

Auditors' Certificate

The Board of Directors
Timken India Limited,
39-42, Electronic City, Phase II,
Hosur Road, Bangalore-560100

Certificate of Non – applicability of requirements prescribed in Paragraph (I)(A)9(a) of Annexure I of Securities Exchange Board of India (“SEBI”) circular No CFD/DIL3/CIR/2017/21 dated March 10, 2017 (“SEBI Circular”) in respect of draft Scheme of Amalgamation and Arrangement.

1. This certificate is issued in accordance with the terms of our agreement dated July 4, 2017 with Timken India Limited ('the Company').
2. In connection with the draft Scheme of Amalgamation and Arrangement (' Scheme') between Timken India Limited and ABC Bearings Limited and their respective shareholders and creditors in terms of the applicable provisions of Section 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, the Company is required to submit an undertaking which is prepared by the Board of Directors of the Company as per the SEBI Circular ('the Undertaking'), duly certified by its statutory auditors, with BSE Limited and National Stock Exchange of India Limited (together referred to as 'Stock Exchanges') towards non-applicability of conditions mentioned in paragraph (I)(A)9(a) of Annexure I of the SEBI Circular stating reasons thereof.
3. In connection with the requirements as stated in Paragraph 2 above, we have been provided by the Company a certified copy of the Scheme (as attached herewith) and certified copy of the Undertaking as per the SEBI Circular (as attached herewith). We have initialed the Undertaking for identification purposes only. We have relied on the Undertaking and have performed no further procedures in this regard.



Management's Responsibility for the Undertaking

4. The preparation of the Undertaking is the responsibility of the management of the Company including the creation and maintenance of all accounting and other records supporting the contents of the Scheme. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Undertaking.
5. The management is also responsible for ensuring that the Company complies with the requirements of the aforesaid SEBI Circular and the Companies Act 2013, in relation to the Scheme and for providing all the information to SEBI and the Stock Exchanges.

Auditor's Responsibility

6. Pursuant to the requirements of the SEBI Circular, our responsibility is to provide reasonable assurance as to whether the requirements set out in paragraph (I)(A)9(a) of Annexure 1 of the SEBI Circular, as stated in the Undertaking, are applicable to the Scheme or not, based on our enquires of the management and examination of the enclosed Undertaking.
7. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. A reasonable assurance engagement includes performing procedures to obtain sufficient appropriate audit evidence on the reporting criteria. Accordingly, we have performed the following procedures in relation to the Certificate:
 - i. Obtained a certified copy of the Scheme.
 - ii. Obtained a certified copy of the Undertaking from the management, as per the SEBI Circular.
 - iii. Relied on the copy of the Scheme and the Undertaking so obtained.



10. Our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be to express an opinion on the specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion. Further our examination did not extend to any aspects of a legal or propriety nature in the Scheme other than the matters referred to in this certificate.

Conclusion

11. Based on the procedures performed as above and on the basis of verification of the Undertaking given by the Company and according to the information and explanations given to us and specific representations received by us from the Management, we are of the opinion that the conditions prescribed in Paragraph (I)(A)9(b) of heading / paragraph 1 A of Annexure I of the relevant SEBI Circular (in relation to the voting by public shareholders) are not applicable to the Scheme based on the following grounds:
- a. The Scheme does not envisage any issue of shares to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the Company;
 - b. There is no scheme of arrangement between the Company and an entity of the Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group;
 - c. The Company has not acquired, directly or indirectly, the equity shares of the subsidiary, from any of the shareholders of the subsidiary who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the Company, under the Scheme;
 - d. The Scheme does not envisage merger of an unlisted entity which results in reduction in the voting share of pre-scheme public shareholders of listed entity in the transferee / resulting company by more than 5% of the total capital of the merged entity; and
 - e. The Scheme does not envisage the transfer of the whole or substantially the whole of the undertaking, as defined under the SEBI Circular, of a listed company in consideration in a form other than listed equity shares.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

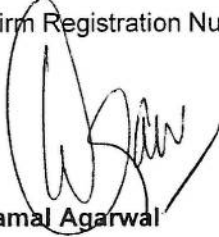
Restriction on Use

12. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the aforesaid SEBI Circular. Our obligations in respect of this certificate are entirely separate from and our responsibility and liability is in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this certificate nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as auditors of the Company.
13. The certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose to comply with requirements of the SEBI Circular for onward submission to the Stock Exchanges and any other regulatory authority as required under applicable law. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/ E300005



per Kamal Agarwal

Partner

Membership Number: 058652

Place: Kolkata.

Dated: July 4, 2017

