	FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA HIGH GROWTH COMPANIES FUND					
	At the beginning of the year	01/04/2015	750000	1.10	750000	1.10
	Decrease- Sale	26/06/2015	1312	0.00	748688	1.10
	Decrease- Sale	17/07/2015	34025	0.05	714663	1.05
	Decrease- Sale	24/07/2015	12963	0.02	701700	1.03
	Decrease- Sale	07/08/2015	26700	0.04	675000	0.99
	Decrease- Sale	25/12/2015	6171	0.01	668829	0.98
	Decrease- Sale	31/12/2015	14005	0.02	654824	0.96
	Decrease- Sale	29/01/2016	2710	0.00	652114	0.96
	Decrease- Sale	05/02/2016	60	0.00	652054	0.96
	Decrease- Sale	19/02/2016	2054	0.00	650000	0.96
	At the end of the year	31/03/2016			650000	0.96
3.	FRANKLIN INDIA SMALLER COMPANIES FUND					
	At the beginning of the year	01/04/2015	522728	0.77	522728	0.77
	Increase - Buy	29/05/2015	215000	0.32	737728	1.08
	Increase - Buy	28/08/2015	50000	0.07	787728	1.16
	Increase - Buy	11/09/2015	4194	0.01	791922	1.16
At the end of the year	31/03/2016			791922	1.16	
4.	SUNDARAM MUTUAL FUND A/C SUNDARAM SMILE FUND					
	At the beginning of the year	01/04/2015	457892	0.67	457892	0.67
	At the end of the year	31/03/2016			457892	0.67
5.	SBI MAGNUM BALANCED FUND					
	At the beginning of the year	01/04/2015	370000	0.54	370000	0.54
	Decrease- Sale	10/04/2015	51932	0.08	318068	0.47
	Decrease- Sale	17/04/2015	54960	0.08	263108	0.39
	Decrease- Sale	24/04/2015	45541	0.07	217567	0.32
	Decrease- Sale	08/05/2015	1056	0.00	216511	0.32
	Decrease- Sale	22/05/2015	216511	0.32	0.00	0.00
At the end of the year	31/03/2016			0.00	0.00	
6.	L AND T MUTUAL FUND TRUSTEE LTD.- L AND T TAX ADVANTAGE FUND					
	At the beginning of the year	01/04/2015	321307	0.47	321307	0.47
	At the end of the year	31/03/2016			321307	0.47

TIMKEN INDIA LIMITED

Sl. No.	For Each of the Top 10 Shareholders	Date wise increase/decrease (DD/MM/YY)	Shareholding at the beginning/ changes during the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7.	CANARA ROBECO MUTUAL FUND A/C CANARA ROBECO EQUITY TAX SAVER					
	At the beginning of the year	01/04/2015	270000	0.40	270000	0.40
	Decrease- Sale	10/04/2015	5663	0.01	264337	0.39
	Decrease- Sale	17/04/2015	1530	0.00	262807	0.39
	Decrease- Sale	19/06/2015	101173	0.01	252634	0.37
	At the end of the year	31/03/2016			252634	0.37
8.	MV SCIF MAURITIUS					
	At the beginning of the year	01/04/2015	222649	0.33	222649	0.33
	Decrease- Sale	11/06/2015	12964	0.02	209685	0.31
	Decrease- Sale	26/06/2015	4904	0.01	204781	0.30
	Decrease- Sale	30/06/2015	3686	0.01	201095	0.30
	Decrease- Sale	03/07/2015	5058	0.01	196037	0.29
	Decrease- Sale	10/07/2015	3688	0.01	192349	0.28
	Decrease- Sale	31/07/2015	5538	0.01	186811	0.27
	Decrease- Sale	05/08/2015	1251	0.00	185560	0.27
	Decrease- Sale	14/08/2015	12929	0.02	172631	0.25
	Decrease- Sale	21/08/2015	1847	0.00	170784	0.25
	Decrease- Sale	28/08/2015	7392	0.01	163392	0.24
	Increase - Buy	18/09/2015	1840	0.00	165232	0.24
	Decrease- Sale	25/09/2015	210	0.00	165022	0.24
	Increase - Buy	30/09/2015	5544	0.01	170566	0.25
	Increase - Buy	09/10/2015	1848	0.00	172414	0.25
	Increase - Buy	30/10/2015	3694	0.01	176108	0.26
	Decrease- Sale	20/11/2015	3692	0.01	172416	0.25
	Decrease- Sale	04/12/2015	7384	0.01	165032	0.24
	Decrease- Sale	11/12/2015	18420	0.03	146612	0.22
	Decrease- Sale	25/12/2015	5247	0.01	141365	0.21
	Decrease- Sale	31/12/2015	1781	0.00	139584	0.21
	Increase - Buy	05/02/2016	1584	0.00	141168	0.21
Decrease- Sale	18/03/2016	42635	0.06	98533	0.14	
Decrease- Sale	18/03/2016	98533	0.14	0	0.00	
At the end of the year	31/03/2016			0	0.00	
9.	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MICROCAP SERIES VI					
	At the beginning of the year	01/04/2015	204000	0.30	204000	0.30
	Decrease- Sale	05/06/2015	4000	0.01	200000	0.29
	Decrease- Sale	14/08/2015	3640	0.01	196360	0.29
	Decrease- Sale	21/08/2015	17439	0.03	178921	0.26
	Decrease- Sale	23/10/2015	4641	0.01	174280	0.26
	Decrease- Sale	30/10/2015	811	0.00	173469	0.26
	Decrease- Sale	06/11/2015	1258	0.00	172211	0.25
	At the end of the year	31/03/2016			172211	0.25

Sl. No.	For Each of the Top 10 Shareholders	Date wise increase/decrease (DD/MM/YY)	Shareholding at the beginning/ changes during the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
10.	NEW VERNON ONDIA LTD.					
	At the beginning of the year	01/04/2015	203495	0.30	203495	0.30
	Increase - Buy	10/04/2015	20713	0.03	224208	0.33
	Increase - Buy	08/05/2015	10295	0.02	234503	0.34
	Increase - Buy	15/05/2015	11529	0.02	246032	0.36
	Increase - Buy	28/08/2015	11724	0.02	234308	0.34
	Decrease- Sale	11/09/2015	12366	0.02	221942	0.33
	Decrease- Sale	19/02/2016	5018	0.01	216924	0.32
	Decrease- Sale	04/03/2016	10297	0.02	206627	0.30
	Decrease- Sale	11/03/2016	20806	0.03	185821	0.27
	Decrease- Sale	18/03/2016	54479	0.08	131342	0.19
	Decrease- Sale	31/03/2016	12619	0.02	118723	0.17
	At the end of the year	31/03/2016			118723	0.17
11.	CANARA ROBECO MUTUAL FUND A/C CANARA ROBECO EMERGING EQUITIES					
	At the beginning of the year	01/04/2015	156734	0.23	156734	0.23
	Increase - Buy	01/05/2015	4191	0.01	160925	0.24
	Increase - Buy	08/05/2015	7200	0.01	168125	0.25
	Increase - Buy	15/05/2015	7000	0.01	175125	0.26
	Increase - Buy	17/07/2015	8647	0.01	183772	0.27
	Increase - Buy	31/07/2015	3471	0.01	187243	0.28
	Increase - Buy	07/08/2015	10000	0.01	197243	0.29
	Increase - Buy	14/08/2015	10000	0.01	207243	0.30
	Increase - Buy	28/08/2015	30000	0.04	237243	0.35
	Increase - Buy	04/09/2015	815	0.00	238058	0.35
	Increase - Buy	25/09/2015	19594	0.03	257652	0.38
	Increase - Buy	30/09/2015	670	0.00	258322	0.38
	Increase - Buy	09/10/2015	15000	0.02	273322	0.40
	Increase - Buy	29/01/2016	2180	0.00	275502	0.41
	Decrease- Sale	05/02/2016	8500	0.01	267002	0.39
	Increase - Buy	04/03/2016	2800	0.00	269802	0.40
	At the end of the year	31/03/2016			269802	0.40
	12.	UTI - MNC FUND				
At the beginning of the year		01/04/2015	153602	0.23	153602	0.23
Increase - Buy		17/07/2015	8398	0.01	162000	0.24
Increase - Buy		31/07/2015	13789	0.02	175789	0.26
Increase - Buy		04/08/2015	10028	0.01	185817	0.27
Increase - Buy		21/08/2015	6523	0.01	192340	0.28
Increase - Buy		28/08/2015	23660	0.03	216000	0.32
Increase - Buy		11/09/2015	1290	0.00	217290	0.32
At the end of the year		31/03/2016			217290	0.32
13.	TATA TRUSTEE CO. LTD. A/C TATA MUTUAL FUND - TATA INFRASTRUCTURE FUND					
	At the beginning of the year	01/04/2015	185000	0.27	185000	0.27
	At the end of the year	31/03/2016			185000	0.27

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Priyashankar Das Gupta				
	a) At the Beginning of the Year	1	0.00	1	0.00
	b) Change during the Year	No Change			
	c) At the end of the Year	1	0.00	1	0.00
2.	Ajay Kumar Das				
	a) At the Beginning of the Year	16	0.00	16	0.00
	b) Change during the Year	No Change			
	c) At the end of the Year	16	0.00	16	0.00
3.	Soumitra Hazra				
	a) At the Beginning of the Year	3	0.00	3	0.00
	b) Change during the Year	No Change			
	c) At the end of the Year	3	0.00	3	0.00
4.	Avishrant Keshava				
	a) At the Beginning of the Year	2	0.00	2	0.00
	b) Change during the Year	No Change			
	c) At the end of the Year	2	0.00	2	0.00

Note : Except what has been disclosed above, no other Director or Key Managerial personnel holds any share in the Company.

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans*	Deposits**	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	25,155,407	18,034,987	43,190,394
ii) Interest due but not paid	NIL	NIL	1,081,583	1,081,583
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	25,155,407	19,116,570	44,271,977
Change in Indebtedness during the financial year				
Addition	NIL	379,028,464	5,314,468	384,342,932
Reduction	NIL	361,085,873	2,781,583	363,867,456
Net Change	NIL	17,942,591	2,532,885	20,475,476
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	43,098,008	20,394,987	63,492,995
ii) Interest due but not paid	NIL	NIL	1,254,468	1,254,468
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	43,098,008	21,649,455	64,747,463

* Represents bills discounted with Banks with recourse to the Company with various maturity dates.

** Represents interest bearing deposits accepted from delars/distributors which are repayable only upon termination of the agreement.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr. Sanjay Koul (CMD & CEO)	Mr. R Ramesh* (WTD & CFO)	Mr. Avishrant Keshava** (WTD & CFO)	
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13,896,688.00	3,270,337.00	1,727,065.00	18,894,090.00
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	2,397,597.00	78,290.00	23,319.00	2,499,206.00
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	3,334.00	2,832.00	551.00	6,717.00
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	16,297,619.00	3,351,459.00	1,750,935.00	21,400,013.00
	Ceiling as per the Act				Rs. 144,326,667

*resigned with effect from 30 September, 2015

**appointed with effect from 30 September, 2015

B. Remuneration to other Directors: (Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		P S Dasgupta	Jai S Pathak	Rupa Mahanty	
3.	Independent Directors				
	<ul style="list-style-type: none"> ● Fee for attending board / committee meetings ● Commission ● Others, please specify 	1,40,000	1,15,000	1,65,000	4,20,000
	Total (1)	1,40,000	1,15,000	1,65,000	4,20,000
4.	Other Non-Executive Directors				
	<ul style="list-style-type: none"> ● Fee for attending board / committee meetings ● Commission ● Others, please specify 	Nil	-	-	Nil
	Total (2)	Nil	-	-	Nil
	Total (B) = (1)+(2)	1,40,000	1,15,000	1,65,000	4,20,000
	Total Managerial Remuneration*	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act*	-	-	-	14,432,667

*The Company pays sitting fees of Rs. 15,000 for attending each Board Meeting and Rs. 10,000 for attending each Committee Meeting to its Independent Directors. This payment is not considered while computing the ceiling for Managerial Remuneration under the Companies Act, 2013.

C. Remuneration to other Directors key managerial personnel other than MD/MANAGER/WTD: (Amount in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO*	Company Secretary	CFO*	Total
1	Gross Salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		3,271,757.00		3,271,757.00
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961		141,627.00		141,627.00
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961		2,677.00		2,677.00
2	Stock Option		–		–
3	Sweat Equity		–		–
4	Commission - as % of profit - others, specify...		–		–
5	Others, please specify		–		–
	Total (A)		3,416,061.00		3,416,061.00

* Please refer to Part A

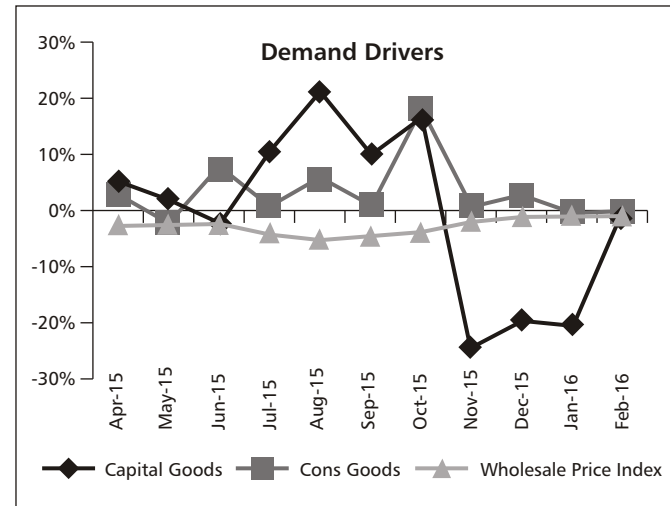
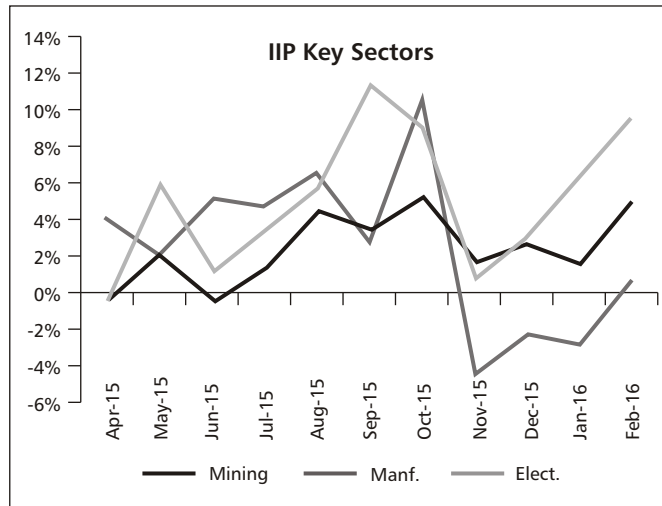
VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		
B. DIRECTORS					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		
C. OTHER OFFICERS IN DEFAULT					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		

For and on behalf of the Board of Directors

Bangalore
20 May, 2016Sanjay Koul
Chairman & Managing Director
DIN: 05159352

Management Discussion And Analysis



Bearing Industry Structure and Development

Your Company's performance largely depends on the demand and growth of manufacturing and core infrastructure sectors in India.

During the FY15-16 upto Feb'16, the Index of Industrial Production (IIP) for 11 months grew at 2.6% compared to the previous year. The Manufacturing industry (76% of total IIP) had picked up growth during the first half but it slipped to negative zone over last few months. Major reason being some of the important segments like Metal and Cement got worst hit due to lower demand and excess available capacity. The Mining industry (14% of IIP) has seen some revival with effective policy measures and government initiatives in coal production which now is in surplus. On the back of adding more capacities, Electricity generation (10% of IIP) has been one of the drivers of growth.

Riding on the cyclical growth, the Medium and Heavy Commercial Vehicle (M&HCV) sales grew phenomenally by 30% to 302,373 units in FY15-16 compared to last year whereas the Light Commercial Vehicles has recorded flat growth over decline in demand last year. Indian Railways carried revenue freight similar to last year of 1,104MT during FY15-16 on lower business activities but has started building more wagons to provide better connectivity in remote and industrial zones.

Reserve Bank of India supported the government agenda and execution for growth by lowering the policy interest rate to 5 years low of 6.5% easing out the pressure on industry. The inflation (Wholesale Price Index) throughout the year remained in negative zone indicating low input costs at the same time lower demand.

In terms of exchange rates, Indian Rupee continued depreciating against USD from 62.6 (Mar'15) to 66.3 (Mar'16) as well as other major currencies like GBP and EUR making the imports and input costs more expensive.

The current size of anti-friction bearings market is approximately INR 95 billion. It is estimated that around 40% of demand is catered through imports. The automotive sector accounts for approximately 45-48% of the bearing demand and the rest is consumed by the industrial sector.

Business Review

Your Company is one of the leading manufacturers of tapered roller bearings and components in India with manufacturing facility at Jamshedpur and Raipur which largely cater to medium and heavy trucks, off-highway equipments, Railways markets and exports. The Company meets the demand for other types of bearings viz., large size tapered roller bearings, spherical roller bearings, cylindrical roller bearings and speciality ball bearings by sourcing these from other Timken Company plants globally.

Aiming to provide a complete offering in the area of Mechanical Power Transmission and Timken commitment to improve system reliability, your Company brings the portfolio of belts, industrial chains and augurs, couplings, housed units, high performance grease,

and lubrication systems. With the acquisition of capabilities around the globe like Revolve and QM, The Timken Company has today the widest range of housed units under one roof and the maintenance friendly products that reduces customer downtime.

Your Company endeavors to provide value offering to customers along with partnering customer operations and maintenance program to bring efficiency and enhance performance. The extended services footprint in Raipur with Philadelphia Gears capability focuses on the industrial gearbox repair, journal rebuilding and chock repairs along with bearing refurbishment. Onsite MILLTEC® program provides around-the-clock management of a steel mill's roll shop to minimize operational problems and downtime.

MILLTEC® continues to add value creation at its customer sites. Despite difficult times in Metal industry, your Company added new customers making total of 13 sites across India. The service capabilities have got further extended in the Long Product mills winning 2 new contracts. Your Company plans to add more services for its existing and new sites and believes that more opportunity may open in the coming fiscal when the Metal segment picks up.

Following are some key achievements at company's Jamshedpur and Raipur facility:

- Zero LTA/OSHAS Recordable rate during financial year 2015-16.
- Plant is rated as satisfactory with qualification by Timken Global EHS Auditor
- Plant has received ISO 9001:2008 Quality document
- Machineries and capability for Bearing Repair facility has been established
- Gear Checker has been installed and TIL Raipur is geared up for Reverse Engineering of gear and pinion
- Many critical gear boxes have been repaired and significant improvement in engineering/quality and delivery lead time to customer
- Electrical load reduction from 1500KVA to 1000KVA
- Technical capability enhancement of associate: Level 2 certification for reliability of industrial equipment (ISO18436-2).

During the financial year under review, total income grew by approx 14% primarily due to increase in domestic sales by 18% and increase in export sales by 8%. Expenditures on the other hand registered an increase of 13% due to volume increase and inflationary pressure. Increase in depreciation was due to capitalization of new Plant & Machinery and other assets for expansion projects and change in basis for charging depreciation in terms of applicable provisions of law. Exceptional item represents net loss arising out of fire at third party service provider's warehouse (please refer note no 38 in the financial statements). Profit before tax registered an increase of 18% to Rs. 1448 Million due to increase in volume and margin in respect of both domestic and export sales.

Opportunities, Threats and Outlook

With more than a century of expertise in tapered roller bearing, the Timken group is transforming into a wider solutions provider across the mechanical power transmissions space over the last decade. The group's acquiring and adding global capabilities benefits your company extensively - exploring and launching new products and services, thereby increased share of customer penetration into Indian market. Your Company is working on expanding channel footprint and value added services to meet customer demands at doorstep.

Your Company is continuously engineering products and technology that can deliver more compact, energy efficient and cost effective solution which can take desired loads. Custom application knowledge and optimum design considerations help customer realize extended life and lesser downtime.

In terms of threat, any adverse changes in the industrial environment or government policymaking affecting our customers could lead to reduction in demand for their finished products, in turn can have a direct impact on the demand of our products.

Low quality counterfeit or spurious products pose bigger risk to the end users and threat to the superior manufacturer. Efforts are being taken by manufactures to educate customers on the importance of using genuine high quality bearings and procured from authorized channel partner.

Metal components are one of the key raw materials of our products and purchased by our vendors from our approved list of global suppliers, in order to leverage The Timken Company's economies of scale. The prices and supply of raw materials may depend on factors beyond our control, including economic conditions, exchange rates, competition, consumer demand, production levels, transportation costs and import duties.

The current government at the Center has been pushing some of the major initiatives to promote domestic manufacturing with 'Make in India' campaign and developing more Rurban (rural urban) societies. Some of the planned expenditure in building road and rail infrastructure corridor, private participation in defense and allied sector, electrification will drive the next fiscal's demand.

The top credit rating agencies, World Bank and IMF are optimistic on India growth being the fastest growing developing economy and have retained the GDP forecast in 7.5%+ trajectory.

While the manufacturing sector growth is far from visible on the ground, Industry analysts are cautious about the reforms agenda and the kick start of the demand cycle.

Your company sees positive outlook for the Rail, M&HCV, Power, Mining and Defense sector over opportunities in and around bearings and cautious over Metal, Cement and other manufacturing industry segments to pick up the pace. With value added product and services portfolio, your company is focused to get more share of business from the existing customers and win new opportunities beyond traditional business segments.

Internal Control Systems

The various internal control systems operating in the Company are working satisfactorily. The adequacy and effectiveness of these systems is continuously examined by M/s Price Waterhouse & Co. Bangalore LLP - Internal Auditors and the findings of these audits are reported to the Audit Committee of the Board and also to the Board of Directors. The adequacy of the internal control system has also been examined by the Statutory Auditors and the Audit Department of The Timken Company, USA and the Company has not received any major adverse comments from them on the adequacy of the internal control systems.

HR Front

During the financial year under review, the Company did not witness any adverse development on the HR/IR front. The relationship between the Associates of the Company and the Management remains congenial all through-out the year. The Company employed 637 Associates as on 31 March, 2016.

Cautionary Statement:

Certain statements made in this report describing the industry structure and development, business outlook and opportunities may be "forward looking statement" within the meaning of applicable Securities law and Regulations. Actual results could materially differ from those expressed or implied. Important factors that could make difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

For and on behalf of the Board of Directors

Bangalore
20 May, 2016

Sanjay Koul
Chairman & Managing Director
DIN: 05159352

Corporate Governance Report

Company's philosophy on code of governance

Timken's mission, vision and core values guide the Company and this direction keeps the Company successfully working together, so as to enable us to make the world a more productive place and deliver value to our stakeholders.

The Vision Statement of the Company expresses its aspiration to be the global leader in bearings and mechanical power transmission, continually improving performance, reliability and efficiency. This, it is believed, will help the Company in maximizing the shareholders' value.

The Company's Business Ethics Policy - Code of Conduct for its employees and Board of Directors requires the business of the Company to be conducted according to highest standards of integrity and ethics with due regard for all applicable laws. All associates are expected to be familiar and comply with all applicable laws and regulations. Towards achieving these objectives, the Company has put in place a number of systems to ensure transparency in decision-making, empowerment at different levels, accountability and integrity. These systems are continuously monitored and fine-tuned so as to bring them in line with the changing requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ('Listing Regulations').

Board of Directors

Composition: The Company has an Executive Chairman under the designation 'Chairman & Managing Director' and the number of Independent Directors are 50% of the total number of Directors. The numbers of Non-Executive Directors are more than 50% of the total number of Directors. The Company has a Woman Director on its Board of Directors.

The names and category of Directors on the Board, their attendance at the Board Meetings held during the year and also at the last Annual General Meeting, the number of directorships and Committee memberships held by them in other companies are given below:

Name	Category	No. of Board Meetings attended during the financial year ended 31 March, 2016	Whether attended AGM held on 12 August, 2015	No. of Directorships in other companies*	No. of Committee positions held in other companies**	
					Chairman	Member
Mr. Sanjay Koul (DIN: 05159352)	Promoter Director, Executive, Non-Independent	6	Yes	–	–	–
Mr. P S Dasgupta (DIN: 00012552)	Non-Executive, Independent	5	Yes	17	2	7
Mr. Jai S. Pathak (DIN: 00026416)	Non-Executive, Independent	4	Yes	1	–	–
Mrs. Rupa Mahanty (DIN: 06746148)	Non-Executive, Independent	6	Yes	–	–	–
Mr. Ajay K Das (DIN: 02697466)	Promoter Director Non-Executive, Non-Independent	2	Yes	–	–	–
Mr. R Ramesh ¹ (DIN: 06825573)	Promoter Director Executive, Non-Independent	3	Yes	–	–	–
Mr. Avishrant Keshava ² (DIN: 07292484)	Promoter Director Executive, Non-Independent	3	N.A.	–	–	–

¹ resigned with effect from 30 September, 2015.

² appointed with effect from 30 September, 2015.

* excluding companies registered or incorporated outside India.

** as per sub regulation (b) of Regulation 26(1) of the Listing Regulations.

No Director of the Company serves as an Independent Director in more than seven listed Companies and no Director serving as a Whole-time Director in any listed Company serves as an Independent Director in more than three listed Company. The Company is in receipt of declarations under Section 149(7) of the Companies Act, 2013 from all the Independent Directors.

The tenure of the Independent Directors of the Company is within the time limit prescribed under the Companies Act, 2013 and clarifications/circulars issued by the Ministry of Corporate Affairs in this regards from time to time. No Director of the Company is a member in more than ten committees or acts as Chairman of more than five committees across all companies in which he/she is a Director. The necessary disclosures regarding committee positions have been made by all the Directors.

The Company has disclosed the terms and conditions of the appointment of Independent Directors on its website www.timken.com/india.

Six Board Meetings were held as per details given below during the financial year ended 31 March, 2016 and the gap between two meetings did not exceed 120 days :

- 1) 22 May, 2015
- 2) 12 August, 2015
- 3) 14 August, 2015
- 4) 30 September, 2015
- 5) 9 November, 2015 and
- 6) 9 February, 2016

One meeting of Independent Directors without participation of Non-Independent Directors and any management personnel was also held on 9 February, 2016.

Information as required under Schedule II, PART-A of Listing Regulations has been made available to the Board.

Disclosure of relationship between Directors inter-se

No Director of the Company is related to another inter-se.

Non-executive Directors' Shareholding

Except Mr. P S Dasgupta and Mr. Ajay K Das, no other Non-Executive Director holds any Equity Share of the Company. Mr. Dasgupta holds 1 Equity Share and Mr. Das holds 16 Equity shares of the Company. The Company has not issued any convertible instrument.

Familiarization Program

During the year under review, a technical session was arranged on 9 February, 2016 to familiarize the Independent Directors with certain organizational advancement (Human Resources) practices being followed in the Company. The session covered the following topics:

1. Timken India Leadership Structure
2. Profile of Timken India Leadership Team
3. Performance Management Calendar 2015-16
4. Year End Performance Ranking Process
5. Talent Development Leadership Development Mode
6. New Manager Development
7. Timken India Limited Salary Structure

Familiarization programmes conducted for Independent Directors so far have been disclosed on Company's website and can be seen at: www.timken.com/india.

Audit Committee

The Audit Committee enjoys all the powers as mentioned in sub-regulation (2)(c) of Regulation 18 of Listing Regulations. The role of the Audit Committee includes all the role stated in Schedule II, Part C - A of Listing Regulations. The Audit Committee mandatorily reviewed the information prescribed in Schedule II, Part C -B of Listing Regulations. The Audit Committee also acts in accordance with terms of reference prescribed under section 177 of the Companies Act, 2013.

The Company has complied with all the requirements of Regulation 18(1) of Listing Regulations relating to composition of the Audit Committee. Mr. P S Dasgupta, an independent, non-executive Director acted as the Chairman of the Audit Committee during the year ended 31 March, 2016. Mr. Dasgupta, as the Chairman of the Audit Committee was present at the Twenty-eighth Annual General Meeting of the Company held on 12 August, 2015.

Four Audit Committee Meetings were held as per details given below during the financial year ended 31 March, 2016:

- 1) 22 May, 2015,
- 2) 12 August, 2015,
- 3) 9 November, 2015 and
- 4) 9 February, 2016

TIMKEN INDIA LIMITED

During the year ended 31 March, 2016, the composition of the Audit Committee and the details of meetings attended by the members thereof were as follows:

Name of the Members	Category	No. of Meetings attended
Mr. P S Dasgupta Chairman	Non-Executive Independent	4
Mr. Sanjay Koul Member	Promoter Director Executive Non-Independent	4
Mr. Jai S. Pathak, Member	Non-Executive Independent	3
Mrs. Rupa Mahanty Member	Non-Executive Independent	4

Audit Committee Meetings were also attended by representatives of M/s. Pricewaterhouse & Co. Bangalore LLP, as Internal Auditors and of M/s. S.R. Batliboi & Co. LLP as Statutory Auditors. As required under law, Company Secretary & Chief - Compliance acted as the Secretary of the Audit Committee.

Nomination and Remuneration Committee

The role of the Nomination and Remuneration Committee include the role described in Part D(A) of the Schedule II of Listing Regulations.

The Nomination and Remuneration Committee comprises four directors all of whom are non-executive directors and more than fifty percent of the members are independent. The Chairperson of the Committee is an Independent Director.

During the year ended 31 March, 2016, one meeting of the Nomination and Remuneration Committee was held on 9 February, 2016.

During the year ended 31 March, 2016, the composition of the Nomination and Remuneration Committee and details of meeting attended by members thereof were as follows:

Name of the Members	Category	Attendance (9 February, 2016)
Mrs. Rupa Mahanty Chairperson	Non-Executive Independent	Yes
Mr. P S Dasgupta Member	Non-Executive Independent	Yes
Mr. Jai S. Pathak, Member	Non-Executive Independent	Yes
Mr. Ajay K Das Member	Non-Executive Non-Independent	No

As required under law, Company Secretary & Chief - Compliance acted as the Secretary of the Nomination and Remuneration Committee.

Performance evaluation criteria

The Nomination and Remuneration Committee of the Board has laid down the following performance evaluation criteria for the Independent Directors:

1. Active participation and contribution to discussions in Board Meetings
2. Effective use of knowledge and expertise of the directors towards the growth and betterment of the Company
3. Commitment to the highest ethical standards and values of the Company
4. Compliance with the policies of the Company and other applicable laws and regulations
5. Independence of behaviour and judgment
6. Impact and influence

Performance evaluation of the Independent Directors has been done by the entire Board of Directors excluding the evaluated director and the same forms the basis to determine whether to extend or continue the tenure of appointment of the Independent Directors.

Remuneration of Directors

Except for sitting fees paid to the Independent Directors for attending the meetings of the Board or Committees thereof, the Company does not have any pecuniary relationship or transactions with non-executive directors.

As per Company's policy, Independent Directors of the Company were paid remuneration by way of sitting fees only. Accordingly, a sum of Rs. 15,000/- was paid to each Independent Director for attending a meeting of the Board of Directors and a sum of Rs. 10,000/- was paid to each Independent Director for attending a meeting of the Committee of the Board. Other Directors were not paid any sitting fees.

The Company paid remuneration by way of salary, perquisites and allowances (fixed components) and Performance Incentive (variable component) to the Chairman & Managing Director and Whole-time Director being the executive directors on the Board of Directors of the Company, after obtaining the requisite approvals. As per practices consistently followed by the Company, Performance Incentives (variable component) were based on the performance criteria laid down at the beginning of the year broadly taking into account the profit targets set for the year under review.

Criteria for making payment to Non-Executive Directors has been disclosed in the Nomination and Remuneration Policy, attached to the Board's Report marked as Annexure - II.

Details of Remuneration of Directors for year 2015-16

Non-Executive Directors

Name of the Director	Sitting Fees (Rs.)
Mr. Jai S. Pathak	1,15,000
Mr. P. S. Dasgupta	1,40,000
Mrs. Rupa Mahanty	1,65,000
Mr. Ajay K Das	Nil

Executive Directors

(In Rupees)

Name of the Director	Salary & Allowances	Perquisites	Performance Incentive	Stock Options
Mr. Sanjay Koul	1,27,21,083	56,18,964	13,71,074	Nil
Mr. R Ramesh*	35,35,809	10,48,750	Nil	Nil
Mr. Keshava Avishrant**	17,29,005	24,739	1,61,172	Nil

* resigned with effect from 30 September, 2015

** appointed with effect from 30 September, 2015

The terms of appointment of the Executive Directors are governed by the provisions of the law and such appointment is subject to termination by either party by giving three months' notice unless termination at a shorter notice is mutually agreed by the concerned Executive Director and the Board of Directors of the Company. As per terms of appointment, none of the Executive Directors is entitled to receive any severance fees.

Stakeholders Relationship Committee

The terms of reference of the Stakeholders Relationship Committee comprise looking into redressal of grievances of shareholders, debenture holders and other securities holder and is entrusted with the responsibility to consider and resolve grievances of security holder including complaints relating to transfer of shares, non-receipt of balance sheet, non receipt of declared dividend etc. and also to authorize registration of transfer of shares, issue of duplicate / new certificates, etc.

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During the year ended 31 March, 2016, one meeting of the Stakeholders Relationship Committee was held on 9 February, 2016.

During the year ended 31 March, 2016, the composition of the Stakeholders Relationship Committee and details of meeting attended by the members thereof were as follows:

Name of the Members	Category	Attendance (9 February, 2016)
Mrs. Rupa Mahanty Chairperson	Non-Executive Independent	Yes
Mr. Sanjay Koul Member	Executive Non-Independent	Yes
Mr. Ajay K Das Member	Non-Executive Non-Independent	No

As required under law, Company Secretary & Chief - Compliance acted as the Secretary of the Stakeholders Relationship Committee.

Generally, approval of the members of Stakeholders Relationship Committee is obtained through circular resolution for effecting registration of transfer of shares, issue of duplicate/ new certificates and other issues involving investor services. During the above period, an aggregate of 41 resolutions have been approved by the Stakeholders Committee by way of circulation.

In addition, status reports, *inter alia*, on share price movement and investors' profile were circulated periodically to the members of the Stakeholders Relationship Committee.

The status of investors' queries/complaints handled by the Company and also by the Registrars & Share Transfer Agent during the financial year ended on 31 March, 2016 is given below:

No.	Particulars	Q1	Q2	Q3	Q4	Total
1.	Number of shareholders' complaints received so far	157	168	207	97	629
2.	Number not solved to the satisfaction of shareholders	0	0	0	0	0
3.	Number of pending complaints	0	0	0	0	0

General Body Meetings

Location, date and time of the last three Annual General Meetings held during the last three years:

Year	Location	Date	Day	Time	No. of Special Resolutions
2012-13	Tangerine Conference Hall Lemon Tree Hotel, Plot No. 54B/55A, Hosur Main Road, Electronic City, Phase I, Bangalore - 560 100	1 August, 2013	Thursday	10 am	–
2013-14	Tangerine Conference Hall Lemon Tree Hotel, Plot No. 54B/55A, Hosur Main Road, Electronic City, Phase I, Bangalore - 560 100	13 August, 2014	Wednesday	10 am	3
2014-15	Tangerine Conference Hall Lemon Tree Hotel, Plot No. 54B/55A, Hosur Main Road, Electronic City, Phase I, Bangalore - 560 100	12 August, 2015	Wednesday	10 am	3

Note: No Special Resolution was required to be passed in 2014-15 through Postal Ballot.

Means of Communication

Quarterly results of the Company were communicated through newspaper insertions and intimation to the Stock Exchanges and were also displayed on the Company's website.

Quarterly results were published in Economic Times (English) and Samyukta Karnataka (Kannada).

The financial results were also displayed on the Company's website at www.timken.com/india.

Official news releases and presentations made to Institutional Investors/Analyst are disclosed on Company's website at www.timken.com/india.

General Shareholders Information

1.	AGM	10 August, 2016, 10AM at Tangerine Conference Hall, Lemon Tree Hotel, Plot No. 54B/55A, Hosur Main Road, Electronic City, Phase I, Bangalore - 560 100				
2.	Financial Calendar	The financial year covers 1 April, 2015 to 31 March, 2016.				
3.	Dividend Payment Date	-				
4.	Name and address of each stock exchanges(s) at which the Company's Securities are listed and a confirmation about payment of annual listing fees	<p>Equity Shares of the Company are presently listed on the following Stock Exchanges:</p> <table border="0"> <tr> <td>The National Stock Exchange of India Limited "Exchange Plaza" Bandra Kurla Complex Bandra (E), Mumbai - 400 051</td> <td>BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400 001</td> </tr> </table> <p>The Company has paid annual listing fees to the above Stock Exchanges for the year 2015-16. Steps have been taken to get the Equity Share delisted from Magadh Stock Exchange.</p>			The National Stock Exchange of India Limited "Exchange Plaza" Bandra Kurla Complex Bandra (E), Mumbai - 400 051	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400 001
The National Stock Exchange of India Limited "Exchange Plaza" Bandra Kurla Complex Bandra (E), Mumbai - 400 051	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400 001					
5.	Stock Code	522113 (BSE), TIMKEN (NSE)				
6.	Market Price Data	Monthly High/Low of Market Prices of the Company's Equity Shares, traded on the BSE Limited, Mumbai during the financial year ended 31 March, 2016: (source : www.bseindia.com)				
		Month	High (Rs.)	Low (Rs.)		
		April 2015	637.90	535.35		
		May 2015	668.40	562.00		
		June 2015	635.80	574.45		
		July 2015	651.55	518.50		
		August 2015	608.40	557.00		
		September 2015	644.90	498.80		
		October 2015	610.00	546.40		
		November 2015	632.00	586.20		
		December 2015	621.00	557.00		
		January 2016	580.00	525.00		
		February 2016	559.00	442.00		
		March 2016	490.50	410.30		

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7.	Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc.	Performance of the Company's Share Prices in comparison of the BSE Sensex is given below:																																								
<table border="1"> <caption>Approximate data from the chart</caption> <thead> <tr> <th>Month</th> <th>Price (Rs.)</th> <th>Sensex (Points)</th> </tr> </thead> <tbody> <tr><td>Apr-15</td><td>600.00</td><td>28500.00</td></tr> <tr><td>May-15</td><td>500.00</td><td>28000.00</td></tr> <tr><td>Jun-15</td><td>500.00</td><td>28000.00</td></tr> <tr><td>Jul-15</td><td>550.00</td><td>28000.00</td></tr> <tr><td>Aug-15</td><td>550.00</td><td>28000.00</td></tr> <tr><td>Sep-15</td><td>350.00</td><td>27000.00</td></tr> <tr><td>Oct-15</td><td>450.00</td><td>27500.00</td></tr> <tr><td>Nov-15</td><td>400.00</td><td>27500.00</td></tr> <tr><td>Dec-15</td><td>320.00</td><td>27000.00</td></tr> <tr><td>Jan-16</td><td>320.00</td><td>26500.00</td></tr> <tr><td>Feb-16</td><td>200.00</td><td>26000.00</td></tr> <tr><td>Mar-16</td><td>250.00</td><td>26500.00</td></tr> </tbody> </table>			Month	Price (Rs.)	Sensex (Points)	Apr-15	600.00	28500.00	May-15	500.00	28000.00	Jun-15	500.00	28000.00	Jul-15	550.00	28000.00	Aug-15	550.00	28000.00	Sep-15	350.00	27000.00	Oct-15	450.00	27500.00	Nov-15	400.00	27500.00	Dec-15	320.00	27000.00	Jan-16	320.00	26500.00	Feb-16	200.00	26000.00	Mar-16	250.00	26500.00	
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Mar-16	250.00	26500.00																																								
8.	Securities are suspended from trading	Not Applicable																																								
9.	Registrars & Share Transfer Agent	C B Management Services (P) Limited P-22, Bondel Road, Kolkata - 700 019 Phone No. 033 40116700																																								
10.	Share Transfer System	<p>Requests for registration of transfer of shares held in physical form may be lodged with C B Management Services (P) Limited at Kolkata or may also be sent to Company Secretary & Chief - Compliance at the Registered Office of the Company at Bangalore.</p> <p>All valid requests for registration of transfer are normally processed within 10 - 12 days from the date of receipt of the documents, if the same are complete in all respect.</p> <p>A Committee of the Board under the title "Stakeholders Relationship Committee" has been entrusted with the authority, <i>inter alia</i>, to approve registration of transfer of shares.</p>																																								
11.	Distribution of Share holding	<p>The distribution of shareholding as on 31 March, 2016 is given below :</p> <table border="1"> <thead> <tr> <th>Range (Rs.)</th> <th>Accounts</th> <th>Shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>1 – 5000</td> <td>52816</td> <td>5782687</td> <td>8.50</td> </tr> <tr> <td>5001 – 10000</td> <td>1171</td> <td>887724</td> <td>1.31</td> </tr> <tr> <td>10001 – 20000</td> <td>462</td> <td>671336</td> <td>0.99</td> </tr> <tr> <td>20001 – 30000</td> <td>133</td> <td>334437</td> <td>0.49</td> </tr> <tr> <td>30001 – 40000</td> <td>61</td> <td>218104</td> <td>0.32</td> </tr> <tr> <td>40001 – 50000</td> <td>39</td> <td>182928</td> <td>0.27</td> </tr> <tr> <td>50001 – 100000</td> <td>69</td> <td>515600</td> <td>0.76</td> </tr> <tr> <td>100001 and above</td> <td>85</td> <td>59407168</td> <td>87.36</td> </tr> <tr> <td></td> <td>54836</td> <td>67999984</td> <td>100.00</td> </tr> </tbody> </table>	Range (Rs.)	Accounts	Shares	%	1 – 5000	52816	5782687	8.50	5001 – 10000	1171	887724	1.31	10001 – 20000	462	671336	0.99	20001 – 30000	133	334437	0.49	30001 – 40000	61	218104	0.32	40001 – 50000	39	182928	0.27	50001 – 100000	69	515600	0.76	100001 and above	85	59407168	87.36		54836	67999984	100.00
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12.	Dematerialisation of Shares and liquidity	The Company has arrangements with National Securities Depositories Ltd. (NSDL) as well the Central Depository Services (India) Ltd. (CDSL) for Demat facility. As on 31 March, 2016, 96.43% of the Company's Equity Share Capital is dematerialized. The Equity shares of the Company are listed as aforesaid and are regularly traded on BSE and NSE, Mumbai.	
13.	Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity	Nil	
14.	Commodity price risk or foreign exchange risk and hedging activities	Not Applicable	
15.	Plant location	The Company's Plants are located at : <ul style="list-style-type: none"> ● Bara, P.O. Agrico, Jamshedpur – 831 009. ● 1403/4 G. E. Road, Sy. No. 46 and 1403/5, Raipur, Chhattisgarh - 490 042. 	
15.	Address for correspondence	Investor related queries may be addressed to the following addresses :	
		Company Secretary & Chief – Compliance Timken India Limited 39-42, Electronic City, Phase II, Hosur Road, Bangalore – 560 100 Tel. No. 080 – 40053131 Fax No. 080 – 41362010 e-mail: soumitra.hazra@timken.com	C B Management Services (P) Limited P-22, Bondel Road Kolkata – 700 019 Tel. No. 033 – 40116700, 40116725, 40116729 e-mail: rta@cbmsl.com

Other Disclosures

There was no materially significant related party transaction that may have potential conflict with the interest of the Company at large during the financial year 2015-16. (Senior management personnel have declared that during the year ended 31 March, 2016, Company did not enter into transaction they had personnel interest).

Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchange / SEBI or any statutory authority on any matters related to capital markets during the last three years - NIL.

The Company has adopted a Whistle Blower Policy in terms of which the Directors and Associates of the Company have access to "The Timken Helpline", a toll free phone number that any associate can call, if he has any concern or question, which he is not willing to discuss face to face with his Supervisor, Manager or a Member of the Human Resource Team or Senior Management. This Helpline is available around the clock, every day. No call tracing or recording devices are ever used and if the Associate so wishes, he may remain completely anonymous. In terms of the said policy, associates of the Company have got direct access to the Chairman of the Audit Committee to report matters of exceptional nature.

The Company follows the open door policy and adequate safeguards have been provided against victimization of the reporting directors/associates. The Whistle Blower Policy of the Company is disclosed on the Company's website at www.timken.com/india.

The Company does not have any subsidiary Company and therefore, policy for determining 'material' subsidiaries is not applicable. Policy on dealing with related party transactions is disclosed on the website of the Company and can be seen at : www.timken.com/india.

The Compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of Sub-regulation (2) of Regulation 46 of Listing Regulations has been disclosed in this report. The Company has complied with all the mandatory requirements in terms of Regulation 27 and Schedule V - C of Listing Regulations. The status on compliance with non-mandatory requirements is as below:

- A. Chairman of the Board - The Chairman of the Board of Directors being Executive Director under the designation Chairman & Managing Director, these provisions are not applicable.

- B. Shareholders' Rights - Half-yearly declaration of financial performance are not currently sent to each of the household of Shareholders but are published in terms of Regulation 47(3) of Listing Regulations in certain newspapers and also sent to the Stock Exchanges. Besides, all the quarterly/ half-yearly/ annual financial results are published on the Company's website.
- C. Audit Qualification - The Auditors' Report on the Company's financial statements does not contain any qualification.
- D. Separate posts of Chairperson and Chief Executive Officer - Currently the posts of Chairman and Chief Executive Office are held by the same person designated as Chairman & Managing Director.
- E. Reporting of Internal Auditor - M/s. Pricewaterhouse & Co. Bangalore LLP was the Internal Auditors for 2015-16 and during the tenure, they reported to the Audit Committee of the Board.

For and on behalf of the Board of Directors

Bangalore
20 May, 2016

Sanjay Koul
Chairman & Managing Director
DIN: 05159352

Auditors' Certificate

To
The Members of Timken India Limited

We have examined the compliance of conditions of corporate governance by Timken India Limited, for the year ended on March 31, 2016, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of said Company with stock exchanges.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Per Kamal Agarwal

Partner
Membership Number: 058652
Place of Signature: Bangalore
Date : 20 May, 2016

Annexure - X

Declaration in terms of Schedule V (D) of Listing Regulations - Code of Conduct

This is to confirm that the Company has adopted Business Ethics Policy - Code of Conduct for its employees and members of the Board of Directors. This code is posted on Company's website.

I confirm that the Company has received from the Senior Management Team of the Company and from the members of the Board of Directors a declaration of compliance with the code for the financial year ended 31 March, 2016.

For the purpose of this declaration, Senior Management Team means members of management one level below the executive directors as on 31 March, 2016.

For and on behalf of the Board of Directors

Bangalore
20 May, 2016

Sanjay Koul
Chairman & Managing Director
DIN: 05159352

Annexure - XI

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L29130KA1996PLC048230
2.	Name of the Company	Timken India Limited
3.	Registered address	39-42 Electronic City, Phase II, Hosur Road, Bangalore 560100
4.	Website	www.timken.com/india
5.	E-mail id	soumitra.hazra@timken.com
6.	Financial Year reported	2015-16
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	2814 - manufacture of bearings, gears, gearing and driving elements (as per NIC 2008)
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	1. Bearings; 2. Components; and 3. Maintenance and refurbishment Services
9.	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5)	Nil
	(b) Number of National Locations	1. Jamshedpur 2. Raipur 3. Bangalore 4. Delhi 5. Kolkata 6. Pune
10.	Markets served by the Company Local/State / National /International	Local, State, National and International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	679,886,340
2.	Total Turnover (INR)	Rs. 10,675,638,845
3.	Total profit after taxes (INR)	Rs. 919,060,555
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.85% (with respect to 3 above)
5.	List of activities in which expenditure in 4 above has been incurred:	The areas in which the above expenditure has been incurred includes Preventive Healthcare, Promoting Education and Prime Minister's National Relief Fund

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	No
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company collaborates with all relevant stakeholders including suppliers, distributors and other entities as part of the business responsibility initiatives of the Company. At present, the number of entities which directly or indirectly participate in the above initiatives is estimated to be less than 30%

SECTION D: BR INFORMATION

1.	Details of Director/Directors responsible for BR:	
(a)	Details of the Director/Directors responsible for implementation of the BR Policy/Policies	
	1.	DIN Number 07292484
	2.	Name Mr. Avishrant Keshava
	3.	Designation Business Controller- India, CFO and Whole-time Director
(b)	Details of the BR head	
	No.	Particulars Details
	1.	DIN Number (if applicable) 07292484
	2.	Name Mr. Avishrant Keshava
	3.	Designation Business Controller- India, CFO and Whole-time Director
	4.	Telephone number 080-41362015
	5.	e-mail id avishrant.keshava@timken.com

SECTION D: BR INFORMATION (Contd.)

2.	Principle-wise (as per NVGs) BR Policy/Policies										
(a)	Details of compliance (Reply in Y/N)										
	No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	1	Do you have a policy/ policies for..	✓	✓	✓	✓	✓	✓	✓	✓	✓
	2	Has the policy being formulated in consultation with the relevant stakeholders?	✓	✓	✓	✓	✓	✓	✓	✓	✓
	3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	✓	✓	✓	✓	✓	✓	✓	✓	✓
	4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	✓	✓	✓	✓	✓	✓	✓	✓	✓
	5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	✓	✓	✓	✓	✓	✓	✓	✓	✓
	6	Indicate the link for the policy to be viewed online?	http://www.timken.com/EN-IN/INVESTORS/Pages/Policies.aspx								
	7	Has the policy been formally communicated to all relevant internal and external stakeholders?	✓	✓	✓	✓	✓	✓	✓	✓	✓
	8	Does the Company have in-house structure to implement the policy/ policies.	✓	✓	✓	✓	✓	✓	✓	✓	✓
	9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	✓	✓	✓	✓	✓	✓	✓	✓	✓
	10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	✓	✓	✓	✓	✓	✓	✓	✓	✓
(b)	If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)										
	No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	1.	The Company has not understood the Principles	Not Applicable								
	2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
	3.	The Company does not have financial or manpower resources available for the task									
	4.	It is planned to be done within next 6 months									
	5.	It is planned to be done within the next 1 year									
	6.	Any other reason (please specify)									
3.	Governance related to BR										
(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year		At least once annually								
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?		This is first Business Responsibility Report. It is available at www.timken.com/india . Henceforth, it will be published annually along with Annual Report								

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1		
1.	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?	The Company's code of conduct is based primarily on the code of conduct of The Timken Company, ultimate parent Company which is followed by all the entities in Timken group worldwide. The principles of this code of conduct are expected to be adhered by the other stakeholders including customers and vendors.
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	Nil

Principle 2		
1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	The Company does not design products. Designing is done by the our ultimate parent company at the headquarters in US and corporate global citizenship principles are followed in this regard. Some of the examples of our group products designed by adhering to the above principles are given below - Fuel Efficient Bearings for Vehicle - Timken fuel-efficient bearings for cars, trucks and other vehicles reduce friction by 25 percent and improve fuel economy by as much as 2 percent over traditional bearings Fuel Efficiency in Rail Transport - Our low-torque designs and innovative lubrication technology deliver fuel-efficiency in freight, locomotive, passenger, tram and high-speed operations around the world Reuse, Reliability and Savings - When it comes to remanufacturing and repair, we provide customers with an environmentally friendly way to improve the return on their bearing investment. Our remanufacturing procedures restore a large bearing's original major components using a fraction of the materials and energy required to manufacture a replacement
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Please refer to comments above
3	Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	Yes In India we are focusing more on localization and procuring maximum possible within the 100 Km Region of the location. So far our Jamshedpur plant spends 53% of its total procurement value from sources based locally in and around Jamshedpur through procurement of rings/ rollers and heat treatment services.
4	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Yes. In India we are focusing more on localization and procuring maximum possible within the 100 Km Region of the location. As a part of our lean supply chain concept, we encourage our local sources to develop their capacity and capability continually. The Company also does handholding with suppliers in such cases.
5	Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	The Company recycles less than 5 % of its products and more than 10 % in waste. In addition to that our Jamshedpur Plant is a ZERO liquid discharge Plant. The product waste (scrap) is melted and reused in steel making process. The grinding sludge is recycled in cement Klins. Wood waste is recycled to alternate applications (including new pallets making etc)

Principle 3			
1.	Please indicate the Total number of employees	637 as on 31 March, 2016	
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	Contractual & Contingents - 1189 and Trainees - 162 as on 31 March, 2016	
3.	Please indicate the Number of permanent women employees.	17 as on 31 March, 2016	
4.	Please indicate the Number of permanent employees with disabilities	0	
5.	Do you have an employee association that is recognized by management	There is an employee union in Jamshedpur for operators	
6.	What percentage of your permanent employees is members of this recognized employee association?	41%	
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	None	
	No.	Category	No of complaints filed during the financial year
	1.	Child labour/forced labour/involuntary labour	Nil
	2.	Sexual harassment	Nil
	3.	Discriminatory employment	Nil
8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?		
	(a)	Permanent Employees	100% in all locations for safety training, skill training is on need basis
	(b)	Permanent Women Employees	As mentioned above
	(c)	Casual/Temporary/Contractual Employees	As mentioned above
	(d)	Employees with Disabilities	Not applicable

Principle 4			
1.	Has the company mapped its internal and external stakeholders? Yes/No	Yes	
2.	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?	Yes	
3.	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so	The Company's manufacturing facilities are located at Jamshedpur and Raipur which are inhabited by people belonging to economically weaker section of the society. The Company endeavours to focus on providing educational support and preventive healthcare to them.	

Principle 5			
1.	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	The Company's code of conduct is based primarily on the code of conduct of The Timken Company, which is followed by all the entities in Timken group worldwide. The principles of this code of conduct are expected to be adhered by the other stakeholders including customers and vendors.	
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Nil	

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Principle 6		
1.	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.	The Company's EHS Policy is based primarily on the EHS Policy of The Timken Company, which is followed by all the entities in Timken group worldwide. The principles of this Policy are expected to be adhered by the other stakeholders including customers and vendors.
2.	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Link to our global web site for global citizenship. http://www.timken.com/EN-US/ABOUT/CITIZENSHIP/Pages/default.aspx
3.	Does the company identify and assess potential environmental risks? Y/N	Yes. This is being done through our ISO 14001 environmental management system using tools such as aspect and impact analysis
4.	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	As of now, we are not filing any environmental compliance reports
5.	Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Yes. We are pursuing our expansion project at Jamshedpur in compliance with IGBC guidelines and we are working towards IGBC certification for this project. We are aspiring for silver category in this by end of this year
6.	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes
7.	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Zero
Principle 7		
1.	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	a. Confederation of Indian Industries b. American Chamber of Commerce in India c. Ball and Roller Bearing Manufacturers Association
2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes Through providing suggestions at the time of finalisation of union/local budgets, to ensure ease of doing business in India through removal of complicated regulations, drive against spurious products etc.
Principle 8		
1.	Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	The Company has programmes, inter alia, for providing healthcare facilities and promoting education.
2.	Are the programmes/projects undertaken through in-house team/ own foundation/ external NGO/ government structures/any other organization?	Programmes run by NGO's and service providers directly are being supported.
3.	Have you done any impact assessment of your initiative?	Is being done.
4.	What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?	For details, please refer Annexure - IV to Board's Report.
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Not applicable.
Principle 9		
1.	What percentage of customer complaints/ consumer cases are pending as on the end of financial year	Nil
2.	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)	Yes, the Company adheres to Legal Metrology Regulations.
3.	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No
4.	Did your company carry out any consumer survey/ consumer satisfaction trends?	No

Independent Auditor's Report

To the Members of Timken India Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Timken India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer note 6 and note 29 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place of Signature: Bangalore
Date: May 20, 2016

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005
per Kamal Agarwal
Partner
Membership Number: 058652

Annexure - 1 referred to in paragraph 1 of the section on "Report on other legal and regulatory requirements" of our report of even date

To The Members of Timken India Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All Fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us , the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly , the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act, 2013 in respect of investments made have been complied with by the Company.
- (v) The Company has not accepted any deposit from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of Company's product, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues applicable to it. The provisions relating to employees' state insurance are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demands	38,531,432	Assessment year 2002-03, 2005-06 to 2007-08	Income Tax Appellate Tribunal
		77,255,835	Assessment year 1998-99, 2004-05, 2008-09 to 2012-13	Commissioner of Income Tax (Appeals), Jamshedpur
Various State Sales Tax Acts	Demand relating to non-submission of local forms and other documents/ dispute related to VAT credit/dispute relating to classification of goods	147,280,415	1994-95 to 2013-14	Various Appellate Authorities

TIMKEN INDIA LIMITED

Name of the Statute	Nature of Dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax demands	27,787,040	2003-2009	Central Excise and Service Tax Appellate Tribunal, Kolkata
Central Excise Act, 1944	Excise duty demands	3,267,466	2008-2011	Various CESTAT
Customs Act, 1962	Custom duty demands*	5,342,875	2007	High Court, Ranchi

* The Company has received stay order from the High Court against the demand.

- (viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a bank. The Company did not have any outstanding debentures or dues to financial institution or government during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer/ further public offer/ debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud/material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the Information and explanations given by the management, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provision of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statement , as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non- cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanation given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the company.

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Kamal Agarwal
Partner
Membership Number: 058652

Place of Signature: Bangalore
Date: May 20, 2016

**Annexure - 2 to the Independent Auditor's Report of even date on the Financial Statements of Timken India Limited
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of
the Companies Act, 2013 ("the Act")**

To the Members of Timken India Limited

We have audited the internal financial controls over financial reporting of Timken India Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year on that date.

Management's Responsibility for Internal Financial controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial control over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal financial Control and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Kamal Agarwal
Partner
Membership Number: 058652

Place of Signature: Bangalore
Date: May 20, 2016

Balance Sheet as at March 31, 2016

	Notes	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
EQUITY AND LIABILITIES			
1 SHAREHOLDERS' FUNDS			
(a) Share Capital	3	679,886,340	679,884,340
(b) Reserves and Surplus	4	4,541,412,981	3,704,581,293
		5,221,299,321	4,384,465,633
2 NON-CURRENT LIABILITIES			
(a) Other Long-term Liabilities	5	20,394,987	18,034,987
(b) Long-term Provisions	6	95,295,270	88,381,301
		115,690,257	106,416,288
3 CURRENT LIABILITIES			
(a) Short-term Borrowings	7	43,098,008	25,155,417
(b) Trade Payables	8		
- Total outstanding dues of micro enterprises and small enterprises		13,697,469	16,421,676
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,116,254,771	843,143,453
(c) Other current liabilities	8	272,411,800	346,186,624
(d) Short-term provisions	6	225,681,421	132,158,270
		1,671,143,469	1,363,065,440
Total		7,008,133,047	5,853,947,361
ASSETS			
1 NON-CURRENT ASSETS			
(a) Fixed Assets			
(i) Tangible assets	9	1,351,615,234	1,059,951,943
(ii) Intangible assets	10	3,695,502	8,622,835
(iii) Capital Work in Progress		208,268,778	268,118,792
(iv) Intangible assets under development		472,500	-
(b) Non-current Investments	11A	300,000	300,000
(c) Deferred tax assets (net)	12	32,663,091	39,060,154
(d) Long-term loans and advances	13	396,203,893	232,894,043
		1,993,218,998	1,608,947,767
2 CURRENT ASSETS			
(a) Current Investments	11B	383,547,902	166,472,578
(b) Inventories	14	1,859,364,412	1,674,597,153
(c) Trade Receivables	15	1,942,209,286	1,742,184,248
(d) Cash and bank balances	16	333,820,243	237,198,897
(e) Short-term loans and advances	13	304,238,408	316,050,295
(f) Other current assets	17	191,733,798	108,496,423
		5,014,914,049	4,244,999,594
Total		7,008,133,047	5,853,947,361
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

For S R BATLIBOI & Co. LLP

Firm Registration No. 301003E/E300005
Chartered Accountants

Sanjay Koul

Chairman, Managing Director & CEO
DIN - 05159352

Avishrant Keshava

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

Per KAMAL AGARWAL

Partner

Membership No. 058652
Bangalore, May 20, 2016

Soumitra Hazra

Company Secretary & Chief - Compliance
Bangalore, May 20, 2016

Statement of Profit and Loss for the year ended March 31, 2016

	Notes	Year ended March 31, 2016 Rupees	Year ended March 31, 2015 Rupees
INCOME			
a) Revenue from operations (Gross)	18	11,207,353,939	9,671,082,677
Less : Excise duty recovered		588,336,318	381,440,279
Revenue from operations (Net)		10,619,017,621	9,289,642,398
b) Other Income	19	56,621,224	59,409,837
Total (I)		10,675,638,845	9,349,052,235
EXPENSES			
c) Cost of raw materials and components consumed	20	3,754,284,935	3,235,665,202
d) Purchase of traded goods	21A	2,838,394,437	2,503,859,615
e) Increase in Stock of Finished goods, Traded goods and Work in Progress	21B	(217,064,704)	(193,805,390)
f) Excise duty on movement in stock of finished goods	37	10,917,679	30,240,041
g) Employee Benefits expense	22	680,818,684	667,943,761
h) Other Expenses	23	1,926,502,694	1,708,679,253
Total (II)		8,993,853,725	7,952,582,482
Earnings before interest, tax, depreciation & amortisation and exceptional item (I - II)		1,681,785,120	1,396,469,753
i) Depreciation (also refer note 2.1 a)	9	219,655,348	162,213,479
j) Amortisation expense	10	4,927,333	5,374,958
k) Finance costs	24	9,186,048	5,746,327
Profit before Exceptional item & tax		1,448,016,391	1,223,134,989
l) Exceptional items	38	30,094,118	-
Profit after Exceptional item & before tax		1,417,922,273	1,223,134,989
m) Tax Expenses			
- Current Tax (includes Rs.7,139,824 (Rs.3,076,560) relating to previous years)		492,464,655	410,240,327
- Deferred Tax		6,397,063	5,955,681
Total Tax Expense		498,861,718	416,196,008
Profit after tax		919,060,555	806,938,981
n) EARNINGS PER SHARE - Basic & Diluted	25	13.52	11.87
Nominal value of shares Rs.10 (Previous Year Rs.10)			
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

For S R BATLIBOI & Co. LLP

Firm Registration No. 301003E/E300005
Chartered Accountants

Sanjay Koul

Chairman, Managing Director & CEO
DIN - 05159352

Avishrant Keshava

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

Per KAMAL AGARWAL

Partner
Membership No. 058652
Bangalore, May 20, 2016

Soumitra Hazra

Company Secretary & Chief - Compliance
Bangalore, May 20, 2016

Cash Flow Statement for the year ended March 31, 2016

	Year ended March 31, 2016 Rupees		Year ended March 31, 2015 Rupees	
A. Cash Flow from Operating Activities :				
Net Profit before tax		1,417,922,273		1,223,134,989
Adjustments to reconcile profit before tax to net cash flows :				
Depreciation and amortisation	224,582,681		167,588,437	
Interest income	(3,245,743)		(5,593,157)	
Interest expense	9,186,048		5,746,327	
Dividend Income	(20,702,388)		(23,431,918)	
(Profit)/Loss on sale of assets (Net)	(3,038,252)		1,465,181	
Provision no longer required written back	(5,402,541)		(13,010,134)	
Unrealised foreign exchange loss / (gain)	40,760,214		(6,596,753)	
Exceptional item (refer note 38)	30,094,118		-	
Provision for Wealth Tax	-		60,000	
		272,234,137		126,227,983
Operating Profit before Working Capital Changes		1,690,156,410		1,349,362,972
Adjustments for movement in Working Capital:				
(Increase) in Trade receivable, Loans and Advances & Other current assets	(466,262,126)		(452,096,200)	
(Increase) in Inventories	(184,767,259)		(306,982,591)	
Increase in Liabilities and Provisions	420,092,756		273,772,722	
		(230,936,629)		(485,306,069)
Cash Generated from Operations		1,459,219,781		864,056,903
Direct Taxes paid (net of refund)		(508,940,071)		(439,103,216)
Cash flow from operating activities before exceptional items		950,279,710		424,953,687
Proceeds of settlement in respect of loss due to fire - Exceptional item		45,976,725		-
Net Cash from Operating Activities (A)		996,256,435		424,953,687
B. Cash Flow from Investing Activities :				
Purchase of Fixed Assets including capital work in progress and capital advances		(646,791,914)		(263,645,801)
Proceeds from Sale of Fixed Assets		3,379,831		189,811
Dividend received		20,702,388		23,431,918
Interest received		2,094,204		5,593,157
Investments in bank deposits (having original maturity of more than three months)		(50,000,000)		-
Redemption/ maturity of bank deposits (having original maturity of more than three months)		20,000,000		-
Net Cash used in Investing Activities (B)		(650,615,491)		(234,430,915)

Cash Flow Statement for the year ended March 31, 2016

	Year ended March 31, 2016 Rupees		Year ended March 31, 2015 Rupees	
C. Cash Flow from Financing Activities :				
Interest paid		(4,654,561)		(4,044,862)
Proceeds/(repayment) from/(of) short term borrowings		17,942,589		(7,219,111)
Dividend paid		-		(203,964,477)
Tax on dividend distribution		-		(41,761,055)
Proceeds from Calls in arrears		2,000		5,000
Net Cash used (in)/from Financing Activities (C)		13,290,028		(256,984,505)
Net Increase/(Decrease) in Cash and Cash equivalents (A + B + C)		358,930,972		(66,461,733)
Cash and Cash equivalents - Opening Balance		390,629,684		457,091,417
Cash and Cash equivalents - Closing Balance *		749,560,656		390,629,684

* Includes dividend account balance Rs.35,680,271 (Rs.35,993,153) which will be utilised only for the payment of dividend.

Cash and cash equivalents consist of cash on hand, cheques in hand, balances with banks and short term investments with a maturity period of 90 days or less. Cash and cash equivalents included in the cash flow statement comprises the following balance sheet amounts :

	As at March 31, 2016	As at March 31, 2015
Cash on hand and balances with banks (refer. Note 16)	333,820,243	237,198,897
Short term Investments (refer Note 11B)	383,547,902	166,472,578
Cash & Cash equivalents	717,368,145	403,671,475
Effect of exchange differences on cash & cash equivalents held in foreign currency	32,192,511	(13,041,791)
Cash and cash equivalents	749,560,656	390,629,684
Summary of significant accounting policies - Refer Note 2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

For S R BATLIBOI & Co. LLP

Firm Registration No. 301003E/E300005
Chartered Accountants

Sanjay Koul

Chairman, Managing Director & CEO
DIN - 05159352

Avishrant Keshava

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

Per KAMAL AGARWAL

Partner
Membership No. 058652
Bangalore, May 20, 2016

Soumitra Hazra

Company Secretary & Chief - Compliance
Bangalore, May 20, 2016

Notes to financial statements as at and for the year ended March 31, 2016

1. CORPORATE INFORMATION

Timken India Limited (the Company) was incorporated on 15th June 1987. The Company is primarily into manufacture and distribution of tapered roller bearings, components and accessories for the automotive sector and the railway industry. It also provides maintenance contract services and refurbishment services. The Company also has a gear box repairing facility at Raipur where it provides repair and maintenance services of industrial gear boxes.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year except for the change in accounting policy explained below.

2.1 Summary of significant accounting policies

a) Change in accounting policy

Component Accounting

The Company has adopted component accounting as required under Schedule II to the Companies Act, 2013 from 1 April 2015. The Company was previously not identifying components of fixed asset separately for depreciation purposes; rather, a single useful life/ depreciation rate was used to depreciate each item of fixed asset.

Due to application of Schedule II to the Companies Act, 2013, the Company has changed the manner of depreciation for its fixed asset. Now, the Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. The Company has used transitional provisions of Schedule II to adjust the impact of component accounting arising on its first application. If a component has zero remaining useful life on the date of component accounting becoming effective, i.e., 1 April 2015, its carrying amount, after retaining any residual value, is charged to the statement of profit and loss. The carrying amount of other components, i.e., components whose remaining useful life is not nil on 1 April 2015, is depreciated over their remaining useful lives.

Had the Company continued to use the earlier policy of depreciating fixed asset, its financial statements for the period would have been impacted as below:

Depreciation for the current period would have been lower by Rs.24,139,989. Profit for the current period would have been higher by Rs.15,785,622 (net of tax impact of Rs. 8,354,367). Fixed asset would correspondingly have been higher by Rs.24,139,989.

On the date of component accounting becoming applicable, i.e., 1 April 2015, there was no component having zero remaining useful life.

(b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Notes to financial statements as at and for the year ended March 31, 2016

(c) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with delivery to the customers. The Company collects sales taxes and value added taxes (VAT) on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise Duty deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability arisen during the year.

Income from Services

Revenue from agency commission and maintenance and service contracts are recognized pro-rata over the period of the contract as and when services are rendered. The Company collects service tax on behalf of the Government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

Export Incentive Income

Export incentives are recognized when the right to receive such incentives as per the applicable terms is established, in respect of the exports made and when there is no significant uncertainty regarding the ultimate realization / utilization of such incentives.

Dividends

Revenue for dividend income is recognized when the right to receive payment is established by the reporting date.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Statement of Profit and Loss.

d) Tangible and Intangible Assets

Tangible Assets are stated at cost of acquisition less accumulated depreciation and impairment loss (if any). Cost of acquisition includes the purchase price, duties (net of Cenvat), taxes, incidental expenses and erection / commissioning expenses which are directly attributable in bringing the asset to its working condition for the intended use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The Company identifies and determines cost of each component of an asset separately, if the component has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the useful life of the principal asset. These components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the Statement of Profit and Loss in the year in which the expenditure is incurred.

Notes to financial statements as at and for the year ended March 31, 2016

e) Depreciation/Amortization

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. The Company has used the following rates to provide depreciation on its fixed assets.

	Useful lives estimated by the management (years)
Factory Building	6 to 30
Furniture & Fixtures	10
Plant & Machineries (Including Tools)	3 to 15
Computers	3 to 6
Intangibles	3
Vehicles	8
Office Equipment	5

The useful life of buildings and plant and machinery as estimated by the management supported by independent assessment by professionals, are lower than those indicated in Schedule II to the Companies Act, 2013.

f) Foreign Currency Translations

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange differences

All other exchange differences are recognized as income or as expenses in the period in which they arise.

g) Inventories

Inventories are valued as follows :

Raw materials, components, stores and spares	Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.
Work-in-progress and finished goods	Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.
Trading goods	Lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Excise Duty is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of finished goods stock lying at the manufacturing locations as on the balance sheet date.

Notes to financial statements as at and for the year ended March 31, 2016

h) Retirement and other Employees Benefits

- i) Gratuity is administered through an approved benefit fund. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- ii) The liability on account of long term compensated absences and death benefit scheme due to the employees are provided for on the basis of an actuarial valuation on projected unit credit method at the end of each financial year.
- iii) Retirement benefits in the form of Provident Fund and Superannuation / Pension Schemes are charged to the statement of profit & loss of the year when an employee renders the related service. Interest shortfall, if any, on Provident Fund, which is managed through a private trust, are provided for based on year-end actuarial valuation on projected unit credit method.
- iv) Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.
- v) The long-term and short term classification of gratuity, death benefit scheme, provident fund and compensated absence liabilities is based on the actuarial valuations.

i) Leases

Assets taken on lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Assets given on lease

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the Statement of Profit and Loss. An initial direct cost such as legal and professional cost etc. are recognized immediately in the Statement of Profit and Loss.

j) Income Taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

k) Investments

Investments that are readily realizable and intended to be held for not more than a year from the date on which such investments are made, are classified as current Investments. All other investments are classified as long-term investments.

Notes to financial statements as at and for the year ended March 31, 2016

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

l) Borrowing Costs

- i) Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.
- ii) Borrowing costs that are directly attributable to the acquisition / construction or production of a qualifying asset are capitalized as part of the cost of that asset till the time it is ready to put to use.
- iii) All other borrowing costs are recognized as expenditure during the period in which these are incurred.

m) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

n) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

o) Impairment

- i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.
- ii) After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.
- iii) A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

p) Earnings Per Share

Basic Earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Notes to financial statements as at and for the year ended March 31, 2016

q) Segment Reporting Policies

Identification of segments:

The Company's business includes manufacture and sale of bearings and related components and providing services in connection with or incidental to such sales.

The Company also provides repair and maintenance services of industrial gear boxes.

Secondary reportable segments are based on geographical location of customers. The geographical segments have been disclosed based on revenues within India and outside India.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Segment Accounting Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

r) Cash & Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand, cheques in hand, remittances in transit and short-term investments with an original maturity of three months or less.

- s) As permitted by the Guidance Note on the Revised Schedule VI to the erstwhile Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. In its measurement, the Company does not include depreciation and amortisation expense, finance costs and tax expense.

NOTE 3 : SHARE CAPITAL

		As at March 31, 2016 Rupees		As at March 31, 2015 Rupees
Authorised :				
75,000,000 (75,000,000) Equity Shares of Rs. 10/- each		750,000,000		750,000,000
2,600,000 (2,600,000) 9% Cumulative Redeemable Preference Shares of Rs.100/- each		260,000,000		260,000,000
		1,010,000,000		1,010,000,000
Issued :				
68,015,134 (68,015,134) Equity Shares of Rs.10/- each		680,151,340		680,151,340
Subscribed and Fully Paid-up:				
67,975,184 (67,974,784) Equity Shares of Rs. 10/- each fully paid-up		679,751,840		679,747,840
Subscribed and partly paid-up:				
24,800 (25,200) Equity Shares of Rs. 10/- each	248,000		252,000	
Less: Calls in Arrears - other than directors *	113,500	134,500	115,500	136,500
		679,886,340		679,884,340

Notes:

- * (i) Calls in arrears have been computed on the basis of information certified by the Registrar & Share Transfer Agent of the Company.
(ii) No Equity shares have been allotted during the year ended March 31, 2016 out of 15,150 shares of Rs. 10/- each kept in abeyance as at 31st March, 1998.

Notes to financial statements as at and for the year ended March 31, 2016

a Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares	March 31, 2016		March 31, 2015	
	No. of Shares	Rupees	No. of Shares	Rupees
At the beginning of the year	67,999,984	679,884,340	67,999,984	679,879,340
Calls in arrears	-	2,000	-	5,000
Outstanding at the end of the year	67,999,984	679,886,340	67,999,984	679,884,340

b Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board has recommended, subject to approval of the shareholders at the next Annual General Meeting, payment of dividend of Re.1 (PY Rs 3/-) per equity share of Rs.10 each fully paid. This dividend if declared at the Annual General Meeting, will be paid to all the eligible shareholders - in respect of shares held in physical form to those share holders whose names will appear on the register of members of the Company as at the close of business on August 3, 2016 and in respect of shares held in de-materialised form to those beneficial owners whose names will appear as on August 3, 2016 in the list to be provided by the depository.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c Details of shareholders holding more than 5% shares in the company (Refer note (i) & (ii) below)

	March 31, 2016			March 31, 2015		
	No. of Shares	Amount in Rs.	% of share holding	No. of Shares	Amount in Rs.	% of share holding
Timken Singapore PTE Limited, the holding company	50,999,988	509,999,880	75%	50,999,988	509,999,880	75%

Notes:

- (i) Out of the total shares issued, 50,999,988 fully paid-up Equity shares of Rs. 10/- each are held by Timken Singapore PTE Limited. However, the Timken Company, USA happens to be the Ultimate Holding Company.
- (ii) As per records of the Company, including its register of shareholders/ members, the above shareholding represents legal ownerships of shares.

Notes to financial statements as at and for the year ended March 31, 2016

NOTE 4 : RESERVES & SURPLUS

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
a) Capital Redemption Reserve	260,000,000	260,000,000
b) Securities premium account	435,524,346	435,524,346
c) General Reserve		
Opening balance	239,284,176	158,590,278
Add: amount transferred from surplus in the statement of profit and loss	-	80,693,898
Closing Balance	239,284,176	239,284,176
d) Surplus in the statement of profit and loss		
Opening balance	2,769,772,771	2,289,253,220
Add: Profit for the year	919,060,555	806,938,981
Less: Appropriations		
Proposed Final Equity Dividend Re. 1 per share (Previous year - Interim and final Dividend Rs.3 per share) (Refer note below)	67,999,984	203,964,477
Tax on Equity Dividend	14,228,883	41,761,055
Transfer to general reserve	-	80,693,898
Total appropriations	82,228,867	326,419,430
Net Surplus in the statement of profit and loss	3,606,604,459	2,769,772,771
Total reserves and surplus	4,541,412,981	3,704,581,293

Note. Net dividend remitted in foreign currency

Particulars	During the year ended March 31, 2016	During the year ended March 31, 2015
Number of non resident shareholders	1	1
Number of equity shares held by them	50,999,988	50,999,988
Amount remitted USD Nil (USD 2,471,329)	-	152,999,964
Year to which the dividend relates	-	2014-15

NOTE 5 : LONG-TERM LIABILITIES

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
Deposit from Customers	20,394,987	18,034,987
	20,394,987	18,034,987

Note : The above are interest bearing deposits (carry interest @ 8% p.a.) accepted from dealers / distributors which are repayable only upon termination of the dealership / distributor agreement.

Notes to financial statements as at and for the year ended March 31, 2016

NOTE 6 : PROVISIONS

	Long-term		Short-term	
	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
Provision for Employees' Death Benefit Scheme (Refer note 28)	19,088,210	16,339,650	3,449,990	2,623,740
Provision for Employees' Provident Fund (Refer note 28)	11,294,090	10,669,400	1,894,520	1,657,540
Provision for Gratuity (Refer note 28)	-	-	9,503,390	24,510,120
Provision for compensated absences	64,912,970	61,372,251	8,329,730	7,880,650
Provision for Indirect taxes * (Refer note (i) below)	-	-	119,076,346	94,422,598
Provision for onerous contract * (Refer note (ii) below)	-	-	1,198,578	1,063,622
Proposed Equity Dividend	-	-	67,999,984	-
Provision for Tax on Proposed Equity Dividend	-	-	14,228,883	-
	95,295,270	88,381,301	225,681,421	132,158,270

* Disclosure required by Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets" :

Note (i) Provision for Indirect taxes

Particulars	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
Opening Balance	94,422,598	86,661,165
Addition during the year	24,653,748	13,522,132
Utilisation during the year	-	(5,760,699)
Closing Balance	119,076,346	94,422,598

- a) Provision for Indirect Taxes includes a liability of Rs.276,787,532 (Rs.221,693,462) towards custom duty on imports for various years. The Company has provided these liabilities based on the most recent assessments. Further, the management is of the view that this liability shall be payable only at the time of final assessment, pending which, the Company has also deposited Rs.191,024,745 (Rs.152,882,698) with customs authorities. The net provision is included in Provision for Indirect Taxes above.
- b) The Company has reviewed the various liabilities/claims relating to indirect taxes and estimated the provision for contingencies based on assessment of its probability.

Note (ii) Provision for onerous contract

Particulars	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
Opening Balance	1,063,622	-
Addition during the year	1,198,578	1,063,622
Utilisation during the year	(1,063,622)	-
Closing Balance	1,198,578	1,063,622

Note (iii) There are also provisions against Income Tax claims amounting to Rs.18,978,924 (Rs.12,333,741) which is included in Note 13 and netted off with Advance Income Tax.

Notes to financial statements as at and for the year ended March 31, 2016

NOTE 7 : SHORT-TERM BORROWINGS

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
Bills discounted with banks - Unsecured*	43,098,008	25,155,417
	43,098,008	25,155,417

* These are bills discounted with banks with recourse to the Company with various maturity dates. Interest payable ranges between 9.55% to 12.75% p.a for overdue payables.

NOTE 8 : TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
a) Trade Payables :		
i) Total outstanding dues of micro enterprises and small enterprises (refer note (A) below)	13,697,469	16,421,676
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,116,254,771	843,143,453
Total Trade Payables	1,129,952,240	859,565,129
b) Other Liabilities		
i) Advance from Customers	7,387,301	7,035,712
ii) Interest accrued and due on - Security deposit from customers	1,254,468	1,081,583
iii) Investor Education and Protection Fund will be credited by following amounts (as and when due) - Unpaid dividends	35,680,271	35,993,153
c) Other Payables		
- Taxes and duties payable	115,575,122	131,197,864
- Customers claims	935,000	10,334,044
- Selling expenses	76,427,927	71,814,157
- Capital creditors	35,151,711	88,730,111
Total Other Current Liabilities (b + c)	272,411,800	346,186,624

NOTE (A) Information in terms of section 22 of the Micro, Small and Medium Enterprises Development Act 2006:

Details of dues to Micro and Small Enterprises as per MSMED Act, 2006	As at/ For the Year Ended March 31, 2016 (Rupees)	As at/ For the Year Ended March 31, 2015 (Rupees)
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal	10,861,663	13,951,291
Interest	101,443	163,842
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.		
Principal	195,795,049	148,386,378
Interest	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
The amount of interest accrued for the year and remaining unpaid at the end of each accounting year.	365,421	619,886
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	2,835,806	2,470,385

Notes to financial statements as at and for the year ended March 31, 2016

NOTE 9 : TANGIBLE ASSETS

In Rupees

	Building	Plant & Machinery* (Including Tools)	Office Equipment	Computers	Furniture & Fixtures	Vehicles	Total
GROSS BLOCK (AT COST)							
At March 31, 2014	202,550,758	2,457,825,229	28,730,801	65,324,649	22,555,326	13,220,129	2,790,206,892
Additions	82,119,392	173,951,759	9,048,853	7,043,169	302,203	1,612,654	274,078,030
Deductions	-	(12,092,289)	-	(9,397,853)	(115,926)	(1,773,704)	(23,379,772)
At March 31, 2015	284,670,150	2,619,684,699	37,779,654	62,969,965	22,741,603	13,059,079	3,040,905,150
Additions	8,215,189	480,556,450	1,133,175	19,447,670	2,307,733	-	511,660,217
Deductions	-	(10,235,320)	(5,961,344)	(2,096,042)	(2,037,710)	-	(20,330,416)
At March 31, 2016	292,885,339	3,090,005,829	32,951,485	80,321,593	23,011,626	13,059,079	3,532,234,951
DEPRECIATION							
At March 31, 2014	96,980,551	1,638,478,634	23,675,601	52,604,933	16,546,656	10,764,242	1,839,050,617
Charge for the year	8,398,971	144,128,672	2,406,779	5,562,428	1,206,670	509,959	162,213,479
Deductions	-	(9,325,454)	-	(9,210,765)	(966)	(1,773,704)	(20,310,889)
At March 31, 2015	105,379,522	1,773,281,852	26,082,380	48,956,596	17,752,360	9,500,497	1,980,953,207
Charge for the year	11,200,861	191,769,141	6,666,797	8,001,041	1,166,765	850,743	219,655,348
Deductions	-	(10,000,848)	(5,961,344)	(2,031,400)	(1,995,246)	-	(19,988,838)
At March 31, 2016	116,580,383	1,955,050,145	26,787,833	54,926,237	16,923,879	10,351,240	2,180,619,717
NET BLOCK							
At March 31, 2015	179,290,628	846,402,847	11,697,274	14,013,369	4,989,243	3,558,582	1,059,951,943
At March 31, 2016	176,304,956	1,134,955,684	6,163,652	25,395,356	6,087,747	2,707,839	1,351,615,234

* Plant & Machinery includes machinery given on operating lease as follows. Also, refer Note 30(b).

Details	As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
Gross Book value	301,385,061	301,090,061
Accumulated Depreciation #	155,214,700	112,697,646
Net Book value	146,170,361	188,392,415

includes depreciation for the year Rs.42,517,054(Rs.36,363,248)

Note a. Future minimum rentals receivable under non-cancellable operating leases are as follows :

Details	As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
Within one year	2,536,278	30,435,339
After one year but not more than five years	-	2,536,278
More than five years	-	-

The Company has received Rs.30,451,703 (Rs.30,390,214) as lease rentals during the year ended March 31, 2016.

Notes to financial statements as at and for the year ended March 31, 2016

NOTE 10 : INTANGIBLE ASSETS

In Rupees

	Computer Softwares	Total
GROSS BLOCK (AT COST)		
At March 31, 2014	16,572,500	16,572,500
At March 31, 2015	16,572,500	16,572,500
At March 31, 2016	16,572,500	16,572,500
AMORTISATION		
At March 31, 2014	2,574,707	2,574,707
Charge for the year	5,374,958	5,374,958
At March 31, 2015	7,949,665	7,949,665
Charge for the year	4,927,333	4,927,333
At March 31, 2016	12,876,998	12,876,998
NET BLOCK		
At March 31, 2015	8,622,835	8,622,835
At March 31, 2016	3,695,502	3,695,502

NOTE 11A : NON-CURRENT INVESTMENTS

	Face Value Rupees	Holdings as at March 31, 2016		Holdings as at March 31, 2015	
		Nos	Rupees	Nos	Rupees
At Cost					
Trade (Unquoted)					
Equity Shares fully paid up					
Nicco Jubilee Park Limited	10	30,000	300,000	30,000	300,000
Total - Non-current investments			300,000		300,000

Notes to financial statements as at and for the year ended March 31, 2016

NOTE 11B : CURRENT INVESTMENTS

	Face Value Rupees	Holdings as at March 31, 2016		Holdings as at March 31, 2015	
		Nos	Rupees	Nos	Rupees
Non Trade (unquoted) (At lower of cost and fair value unless stated otherwise)					
Unquoted mutual funds					
Birla Sun Life Cash Plus - Daily Dividend - Regular Plan	100	943,078	94,491,660	-	-
Tata Liquid Super High Investment Fund - DDR	1,000	-	-	18,367	20,470,622
DSP BlackRock Liquidity Fund - Institutional Plan - Daily Dividend	1,000	202,654	202,817,298	74,738	74,782,966
Reliance Liquid Fund - Cash - Daily Dividend Option - CPDD	1,000	1,464	1,630,914	36,923	41,137,830
SBI PLF - Reg.Plan - Daily Dividend	1,000	84,334	84,608,030	29,984	30,081,160
Total			383,547,902		166,472,578

Note -

Aggregate amount of investments			
Unquoted (Current)		383,547,902	166,472,578
Unquoted (Non Current)		300,000	300,000

NOTE 12: DEFERRED TAX ASSETS (NET)

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
Deferred Tax Assets		
– Disallowance u/s 43B and 40(a)(ia) of Income Tax Act, 1961	68,989,709	62,306,818
– Provision for Doubtful Debts & Advances	9,174,792	4,596,741
– Others	-	368,098
Gross Deferred Tax Assets	78,164,501	67,271,657
Deferred Tax Liabilities		
– On difference in depreciation/amortisation and other differences in block of fixed assets/intangible assets as per tax books and financial books	(45,501,410)	(28,211,503)
Gross Deferred Tax Liabilities	(45,501,410)	(28,211,503)
Net Deferred Tax Assets	32,663,091	39,060,154

Notes to financial statements as at and for the year ended March 31, 2016

NOTE 13 : LOANS AND ADVANCES

(Unsecured considered good unless otherwise stated)

	Non-current		Current	
	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
Capital Advances	185,700,275	44,769,464	-	-
Security Deposits	34,128,731	33,329,432	-	-
Loans and advances to employees	6,995,530	1,473,373	11,638,288	11,151,433
Advances recoverable in cash or kind				
Secured, considered good	-	-	2,101,699	15,016,491
Unsecured - considered good	-	-	19,241,277	9,613,923
Other loans and advances				
- Advance Income Tax [net of provision for taxation: Rs.3,261,264,607 (Rs.2,768,799,953)]	165,285,955	148,810,538	-	-
- Prepaid Expenses	4,093,402	4,511,236	6,950,872	14,019,784
- Balance with statutory authorities/ government authorities	-	-	264,306,272	266,248,664
	396,203,893	232,894,043	304,238,408	316,050,295

NOTE 14: INVENTORIES

(Valued at lower of Cost and Net Realisable Value)

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
a) Raw materials and Components * (Refer Note 20)	369,960,187	297,213,026
b) Stores and Spares *	97,440,213	104,481,512
c) Work - in - progress (Refer Note 21B)	249,770,272	206,501,225
d) Finished stock* (Refer Note 21B)	593,315,332	525,533,288
e) Traded Goods* (Refer Note 21B)	548,878,408	540,868,102
	1,859,364,412	1,674,597,153
* Including in transit :		
Raw Materials and Components	152,626,692	103,726,637
Stores & Spares	5,112,015	4,829,893
Finished Stock	13,399,124	22,214,608
Traded Goods	146,678,572	133,760,532

Notes to financial statements as at and for the year ended March 31, 2016

NOTE 15 : TRADE RECEIVABLES

	Current	
	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
a) Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	1,617,219	433,346
Unsecured, considered good	10,177,988	7,879,770
- considered doubtful	24,795,979	13,282,324
	36,591,186	21,595,440
Provision for doubtful receivables	(24,795,979)	(13,282,324)
A	11,795,207	8,313,116
b) Other Receivables		
Secured, considered good	8,448,876	6,587,878
Unsecured, considered good	1,921,965,203	1,727,283,254
- considered doubtful	1,714,631	-
	1,932,128,710	1,733,871,132
Provision for doubtful receivables	(1,714,631)	-
B	1,930,414,079	1,733,871,132
Total	A + B	1,742,184,248

NOTE 16 : CASH AND BANK BALANCES

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
Cash and Cash Equivalents :		
a) Cheques on hand	12,322,307	23,010,858
b) Balance with Scheduled Banks		
On Current Accounts	218,454,038	101,319,103
In Foreign Currency Account (EEFC)	67,363,627	76,875,783
On unpaid dividend account - refer note below	35,680,271	35,993,153
Cash and Cash Equivalents	333,820,243	237,198,897
Other bank balances		
Deposits with banks as margin money against guarantees	30,000,000	-
Total cash & bank balances	363,820,243	237,198,897
Amount disclosed under other current assets (Refer note 17)	(30,000,000)	-
	333,820,243	237,198,897

Note :

Balance with scheduled banks on unpaid dividend account represents monies that can be utilised only to pay dividend to equity shareholders against dividend warrants issued to them.

Notes to financial statements as at and for the year ended March 31, 2016

NOTE 17 : OTHER CURRENT ASSETS (Unsecured, considered good unless otherwise stated)

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
Other Receivables :		
Deposits with banks as margin money against guarantees (refer note 16)	30,000,000	-
Interest accrued on fixed deposit	1,151,540	-
Export incentive receivable	120,221,370	95,583,798
Reimbursements from related parties*	37,822,151	10,376,347
Lease rent receivable (from related party - refer note 36)	2,538,737	2,536,278
	191,733,798	108,496,423

*includes amount receivable from a fellow subsidiary, The Timken Corporation, being the insurance claim received by the fellow subsidiary under the global insurance arrangement towards the loss due to fire as explained in note 38.

NOTE 18 : REVENUE FROM OPERATIONS

	Year ended March 31, 2016 Rupees	Year ended March 31, 2015 Rupees
Revenue from operations		
i) Sale of Products	10,712,302,809	9,239,771,892
ii) Sale of Services	354,644,774	306,063,830
Other operating revenue		
i) Operating lease rentals	30,451,703	30,390,214
ii) Export incentives (including Rs.Nil (Rs.13,826,926) for earlier years)	109,954,653	94,856,741
Revenue from operations (Gross)	11,207,353,939	9,671,082,677
Less: Excise duty recovered #	588,336,318	381,440,279
Revenue from operations (Net)	10,619,017,621	9,289,642,398

Excise duty on sales amounting to Rs.588,336,318 (Rs.381,440,279) has been reduced from sales in the statement of profit & loss and excise duty on movement in stock of finished goods amounting to Rs. 10,917,679 (Rs.30,240,041) has been considered as an expense in the statement of profit & loss.

Details of products sold / services rendered

	Year ended March 31, 2016 Rupees	Year ended March 31, 2015 Rupees
Finished goods sold (Net of excise duty)		
i) Bearings	3,550,201,620	2,837,193,721
ii) Components	3,119,937,855	2,744,171,289
iii) Bearing accessories	2,102,815	3,663,797
	6,672,242,290	5,585,028,807
Traded goods sold		
i) Bearings	979,872,422	925,556,463
ii) Components	2,134,041,006	2,022,930,378
iii) Bearing accessories	337,810,773	324,815,965
	3,451,724,201	3,273,302,806
Details of services rendered		
i) Maintenance and refurbishment services	322,731,673	258,511,176
ii) Agency commission	24,673,348	37,019,276
iii) Others	7,239,753	10,533,378
	354,644,774	306,063,830

Notes to financial statements as at and for the year ended March 31, 2016

NOTE 19 : OTHER INCOME

	Year ended March 31, 2016 Rupees	Year ended March 31, 2015 Rupees
i) Excess provisions no longer required written back [including provision for doubtful debts written back Rs.Nil (Rs.4,054,734)]	5,402,541	13,010,134
ii) Dividend from current investments - Non Trade	20,702,388	23,431,918
iii) Insurance claims	576,818	728,973
iv) Interest income	3,245,743	5,593,157
v) Exchange Differences (net)	20,604,289	7,419,742
vi) Gain on sale of fixed assets (net)	3,038,252	-
vii) Miscellaneous income	3,051,193	9,225,913
	56,621,224	59,409,837

NOTE 20 : COST OF RAW MATERIALS AND COMPONENTS CONSUMED

	Year ended March 31, 2016 Rupees	Year ended March 31, 2015 Rupees
Inventory at the beginning of the year	297,213,026	190,996,000
Add: Purchases	3,827,032,096	3,341,882,228
	4,124,245,122	3,532,878,228
Less: Inventory at the end of the year	369,960,187	297,213,026
Cost of raw materials and components consumed	3,754,284,935	3,235,665,202

Details of raw materials and components consumed

	Year ended March 31, 2016 Rupees	Year ended March 31, 2015 Rupees
Steel	96,312,851	75,262,717
Rings	1,568,051,255	1,434,198,478
Components and accessories*	2,089,920,829	1,726,204,007
Total	3,754,284,935	3,235,665,202

*Components and accessories include bought-out semi finished cups, cones and other components.

Details of raw materials and components Inventory

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
Steel	26,738,600	15,802,783
Rings	2,245,745	27,628,967
Components and accessories*	340,975,842	253,781,276
Total	369,960,187	297,213,026

*Components and accessories include bought-out semi finished cups, cones and other components.

Notes to financial statements as at and for the year ended March 31, 2016

NOTE 21 A : DETAILS OF PURCHASE OF TRADED GOODS

	Year ended March 31, 2016 Rupees	Year ended March 31, 2015 Rupees
Bearings	779,004,604	753,294,354
Components	1,695,291,453	1,522,742,730
Other bearing accessories	364,098,380	227,822,531
Total	2,838,394,437	2,503,859,615

NOTE 21 B : INCREASE IN STOCK OF FINISHED GOODS, TRADED GOODS AND WORK IN PROGRESS

	Year ended March 31, 2016 Rupees	Year ended March 31, 2015 Rupees
Opening Stock		
Work in Progress	206,501,225	149,828,129
Finished Goods	525,533,288	513,414,774
Traded Goods	540,868,102	415,854,322
	1,272,902,615	1,079,097,225
Less : Closing Stock		
Work in Progress	249,770,272	206,501,225
Finished Goods	593,315,332	525,533,288
Traded Goods	548,878,408	540,868,102
	1,391,964,012	1,272,902,615
Less : Loss of inventory due to fire shown as exceptional item (Refer note 38)	98,003,307	-
(Increase) in Stock of Finished goods, Traded goods and Work in Progress	(217,064,704)	(193,805,390)
	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
Details of Inventory - Work-In-Progress		
Bearings	36,058,636	60,575,523
Components	213,358,090	145,867,944
Other bearing accessories	353,546	57,758
Total	249,770,272	206,501,225
Details of Inventory - Finished Goods		
Bearings	275,128,691	301,757,353
Components	308,601,067	223,731,138
Other bearing accessories	9,585,574	44,797
Total	593,315,332	525,533,288
Details of Inventory - Traded goods		
Bearings	169,389,984	161,825,522
Components	375,720,269	363,395,241
Other bearing accessories	3,768,155	15,647,339
Total	548,878,408	540,868,102

Notes to financial statements as at and for the year ended March 31, 2016

NOTE 22 : EMPLOYEE BENEFIT EXPENSES

	Year ended March 31, 2016 Rupees	Year ended March 31, 2015 Rupees
i) Salaries, Wages and Bonus	550,692,850	540,578,479
ii) Contribution to provident and other funds	44,831,042	43,715,168
iii) Gratuity expense (note 28)	9,372,400	24,510,120
iv) Employee death benefit scheme expense (note 28)	4,961,720	3,173,520
v) Staff welfare expenses	70,960,672	55,966,474
	680,818,684	667,943,761

NOTE 23 : OTHER EXPENSES

	Year ended March 31, 2016 Rupees	Year ended March 31, 2015 Rupees
a) Consumption of stores and spares	391,395,450	345,242,696
b) Power	170,851,156	106,487,968
c) Repairs to Buildings	6,247,541	7,073,580
d) Repairs to Machineries	72,328,493	66,936,344
e) Repairs Others	15,570,244	12,042,634
f) Royalty	222,375,861	188,386,826
g) Rent	52,575,152	49,296,480
h) Rates and Taxes	36,831,456	22,502,052
i) Insurance	8,251,839	7,116,361
j) Commission*	77,544,928	82,240,038
k) Cash Discount	38,652,747	30,789,765
l) Travelling	85,731,222	81,554,356
m) Subcontracting charges	156,842,536	146,900,844
n) Legal & Professional Fees	99,513,240	107,188,843
o) Inter company Service Charges	76,615,545	103,545,906
p) Network & ERP Expenses	59,855,719	63,933,309
q) Carriage and Handling	128,034,579	105,080,233
r) CSR Expenditure**	17,000,000	16,200,000
s) Provision for doubtful debts, deposits & advance	10,623,535	-
t) Excise Duty Expense #	2,975,275	1,533,576
u) Other Expenses ***	196,686,176	164,627,442
	1,926,502,694	1,708,679,253

* Commission expense includes payments made for logistics and warehouse management services rendered by a third party service provider.

** Details of CSR Expenditure.	March 31, 2016	March 31, 2015
a) Gross amount required to be spent by the Company during the year	16,886,093	16,179,876
b) Amount spent (in cash) during the year :		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	17,000,000	16,200,000
Total	17,000,000	16,200,000

*** Other Expenses include:		
i Auditor's remuneration (exclusive of service tax)		
As Auditors		
- For Statutory Audit	1,823,000	1,950,000
- For Limited Reviews	1,200,000	1,500,000
- For Corporate Governance certificate	100,000	100,000
- For Travelling & out-of-pocket expenses	283,753	143,000
For Other Matters		
- For Tax Audit	600,000	600,000
- For US GAAP Reporting	1,750,000	1,750,000
- For Other Services	100,000	225,500
ii Director's sitting fees	421,500	385,000
iii Loss on disposal / discarding of assets (net)	-	1,465,181

Excise duty expense (net of recovery) represents duly paid/provided for on stocks written off, burnt stock, free samples etc.

Notes to financial statements as at and for the year ended March 31, 2016

NOTE 24 : FINANCE COST

	Year ended March 31, 2016 Rupees	Year ended March 31, 2015 Rupees
Interest Expenses	9,186,048	5,746,327
	9,186,048	5,746,327

NOTE 25 : EARNING PER SHARE (EPS)

	Year ended March 31, 2016 Rupees	Year ended March 31, 2015 Rupees
Profit after tax	919,060,555	806,938,981
Net profit for calculation of basic and diluted EPS	919,060,555	806,938,981
Weighted Average No. of Equity Shares @ Rs. 10/- each	67,988,634	67,988,434
Earnings per share - Basic & Diluted*	13.52	11.87

* There are no dilutive potential equity shares.

NOTE 26 : LEASES

Assets taken on lease

Office premises are obtained on operating leases which are generally cancellable in nature except two premises for which disclosures are given below.

The lease term is for various number of years and renewable for further periods as per the lease agreements at the option of the Company. In few lease agreements, escalation clauses are present consequent to which straight lining of lease rental is done and accounted for accordingly. There are no restrictions imposed by the lease arrangements. There are no subleases.

Leases which are non-cancellable in nature

The details of non-cancellable lease rentals payable are given below :

	As at March 31, 2016	As at March 31, 2015
Within one year	5,431,164	5,172,541
After one year but not more than five years	14,814,522	17,271,141
More than five years	-	2,974,545

The Company has paid Rs.52,575,152 (Rs.49,296,480) towards lease rent.

Other Leases

Lease of Land and Building

The Company has taken on lease, land and building thereon, for the purposes of its facility in Raipur relating to servicing of gears / related accessories. The significant lease terms are as follows:

- The land lease is for a period of 30 years cancellable with six months prior notice and total lease payments during the lease term amounts to Rs.239,179,851. The lease does not involve upfront payment and has terms of renewal and escalation clauses.
- The building lease is for a period of 7 years cancellable with six months prior notice and total lease payments during the lease term amounts to Rs.95,261,499. The lease does not involve upfront payment and has terms of renewal and escalation clauses.

Notes to financial statements as at and for the year ended March 31, 2016

NOTE 27 : SEGMENT INFORMATION

Business Segment:

The Company has reviewed the disclosure of business segment wise information and is of the view that it manufactures and trades in bearings and related components, and provides services in connection with or incidental to such sales ('Bearings and components'). This segment operates out of Jamshedpur, Chennai, Mysore, Gurgaon and Pune. The Company also provides repair and maintenance services of industrial gear boxes at its gear box repairing facility at Raipur.

'Bearings and components' is the only reportable segment in terms of Accounting Standard-17: Segment Reporting and related disclosures are as follows:

Disclosures relating to business segment:

Particulars	Year Ended - 31/03/2016			Year Ended - 31/03/2015		
	Bearings & Components	Others	Total	Bearings & Components	Others	Total
Revenue						
External sales of products and services including operating income	10,531,518,435	87,499,186	10,619,017,621	9,233,064,668	56,577,730	9,289,642,398
Total Revenue			10,619,017,621			9,289,642,398
Results						
Segment results	1,458,302,635	(57,721,420)	1,400,581,215	1,232,322,141	(62,850,662)	1,169,471,479
Operating Profit			1,400,581,215			1,169,471,479
Finance costs			(9,186,048)			(5,746,327)
Other income including finance income			56,621,224			59,409,837
Profit before exceptional item & tax			1,448,016,391			1,223,134,989
Exceptional item	(30,094,118)	-	(30,094,118)	-		-
Profit before tax			1,417,922,273			1,223,134,989
Income taxes			(498,861,718)			(416,196,008)
Net profit			919,060,555			806,938,981
Segment assets	6,113,562,368	277,093,454	6,390,655,822	5,172,292,874	291,018,067	5,463,310,941
Unallocated assets			617,477,225			390,636,420
Total Assets	6,113,562,368	277,093,454	7,008,133,047	5,172,292,874	291,018,067	5,853,947,361
Segment liabilities	1,637,120,736	28,347,647	1,665,468,383	1,409,486,147	21,484,830	1,430,970,977
Unallocated liabilities			121,365,343			38,510,751
Total Liabilities	1,637,120,736	28,347,647	1,786,833,726	1,409,486,147	21,484,830	1,469,481,728
Other segment information						
Capital expenditure (excluding CWIP):						
Tangible assets	407,792,502	103,867,715	511,660,217	259,749,887	14,328,143	274,078,030
Intangible assets	-	-	-	-	-	-
Depreciation	205,962,943	13,692,405	219,655,348	149,117,973	13,095,506	162,213,479
Amortization	-	4,927,333	4,927,333	447,625	4,927,333	5,374,958

Geographical segments:

Revenue and receivables are specified by location of customers while the other geographical information is specified by location of the assets.

The following table presents revenue and certain asset information regarding the Company's geographical segments:

Secondary Segment - Geographical	Year Ended March 31, 2016 Rupees	Year Ended March 31, 2015 Rupees
Sale of products and services by Geographical Market		
India	7,007,034,676	5,873,957,036
Outside India	3,611,982,945	3,415,685,362
Total	10,619,017,621	9,289,642,398

Notes to financial statements as at and for the year ended March 31, 2016

Carrying amount of segment assets	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
India	5,697,661,787	4,753,204,735
Outside India	692,994,035	710,106,206
Total	6,390,655,822	5,463,310,941

Note: Since the Company has all fixed assets in India only, separate figures for additions to fixed assets for domestic and overseas segments are not furnished.

NOTE 28 - DISCLOSURES AS PER REVISED ACCOUNTING STANDARD -15

Gratuity and other post-employment benefit plans:

The Company has a defined benefit gratuity plan (funded). Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The Company also has a Death Benefit Scheme (unfunded) for its employees where the immediate beneficiaries are entitled to a monthly fixed sum till the date of superannuation, for death in harness.

The Company has a separate Provident Fund Trust (funded) whereby, all the employees are entitled to benefits as per Provident Fund Act / Trust Deed. Any shortfall for the Trust is borne by the Company, hence the same is treated as a defined benefit scheme. The actuary has provided a valuation and determined the fund assets and obligations as at March 31, 2016. The corresponding disclosures mentioned below are to the extent of the shortfall in the interest guaranteed on the provident fund vis-a-vis the interest rate notified by the Government.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

Statement of profit and loss :

Net employee benefit expense (recognised in Employee Cost)

	GRATUITY FUND (FUNDED)		EMPLOYEE DEATH BENEFIT SCHEME (UNFUNDED)		PROVIDENT FUND (FUNDED)	
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
Current service cost	12,203,630	9,828,520	693,380	665,690	1,181,520	1,051,250
Interest cost on benefit obligation	15,397,720	14,039,620	1,425,050	1,504,700	961,500	960,710
Expected return on plan assets	(16,478,490)	(13,413,890)	-	-	-	-
Net actuarial(gain) / loss recognised in the year	(1,750,460)	14,055,870	2,843,290	1,003,130	(1,281,350)	(71,080)
Net benefit expense/ (Gain)	9,372,400	24,510,120	4,961,720	3,173,520	861,670	1,940,880
Actual return on plan assets	8.56%	8.65%	NA	NA	NA	NA

Notes to financial statements as at and for the year ended March 31, 2016

	GRATUITY FUND (FUNDED)		EMPLOYEE DEATH BENEFIT SCHEME (UNFUNDED)		PROVIDENT FUND (FUNDED)	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Balance sheet :						
Details of Plan (asset) / liability :						
Defined benefit obligation	222,227,100	198,985,530	22,538,200	18,963,390	13,188,610	12,326,940
Fair value of plan assets	212,723,710	174,475,410	-	-	-	-
Plan (asset) / liability	9,503,390	24,510,120	22,538,200	18,963,390	13,188,610	12,326,940
Changes in the present value of the defined benefit obligation are as follows:						
Opening defined benefit obligation	198,985,530	153,137,910	18,963,390	16,744,150	12,326,940	10,386,060
Interest cost	15,397,720	14,039,620	1,425,050	1,504,700	961,500	960,710
Current service cost	12,203,630	9,828,520	693,380	665,690	1,181,520	1,051,250
Plan Amendments cost / (credit)	-	-	-	-	-	-
Curtailement cost / (credit)	731,700	-	-	-	-	-
Benefits paid	(3,157,710)	(2,716,570)	(1,386,910)	(954,280)	-	-
Actuarial (gains) / losses on obligation	(1,933,770)	24,696,050	2,843,290	1,003,130	(1,281,350)	(71,080)
Closing defined benefit obligation	222,227,100	198,985,530	22,538,200	18,963,390	13,188,610	12,326,940

	GRATUITY FUND (FUNDED)		EMPLOYEE DEATH BENEFIT SCHEME (UNFUNDED)		PROVIDENT FUND (FUNDED)	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Changes in the fair value of plan assets are as follows:						
Opening fair value of plan assets	174,475,410	151,014,490	NA	NA	NA	NA
Acquisition adjustments	600,710	-	NA	NA	NA	NA
Expected return	16,478,490	13,413,890	NA	NA	NA	NA
Contributions by employer	24,510,120	2,123,420	1,386,910	954,280	NA	NA
Benefits paid	(3,157,710)	(2,716,570)	(1,386,910)	(954,280)	NA	NA
Actuarial gains / (losses)	(183,310)	10,640,180	NA	NA	NA	NA
Closing fair value of plan assets	212,723,710	174,475,410	NA	NA	NA	NA

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. Gratuity fund and Provident fund are 100% invested with approved funds as per the relevant Act/ trust deed. The Company expects to contribute Rs.9,600,000 (Rs.24,550,000) to the Gratuity Fund in the next year.

Notes to financial statements as at and for the year ended March 31, 2016

Gratuity and other post-employment benefit plans:

The principal assumptions used in determining provision for the Company's plans are shown below:

	GRATUITY FUND (FUNDED)		EMPLOYEE DEATH BENEFIT SCHEME (UNFUNDED)		PROVIDENT FUND (FUNDED)	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Discount rate	7.80%	7.80%	7.80%	9.25%	7.80%	9.25%
Expected rate of return on assets	8.90%	8.90%	NA	NA	8.75%	8.75%
Salary escalation for respective class of employees	8%	8%	8%	8%	8%	8%
Employee turnover	Officers - 10 % Non Officers	Officers - 10 % Non Officers	Officers - N.A Non Officers	Officers - N.A Non Officers	Officers - 10 % Non Officers	Officers - 10 % Non Officers
	Age Rate	Age Rate	Age Rate	Age Rate	Age Rate	Age Rate
	20-25 : 0.50 %	20-25 : 0.50 %	20-25 : 0.50 %	20-25 : 0.50%	20-25 : 0.50 %	20-25 : 0.50%
	25-30 : 0.30 %	25-30 : 0.30 %	25-30 : 0.30 %	25-30 : 0.30%	25-30 : 0.30 %	25-30 : 0.30%
	30-35 : 0.20 %	30-35 : 0.20 %	30-35 : 0.20 %	30-35 : 0.20 %	30-35 : 0.20 %	30-35 : 0.20 %
	35-50 : 0.10 %	35-50 : 0.10 %	35-50 : 0.10 %	35-50 : 0.10%	35-50 : 0.10 %	35-50 : 0.10%
	50-55 : 0.20 %	50-55 : 0.20 %	50-55 : 0.20 %	50-55 : 0.20%	50-55 : 0.20 %	50-55 : 0.20%
	55-60 : 0.30 %	55-60 : 0.30 %	55-60 : 0.30 %	55-60 : 0.30 %	55-60 : 0.30 %	55-60 : 0.30%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current and previous four periods are as follows:

Gratuity Fund	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Defined benefit obligation	222,227,100	198,985,530	153,137,910	150,716,080	124,929,020
Plan assets	212,723,710	174,475,410	151,014,490	149,309,650	139,900,640
(Surplus) / deficit	9,503,390	24,510,120	2,123,420	1,406,430	(14,971,620)
Experience adjustments on Plan Liabilities	1,933,770	(1,725,620)	(1,529,220)	(7,293,430)	3,928,670
Experience adjustments on Plan Assets	(183,310)	10,640,180	(7,916,810)	4,429,710	1,055,910

Employee Death benefit scheme	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Defined benefit obligation	22,538,200	18,963,390	16,744,150	17,142,720	16,064,500
Plan assets	-	-	-	-	-
(Surplus) / deficit	22,538,200	18,963,390	16,744,150	17,142,720	16,064,500
Experience adjustments on Plan Liabilities	(2,843,290)	537,910	664,350	110,430	1,806,150
Experience adjustments on Plan Assets	N.A	N.A	N.A	N.A	N.A

Notes to financial statements as at and for the year ended March 31, 2016

Provident fund	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Defined benefit obligation	13,188,610	12,326,940	10,386,060	19,721,390	18,104,330
Plan assets	-	-	-	-	-
(Surplus) / deficit	13,188,610	12,326,940	10,386,060	19,721,390	18,104,330
Experience adjustments on Plan Liabilities	1,281,350	1,135,560	1,555,700	(9,687,980)	(9,687,980)
Experience adjustments on Plan Assets	NA	NA	NA	NA	NA

NOTE 29 : CONTINGENT LIABILITIES

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
i) Sales tax matters under dispute / appeal	83,576,843	18,764,268
ii) Income tax demands under appeal	93,688,447	86,070,124
iii) Excise and customs demand under dispute / appeal	33,795,277	33,795,277
iv) Other Claims against the Company not acknowledged as debts	8,309,615	8,309,615

Based on the discussions with the solicitors/ favourable decisions in similar cases/ legal opinions taken by the Company on above matters, no provision there against is considered necessary.

NOTE 30 : CAPITAL & OTHER COMMITMENTS :

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for - Rs. 620,743,919 (Rs.127,556,829) [Net of advances paid Rs.185,700,275(Rs.44,769,464)]
- (b) In terms of the Memorandum of Agreement dated 9th May, 2011 entered between the Company and Timken Engineering and Research India Pvt. Ltd. (TERI), TERI manufactures goods using the assets owned by the Company and leased out to TERI (as disclosed in Note 9) and the Company in consideration of purchase of such goods from TERI would give an agreed mark up on the cost incurred by TERI for manufacturing such goods. This agreement was valid for a period of 5 years with renewal option.
The Company is in the process of renewal of the existing agreement with TERI.
- (c) For commitments relating to lease arrangements, please refer note 26.

NOTE 31 : UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars of unhedged foreign currency exposure as at the reporting date

Particulars	Currency	As at March 31, 2016		As at March 31, 2015	
		Value in Foreign Currency	Value in Rupees	Value in Foreign Currency	Value in Rupees
a) Trade Receivables, Loans & Advances	USD	10,663,087	692,994,035	11,582,225	710,106,206
	EURO	-	-	2,560	169,395
b) Trade Payables and capital creditors	USD	9,002,637	605,967,496	7,365,972	467,665,535
	EURO	21,328	1,624,554	28,360	1,943,511
	GBP	2,044	197,307	4,752	445,880
	JPY	33,581,886	20,145,773	6,280,000	3,318,980
c) EEFC Bank account	USD	1,036,523	67,363,630	1,253,887	76,875,783

Notes to financial statements as at and for the year ended March 31, 2016

NOTE 32 : C.I.F VALUE OF IMPORTS (on accrual basis)

(including in transit)

	Year Ended March 31, 2016 Rupees	Year Ended March 31, 2015 Rupees
i) Raw Materials and components	883,472,341	752,273,897
ii) Stores and spare parts	148,847,839	44,162,749
iii) Finished Products for re-sale	1,062,965,640	884,962,480
iv) Capital Goods	201,614,643	121,756,805

NOTE 33 : CONSUMPTION OF IMPORTED AND INDIGENOUS RAW MATERIALS & COMPONENTS AND STORES & SPARE PARTS

Value of consumption of imported and indigenously obtained raw materials, components, stores and spare parts and percentage of each to the total consumption :

	Year Ended March 31, 2016		Year Ended March 31, 2015	
	%	Rupees	%	Rupees
i) Raw Materials and components				
Imported	21.02	789,322,295	21.17	685,125,050
Indigenous	78.98	2,964,962,640	78.83	2,550,540,152
	100.00	3,754,284,935	100.00	3,235,665,202
ii) Stores and spare parts				
Imported	6.23	24,388,429	7.09	24,473,532
Indigenous	93.77	367,007,021	92.91	320,769,164
	100.00	391,395,450	100.00	345,242,696

NOTE 34 : EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

	Year Ended March 31, 2016 Rupees	Year Ended March 31, 2015 Rupees
i) Foreign Travel	5,599,845	5,415,354
ii) Bank Charges	215,433	342,713
iii) Royalty	222,375,861	188,386,826
iv) Agency Commission	4,359,626	10,481,137
v) Inter company Service Charges	76,615,545	103,545,906
vi) Network & ERP Expenses	48,786,272	61,733,207
vii) Others	23,206,523	22,354,581

NOTE 35 : EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)

	Year Ended March 31, 2016 Rupees	Year Ended March 31, 2015 Rupees
i) Export at F.O.B Value	3,587,309,597	3,378,666,086
ii) Agency commission	24,673,348	37,019,276

Notes to financial statements as at and for the year ended March 31, 2016

NOTE 36 : RELATED PARTY DISCLOSURE:

Related parties where control exists :

- Holding Company – Timken Singapore PTE. Limited (with effect from March 26, 2012)
 Ultimate Holding Company – The Timken Company, USA

Other related parties under Accounting Standard 18 with whom transactions have taken place during the year :

- Fellow subsidiaries 1) The Timken Corporation, USA. 2) Timken Industrial Services, USA. 3) Timken UK Limited. 4) Timken Do Brasil COM.E.IND.LTDA. 5) Timken Korea LLC. 6) Timken South Africa Limited. 7) Timken Romania. 8) Yantai Timken Company Limited. 9) Australian Timken Proprietary Limited. 10) Timken Polska. 11) Timken (China) Investment Co.Ltd.. 12) Timken Wuxi Co Ltd - China. 13) Timken (Shanghai) Distribution & Sales Co. Ltd - China. 14) Timken Steel Corporation. 15) Timken Engineering and Research India Pvt. Ltd. 16) Timken DE Mexico S A DE CV. 17) Timken Canada LP. 18) Timken Argentina S R L. 19) Timken Gears & Services Inc. 20) Timken Chengdu Aerospace. 21) Timken Aerospace. 22) Timken XEMC(Hunan) Bearings. 23) Timken Housed Units Inc. 24) Timken ILS Limited. 25) Timken GMBH. 26) Timken SMO LLC.

- Key management personnel – Mr. Sanjay Koul
 – Mr. Avishrant Keshava (from 30th Sept 2015)
 – Mr. Soumitra Hazra
 – Mr. Ramesh Ramachandran (till 30th Sept 2015)

Additional related parties as per Companies Act 2013 with whom transactions have taken place during the year :

- Chairman & Managing Director – Mr. Sanjay Koul
 Chief Financial Officer – Mr. Ramesh Ramachandran (till 30th Sept 2015)
 Chief Financial Officer – Mr. Avishrant Keshava (from 30th Sept 2015)
 Company Secretary – Mr. Soumitra Hazra
 Firms where directors are Partners – M/s. Gibson Dunn & Crutcher LLP
 M/s. New Delhi Law Offices

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(Amount in Rupees)							
SI No.	Name of the Related Party	Relationship	Nature of transactions	Transaction Amount for the year ended	Outstanding as at	Transaction Amount for the year ended	Outstanding as at
				March 31, 2016	March 31, 2015		
1	The Timken Company, USA	Ultimate Holding Company	Purchase of goods	295,093,974	64,666,025	261,776,600	64,726,129
			Sale of Goods	457,258,117	63,003,358	486,744,126	102,528,780
			Expenses Receivable	22,547,765	22,314,998	2,148,042	163,534
			Expenses Payable	143,754,432	46,085,253	121,785,239	7,309,853
			Agency Commission (Income)	5,175,533	381,548	6,444,273	608,104
			Royalty (excluding Cess)	232,873,625	150,476,912	186,713,143	42,086,729
2	Timken Singapore PTE. Limited	Holding Company	Sale of Goods	42,252,987	2,327,460	59,741,207	4,916,419
			Agency Commission (Income)	8,223,633	2,087,560	9,490,658	2,125,412
			Purchase of goods	22,777,263	2,747,348	12,443,713	2,262,509
			Expenses Receivable	7,294,072	1,567,515	7,329,204	2,903,799
			Expenses Payable	1,504,021	738,132	785,493	582,159
			Dividend Proposed/ Paid	50,999,988	50,999,988	152,999,964	-
3	The Timken Corporation, USA	Fellow Subsidiary	Purchase of goods	608,013,266	126,338,272	423,041,007	108,820,498
			Sale of Goods	2,153,364,035	441,185,286	1,940,330,334	439,751,463
			Purchase of Fixed Assets	192,723,449	6,597,194	30,942,405	2,879,597
			Expenses Receivable	231,621	56,454	1,300,215	57,120
			Agency Commission (Income)	10,649,605	-	21,954,716	2,612,433
			Agency Commission (Expenses)	-	-	392,838	-

Notes to financial statements as at and for the year ended March 31, 2016

(Amount in Rupees)

SI No.	Name of the Related Party	Relationship	Nature of transactions	Transaction Amount for the year ended	Outstanding as at	Transaction Amount for the year ended	Outstanding as at
				March 31, 2016	March 31, 2016	March 31, 2015	March 31, 2015
4	Timken Industrial Services, USA	Fellow Subsidiary	Purchase of goods	793,982	-	464,310	474,889
5	Timken UK Limited	Fellow Subsidiary	Sale of Goods	23,103,746	5,662,289	15,634,426	1,839,721
			Agency Commission (Income)	2,167,693	257,476	1,502,679	472,178
6	Timken Do Brasil COM.E.IND.LTDA	Fellow Subsidiary	Sale of Goods	244,897,331	54,802,186	241,718,707	54,139,504
			Purchase of goods	1,752,789	1,837,504	4,957,984	1,933,635
			Agency Commission (Expense)	4,210,887	597,067	112,601	-
7	Timken Korea LLC	Fellow Subsidiary	Agency Commission (Expense)	148,739	134,445	9,908,267	3,616,644
8	Timken South Africa Limited	Fellow Subsidiary	Sale of Goods	85,964,635	10,521,224	116,770,784	11,923,688
			Purchase of goods	3,143,163	3,085,524	12,289,586	2,948,665
			Expenses Payable	90,269	-	7,740,723	-
			Expenses Receivable	21,193	-	-	-
9	Timken Romania	Fellow Subsidiary	Purchase of goods	143,443,245	36,139,023	147,727,049	25,735,590
			Agency Commission (Income)	1,260,472	1,198,525	-	-
10	Yantai Timken Company Limited	Fellow Subsidiary	Purchase of goods	126,597,335	30,081,612	90,710,728	18,170,921
			Purchase of Fixed Assets	6,915,251	1,580,716	1,047,608	313,385
			Expenses Payable	14,079	-	311,286	-
			Agency Commission (Income)	31,834	-	-	-
			Expenses Receivable	243,915	-	878,022	253,195
			Sale of Goods	2,409,406	421,641	121,498	-
11	Australian Timken Proprietary Limited	Fellow Subsidiary	Sale of Goods	69,554,539	9,250,285	68,562,279	9,656,048
			Purchase of goods	4,220,847	2,359,799	2,877,143	1,045,625
12	Timken Polska	Fellow Subsidiary	Purchase of goods	53,189,135	9,305,260	67,936,171	17,459,631
13	Timken (China) Investment Co.Ltd.	Fellow Subsidiary	Expenses Payable	20,267,722	3,194,956	46,711,532	2,330,725
			Expenses Receivable	82,053	8,240	89,367	47,349
14	Timken Wuxi Co Ltd - China	Fellow Subsidiary	Purchase of goods	491,190,423	111,689,574	412,442,810	74,341,712
			Expenses Payable	49,551	-	-	-
			Expenses Receivable	-	513,996	-	484,891
			Sale of Goods	54,642	-	36,552	-
15	Timken (Shanghai) Distribution & Sales Co. Ltd - China	Fellow Subsidiary	Sale of Goods	214,805,803	11,805,278	120,761,713	14,467,919
			Expenses Payable	640,175	305,359	-	-
			Purchase of Goods	16,020,106	2,130,185	6,414,904	9,554,540
16	Timken Steel Corporation	Fellow Subsidiary	Purchase of goods	-	-	9,350,663	-
			Expenses Receivable	-	-	499,973	-

Notes to financial statements as at and for the year ended March 31, 2016

(Amount in Rupees)

SI No.	Name of the Related Party	Relationship	Nature of transactions	Transaction Amount for the year ended	Outstanding as at	Transaction Amount for the year ended	Outstanding as at
				March 31, 2016	March 31, 2016	March 31, 2015	March 31, 2015
17	Timken Engineering and Research India Pvt. Ltd	Fellow Subsidiary	Expenses Receivable	49,147,476	5,514,398	48,995,163	6,684,422
			Expenses Payable	118,043,445	7,718,504	109,049,368	8,685,775
			Purchase of goods	1,358,759,733	41,016,381	1,166,956,299	36,571,186
			Sale of Goods	148,445,289	4,798,341	126,417,184	5,571,363
			Lease rental	30,452,547	2,538,737	30,390,214	2,536,278
			Purchase of Fixed Assets	10,070,426	-	-	-
			Purchase of DEPB License	10,537,326	4,055,197	2,666,500	-
18	Timken DE Mexico S A DE CV	Fellow Subsidiary	Purchase of goods	2,035,681	511,796	1,169,500	91,898
			Sale of Goods	249,775,227	65,961,052	223,056,943	34,883,172
19	Timken Canada LP	Fellow Subsidiary	Purchase of goods	1,846,969	122,088	755,051	302,595
20	Timken Argentina S R L	Fellow Subsidiary	Sale of Goods	-	(42,728)	150,553	-
21	Timken Gears and Services Inc	Fellow Subsidiary	Expenses Payable	3,404,495	2,637,152	12,258,689	1,121,490
			Purchase of Goods	284,060	-	8,823,325	489,595
			Sale of Goods	-	-	5,664,629	4,155,243
			Expenses Receivable	185,880	-	-	-
			Royalty (excluding Cess)	2,163,229	4,283,374	1,673,683	1,752,107
			Purchase of Fixed Assets	-	37,869	86,405,253	74,013,688
22	Timken Chengdu Aerospace	Fellow Subsidiary	Purchase of Goods	1,634,559	56,990	8,439,562	1,154,950
23	Timken Aerospace	Fellow Subsidiary	Purchase of Goods	-	1,884,062	1,697,498	1,693,223
			Agency Commission (Income)	624,208	624,208	-	-
24	Timken XEMC(Hunan) Bearings	Fellow Subsidiary	Purchase of Goods	4,069,888	4,211,286	3,502,867	-
25	Timken Housed Units Inc	Fellow Subsidiary	Purchase of Goods	-	-	104,390	-
26	Timken ILS Limited	Fellow Subsidiary	Purchase of Goods	1,161,648	-	207,177	-
			Expenses Receivable	-	-	14,046	13,878
27	Timken GMBH	Fellow Subsidiary	Expense Payable	145,454	-	-	-
28	TIMKEN SMO LLC	Fellow Subsidiary	Agency Commission (Income)	244,169	244,169	-	-
29	Gibson Dunn & Crutcher LLP	Firm where a director is a Partner	Expense Payable	6,809,713	5,591,681	4,501,178	-
30	New Delhi Law Offices	Firm where a director is a Partner	Expense Payable	1,980,938	-	1,503,464	-
31	P S DASGUPTA	Director	Sitting fees paid	141,500	-	125,000	-

Notes to financial statements as at and for the year ended March 31, 2016

(Amount in Rupees)

SI No.	Name of the Related Party	Relationship	Nature of transactions	Transaction Amount for the year ended	Outstanding as at	Transaction Amount for the year ended	Outstanding as at
				March 31, 2016		March 31, 2015	
32	RUPA MAHANTY	Director	Sitting fees paid Expenses Payable	165,000 129,452	- -	85,000 -	- -
33	Jai S. Pathak	Director	Sitting fees paid	115,000	-	125,000	-
34	Sanjay Koul	Chairman & Managing Director Key Management Personnel	Remuneration Expenses payable	19,711,121 151,779	546,822 -	19,160,110 380,410	623,696 -
35	Ramesh Ramachandran	Chief Financial Officer & Whole time Director (till 30th Sept 2015) Key Management Personnel	Remuneration Expenses payable	4,584,559 143,388	- -	7,314,610 284,775	209,666 -
36	Avishrant Keshava	Chief Financial Officer & Whole time Director (from 30th Sept 2015) Key Management Personnel	Remuneration Expenses payable	1,914,196 12,184	96,898 -	- -	- -
37	Soumitra Hazra	Company Secretary & Chief - Compliance Key Management Personnel	Remuneration Expenses payable	3,644,925 15,387	70,449 -	3,572,454 43,151	85,275 -

Notes to financial statements as at and for the year ended March 31, 2016

NOTE 37

Excise duty and cess on stock represent differential excise duty and cess thereon paid/provided on opening and closing stock of finished goods.

NOTE 38

During the year, inventories worth Rs. 98,003,307 and fixed assets worth Rs.308,911 (written down value) were destroyed in a fire at the Company's third party service provider's warehouse. Against such loss, Rs.43,734,688 has been recovered from the insurance claims including Rs.22,241,375 receivable from a fellow subsidiary under the global insurance arrangement, Rs. 20,700,000 has been recovered from the third party service provider and Rs. 3,783,412 through sales of damaged inventories. The balance amount of Rs. 30,094,118 is recognised as exceptional item in the Financial Statement.

Particulars	Rupees
Loss due to fire	98,312,218
Amount recovered from Insurance company	(21,493,313)
Amount recoverable in respect of reimbursement from related party*	(22,241,375)
Sale of damaged inventory (scrap)	(3,783,412)
Amount recovered from Third party service provider	(20,700,000)
Net loss due to fire shown as exceptional item	30,094,118

*represents amount receivable from a fellow subsidiary, The Timken Corporation, being the insurance claim received by the fellow subsidiary under the global insurance arrangement..

NOTE 39

Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

As per our report of even date

For S R BATLIBOI & Co. LLP

Firm Registration No. 301003E/E300005
Chartered Accountants

Per KAMAL AGARWAL

Partner
Membership No. 058652
Bangalore, May 20, 2016

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

Sanjay Koul

Chairman, Managing Director & CEO
DIN - 05159352

Avishrant Keshava

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

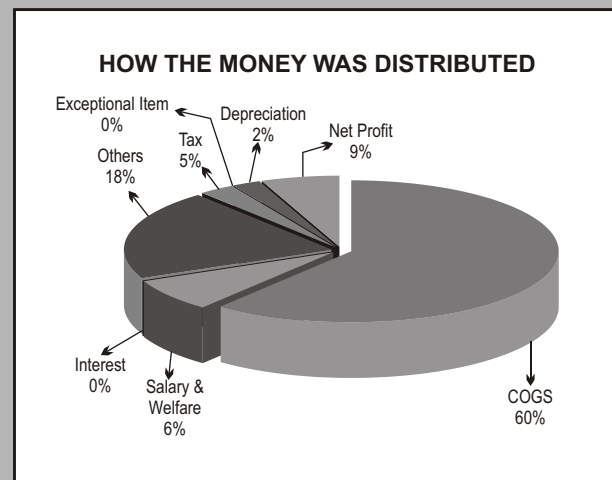
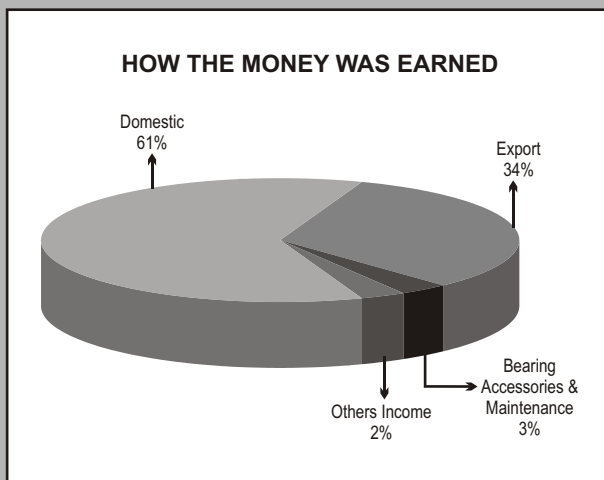
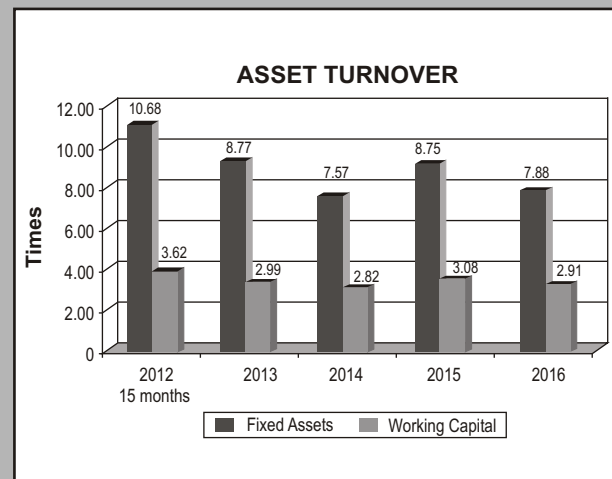
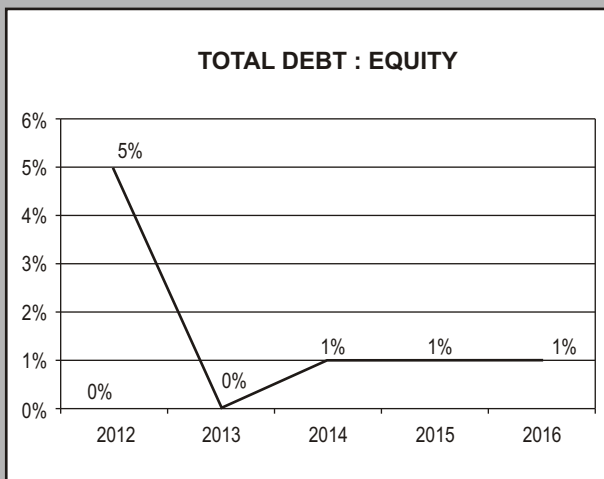
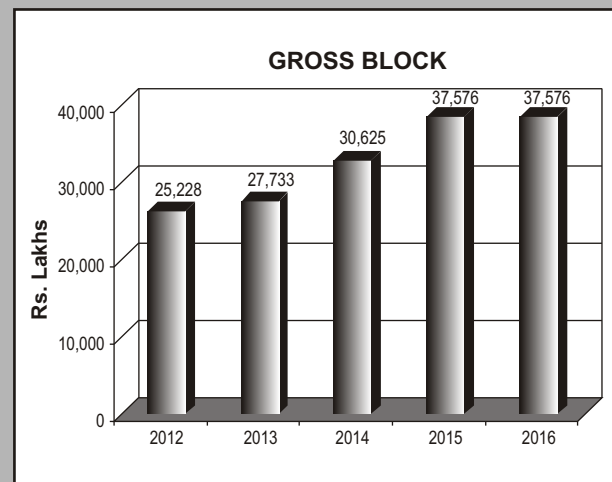
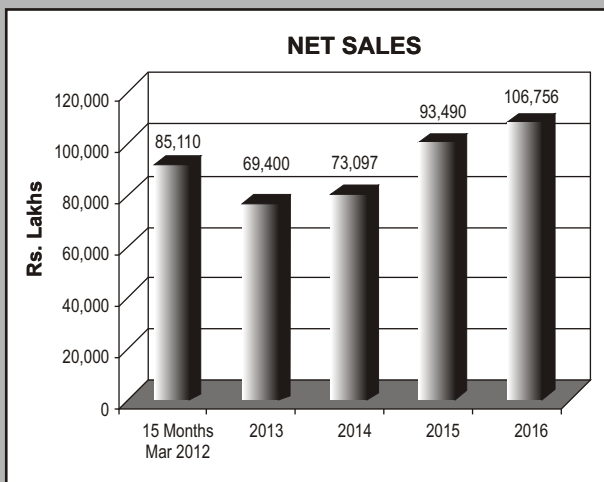
Soumitra Hazra

Company Secretary & Chief - Compliance
Bangalore, May 20, 2016

FIVE YEARS AT A GLANCE

	Year Ended 31.03.2016	Year Ended 31.03.2015	Year Ended 31.03.2014	Year Ended 31.03.2013	15 months Ended 31.03.2012
Production					
(i) Standard Roller Brgs (Equiv. Nos.)	2,081,949	2,137,317	1,777,388	1,662,962	2,627,148
(ii) Special Roller Bearings (Equiv. Nos.)	2,332,444	1,350,802	1,080,930	1,633,225	2,184,660
(iii) Components (Equiv.Nos.)	4,307,909	4,379,386	3,410,873	3,310,654	4,792,248
Rs/Lakhs					
Profit & Loss Account					
(i) NET Income					
(a) Domestic	70,636	59,334	49,304	51,360	64,575
(b) Export	36,120	34,157	23,792	18,040	20,535
Total (a+b)	106,756	93,491	73,096	69,400	85,110
(ii) EBIT	14,572	12,289	6,658	6,503	11,178
(iii) Profit after Exceptional items before Tax	14,179	12,231	6,569	6,375	11,056
(iv) Profit After Tax	9,191	8,069	4,475	4,424	8,066
Balance Sheet					
(i) Gross Block (includes CWIP)	37,576	33,256	30,625	27,733	25,228
(ii) Net Block	13,553	10,686	9,652	7,915	7,965
(iii) Net Current Asset	36,677	30,339	25,901	23,218	23,510
(iv) Capital Employed	52,320	43,709	38,112	33,707	32,521
(v) Beginning Invested Capital (BIC)	41,337	36,097	32,299	31,343	37,378
(vi) Total Debt	431	252	324	-	1,478
(vii) Equity	52,213	43,845	38,232	34,146	31,313
Other Comparative Data					
(i) PAT to Net Sales (%)	9%	9%	6%	6%	9%
(ii) EBIT / BIC (%)	35%	34%	21%	21%	30%
(iii) Return on Net Worth (%)	18%	18%	12%	13%	26%
(iv) E.P.S (Rs)	13.52	11.87	6.60	6.94	12.66
(v) Total Debt to Total Equity (%)	1%	1%	1%	0%	5%
(vi) Total Debt to Total Capital (%)	1%	1%	1%	0%	5%
(vii) Fixed Asset Turnover (times)	7.88	8.75	7.57	8.77	10.68
(viii) Working Capital Turnover (times)	2.91	3.08	2.82	2.99	3.62
(ix) Current Ratio (times)	3.10	3.10	3.27	2.91	2.59
(x) Interest Cover (times)	158.63	213.86	75.21	50.53	91.49
(xi) Net sales/Employee (Rs/Lakhs)	168	146	117	111	139

- Notes :** (i) EBIT/BIC i.e Beginning invested capital, a type of return on asset ratio, used internally to measure the company's performance. In broad terms, invested capital is total assets minus non interest-bearing current liabilities.
- (ii) Return on Net Worth is profit after tax divided by net worth as at the end of the year.
- (iii) Equity includes preference share capital net off accumulated losses and miscellaneous expenditure to the extent not written off.
- (iv) Fixed Asset Turnover is net sales divided by net fixed assets as at the end of the year.
- (v) Working Capital Turnover is net sales divided by net current asset as at the end of the year.
- (vi) Current ratio is current assets divided by current liabilities including current portion of long term loans, if repayable within one year.
- (vii) Interest Cover is profit before interest and taxation divided by net interest expenses.



If undelivered please return to:
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TIMKEN

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