

July 04, 2017

<p>The Deputy General Manager BSE Limited Corporate Relationship Department 1st Floor, New Trading Ring, Rotunda Building, P J Towers, Dalal Street, Fort, Mumbai 400 001</p>	<p>The Manager Listing Department National Stock Exchange of India Limited 'Exchange Plaza', C-1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051</p>
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Sub: 1) Scheme of Amalgamation and Arrangement amongst ABC Bearings Limited, Timken India Limited and their respective shareholders and creditors.

2) Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015.

Dear Sir,

1. We would like to inform that the Board of Directors ("**Board**") of Timken India Limited ("**Company**") on July 04, 2017, has considered and approved the following proposal amongst the Company, ABC Bearings Limited ("**Transferor Company**") and their respective shareholders and creditors:
 - 1.1. The amalgamation ("**Amalgamation**") of the Transferor Company with the Company, in accordance with Sections 230 to 232 of the Companies Act, 2013.
 - 1.2. The terms of the Amalgamation are recorded in the draft Scheme of Amalgamation and Arrangement tabled before the Board of the Company under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 ("**Scheme**"). The Board of Directors of the Transferor Company have also in their Board meeting held on July 04, 2017 approved the said Scheme. The Scheme shall be subject to the approval of the shareholders and such other persons as may be required under applicable law, the stock exchanges where the shares of the Company and the Transferor Company are listed, Securities and Exchange Board of India, the National Company Law Tribunal at Bengaluru and Mumbai and / or such other competent statutory / regulatory authorities as may be required under applicable law. The appointed date of the Scheme will be the date on which the later of the orders of the National Company Law Tribunal sanctioning the Scheme is passed.

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

CIN: L29130KA1996PLC048230

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

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2. The Company was incorporated in the year 1987 and is engaged in the business of engineering and manufacturing bearings and mechanical power transmission components including gear drives, couplings, belts and chain. The Company also provides industrial services including those in the nature of bearing repair and powertrain rebuild. The equity shares of the Company are listed on the BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”).
3. The Transferor Company was incorporated in the year 1961 and is *inter alia* engaged in the business of: (i) engineering, product design, manufacturing, distribution and sale of bearings including inter alia taper roller bearings, cylindrical roller bearings, spherical roller bearings and slewing bearings; and (ii) procurement, distribution and sale of other bearings and related products which may not necessarily be manufactured by the Transferor Company but are sold by the Transferor Company under the “ABC” brand. The equity shares of the Transferor Company are listed on BSE. The Transferor Company primarily has a presence in India but it does supply its products to other countries like Russia, France and Germany. The Transferor Company will separately file an intimation with respect to the Amalgamation with the BSE.

Details of the net-worth and turnover of the Company and Transferor Company:

4. The details of net-worth and turnover of the Company are as under:

Consolidated Net-worth as on March 31, 2017 (in INR Crs.)	Total consolidated turnover of the Company for the period ended March 31, 2017 (in INR Crs.)
617.9*	1127.1*

**Source: Audited financial results of the Company for the financial year ended 31 March 2017, as uploaded to the BSE/NSE website*

5. The details of net-worth and turnover of the Transferor Company are as under:

Consolidated Net-worth as on March 31, 2017 (in INR Crs.)	Total consolidated turnover of the Company for the period ended March 31, 2017 (in INR Crs.)
138.81*	190.35*

**Source: Audited financial results of the Transferor Company for the financial year ended 31 March 2017, as uploaded to the BSE website.*

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Rationale for the Amalgamation:

6. The Company is a subsidiary of the Timken Company, which is a US based leading manufacturer of taper roller bearings, which is the also the main product currently being manufactured by the Transferor Company. The Company is desirous of acquiring a capacity that meets the increasing demand for its products across the globe. The Transferor Company possess such manufacturing facility and is seeking to access new technology and new markets.
7. Both the Transferor Company and the Company intend to and can achieve larger product portfolio, access new domestic and export markets, increase market share, economies of scale, efficiency, and other related economies through this Amalgamation. The Scheme intends to merge the operations of the Transferor Company with that of the Company to fulfil this objective.
8. The Amalgamation would be beneficial to the respective shareholders, investors and creditors of the Transferor Company and the Company.
9. The business of the Transferor Company is similar to and is in the same lines as the business currently undertaken by the Company.

Change in the shareholding pattern of the Company and the Transferor Company:

10. Upon the Scheme becoming effective, the Company will issue its equity shares to all the shareholders of the Transferor Company holding fully paid equity shares of the Transferor Company in the ratio provided in paragraph 11 below and as more specifically detailed in the Scheme.

Consideration payable:

11. In consideration for the amalgamation of the Transferor Company with the Company, the Company shall issue and allot equity shares, credited as fully paid up, to all the equity shareholders of Transferor Company in the following ratio (“**Share Exchange Ratio**”):

“For every 8 fully paid up equity shares of the face value of Rs. 10 each held in Transferor Company on the record date, 5 fully paid up equity shares of face value of Rs. 10 each of the Company shall be issued.”

12. The Share Exchange Ratio mentioned in paragraph 11 above has been arrived at based on the valuation report (“**Valuation Report**”) dated July 04, 2017, prepared by SSPA& Co, independent chartered accountants. The Share Exchange Ratio recommended in the Valuation Report has been confirmed by a fairness opinion (“**Fairness Opinion**”)

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prepared by JM Financial Institutional Securities Limited, an independent merchant banker and approved by the Audit Committee and Board of the Company.

Listing sought for shares issued by the Company:

13. Subject to the receipt of necessary approvals, the equity shares issued by the Company shall be listed on the BSE and NSE.

Other information:

14. The Scheme and the transactions contained therein are subject to regulatory approvals *inter-alia* from the stock exchanges where the shares of the Company and the Transferor Company are listed, Securities and Exchange Board of India, the National Company Law Tribunal and all other authorities, if any. Pending completion of the Scheme, the Transferor Company shall be entitled to divest certain non-core properties of the Transferor Company which are not used for the business of manufacture of bearings by the Transferor Company.
15. The Scheme is not between related parties. The consideration payable pursuant to the Scheme to the shareholders of the Transferor Company is as per the recommendation of the Audit Committee of the Company and based on the Share Exchange Ratio recommended in the Valuation Report and opined by the Fairness Opinion.
16. The Transferor Company shall stand dissolved without winding up pursuant to the Scheme.
17. The transaction contemplated pursuant to the Scheme is expected to be closed in the quarter ended March 31, 2018, subject to the receipt of all the approvals from the concerned governmental authorities in relation to the Scheme.
18. Please see attached the press release to be issued in relation to the above.

Thanking you,

Yours faithfully,
For **Timken India Limited**

Soumitra Hazra

Soumitra Hazra
Company Secretary
& Chief Compliance



Timken to Acquire ABC Bearings Ltd., Further Expanding Its Business in India

Bangalore: July 4, 2017 — Timken India Ltd., a subsidiary of The Timken Company, a world leader in engineered bearings and mechanical power transmission products, today announced that it has entered into a definitive agreement to acquire ABC Bearings Ltd. through a court-approved amalgamation process. ABC Bearings is a manufacturer of tapered, cylindrical and spherical roller bearings, and slewing rings.

This transaction is subject to receipt of approvals by each company's shareholders, regulatory agencies and the stock exchanges, which is expected to occur over the next several months.

"Timken is a leader in the India bearing market and the acquisition of ABC Bearings will expand our capacity, our customer base and our locally produced product breadth," said Richard G. Kyle, Timken president and chief executive officer. "The demand for bearings in India is growing, and the addition of ABC Bearings will provide us with the ability to increase participation in local and export markets."

"The prospective merger demonstrates our commitment to invest in and grow our business in India," said Sanjay Koul, chairman and managing director of Timken India. "The addition of the ABC Bearings portfolio will strengthen our innovative and competitive solutions to serve our customers."

ABC Bearings is a public limited company listed on the BSE Limited with its registered office in Mumbai, India. The company operates primarily out of manufacturing facilities in Bharuch, Gujarat, and Dehradun, Uttarakhand. ABC Bearings serves an established original equipment customer base in India, focusing on heavy truck and off-highway industries. During fiscal year 2016-2017, the company recorded a turnover of approximately INR 1900 million.

About Timken India Ltd.

Timken India Ltd. (BSE: TIL; www.timken.com/en-in), a subsidiary of The Timken Company, is a public limited company listed on the National Stock Exchange of India Limited and BSE Limited. Timken India local operations include a state-of-the-art bearing manufacturing facility in Jamshedpur, Jharkhand, and gear service center in Raipur, Chhattisgarh.

About The Timken Company

The Timken Company (NYSE: TKR; www.timken.com) engineers, manufactures and markets bearings, gear drives, belts, chain, couplings, and related products, and offers a spectrum of powertrain rebuild and repair services. The leading authority on tapered roller bearings, Timken today applies its deep knowledge of metallurgy, tribology and mechanical power transmission across a

variety of bearings and related systems to improve reliability and efficiency of machinery and equipment all around the world. The company's growing product and services portfolio features many strong industrial brands including Timken[®], Fafnir[®], Philadelphia Gear[®], Drives[®], Lovejoy[®] and Interlube[™]. Known for its quality products and collaborative technical sales model, Timken posted \$2.7 billion in sales in 2016. With more than 14,000 employees operating from 28 countries, Timken makes the world more productive and keeps industry in motion.

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Forward-looking Statements

Certain statements in this release are forward-looking statements, which involve a number of risks, uncertainties, assumptions and other factors that could cause actual results to differ materially from those in such forward-looking statements. All statements, other than statements of historical fact are statements that could be deemed forward looking statements, including but not limited to the statements containing the words 'planned', 'expects', 'believes', 'strategy', 'opportunity', 'anticipates', 'hopes' or other similar words. The risks and uncertainties relating to these statements include, but are not limited to, the inability to complete the acquisition or unexpected delay in the completion of the acquisition due to either the failure to satisfy any condition to the closing of the transaction, including receipt of shareholder or regulatory approval, the impact of pending regulatory or stock exchange proceedings or approvals, or the occurrence of any event, change or other circumstance that could give rise to the termination of the scheme of merger or implementation agreement, fluctuations in earnings, our ability to manage growth, intense competition in bearing manufacturing or any ancillary industry including those factors which may affect our cost advantage, wage increases in India, customer acceptances of our services, products and fee / cost structures, our ability to attract and retain highly skilled employees, our ability to integrate acquired assets in a cost effective and timely manner, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, the success of our brand development efforts, liability for damages on our service contracts, the success of the companies /entities in which we have made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property, other risks, uncertainties and general economic conditions affecting our industry. There can be no assurance that the forward looking statements made herein will prove to be accurate, and issuance of such forward looking statements should not be regarded as a representation by TIL, or any other person, that the objective and plans of TIL will be achieved. All forward looking statements made herein are based on information presently available to the management of TIL and TIL does not undertake to update any forward-looking statement that may be made from time to time by or on its behalf.

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