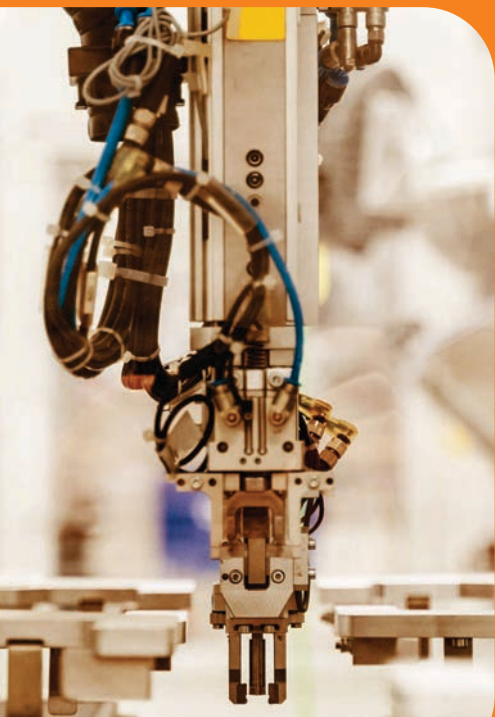


Timken India Limited

36th Annual Report, 2022-23




CORPORATE INFORMATION
BOARD OF DIRECTORS

(As on 30 June, 2023)

Mr. Sanjay Koul

Chairman & Managing Director

Mr. P S Dasgupta

Independent Director

Mrs. N S Rama

Independent Director

Mr. George J Ollapally

Independent Director

Mr. Veerappan V

Independent Director

Mr. Douglas Smith

Director

Mr. Hansal Patel

Director

Mr. Avishrant Keshava

CFO & Whole-time Director

**COMPANY SECRETARY
& CHIEF-COMPLIANCE**

Mr. Mandar Vasmatkar

COMMITTEES OF THE BOARD**AUDIT COMMITTEE****Chairman**

Mr. P S Dasgupta

Members

Mr. Sanjay Koul

Mrs. N S Rama

Mr. George J Ollapally

Mr. Veerappan V

Mr. Douglas Smith

**STAKEHOLDERS RELATIONSHIP
COMMITTEE****Chairperson**

Mrs. N S Rama

Members

Mr. Avishrant Keshava

Mr. Douglas Smith

Mr. Hansal Patel

Mr. Veerappan V

**NOMINATION AND REMUNERATION
COMMITTEE****Chairman**

Mr. George J Ollapally

Members

Mrs. N S Rama

Mr. P S Dasgupta

Mr. Hansal Patel

**CORPORATE SOCIAL RESPONSIBILITY
COMMITTEE****Chairman**

Mr. Sanjay Koul

Members

Mrs. N S Rama

Mr. Avishrant Keshava

RISK MANAGEMENT COMMITTEE**Chairman**

Mr. Sanjay Koul

Members

Mr. Veerappan V

Mr. Avishrant Keshava

STATUTORY AUDITORS

Deloitte Haskins & Sells LLP
Partner: Mr. Sathya P Koushik

INTERNAL AUDITORS

KPMG Assurance and Consulting Services LLP
Partner: Mr. Vineet Dhawan

COST AUDITORS

Shome & Banerjee
Partner: Mr. Kunal Banerjee

SECRETARIAL AUDITORS

V Sreedharan & Associates
Partner: Mr. Pradeep B. Kulkarni

BANKERS

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

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REGISTERED OFFICE

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Hosur Road, Bengaluru 560 100

Tel. No. 080 - 41362000

Fax No. 080 - 41362010

✉ E-mail: tilinvestor@timken.com

🌐 Website: www.timken.com/en-in/

CIN: L29130KA1996PLC048230

BSE Code: 522113

NSE Symbol: TIMKEN

INVESTOR RELATIONS CORRESPONDENCE

Company Secretary & Chief-Compliance
Timken India Limited
39-42, Electronic City, Phase II,
Hosur Road, Bengaluru 560 100

Tel. No. 080 - 41362000

✉ E-mail: tilinvestor@timken.com

Tax on dividend queries: TIL.TDS@timken.com

REGISTRAR AND SHARE TRANSFER AGENT

CB Management Services Private Limited
P-22, Bondel Road, Kolkata 700 019

✉ Email: rta@cbmsl.com

Tel. No. 033-40116700

Chairman's Statement

Dear Shareholders,

I am pleased to present your Company's Annual Report for FY 2022-23. We achieved strong financial results during the year while continuing to advance our strategic initiatives to create long-term value for our stakeholders.

The Company continued to perform exceptionally well despite the dynamic macroeconomic environment, delivering record revenue and building on our position as a leading player in the Indian bearings industry.

During the year, we remained focused on delivering value to our customers and strengthening our position in key markets. Our engineered bearings and industrial motion businesses performed well, with growth in both domestic and export markets. We also made significant investments in our manufacturing facilities, technology and people to enhance our capabilities and improve our competitiveness.

Our focus on innovation and technology has been a key driver of our success. We continued to invest in research and development resulting in significant improvements in our product technologies and manufacturing efficiencies, including innovative solutions that meet the evolving needs of our customers across a range of industries. We also strengthened our partnerships with key customers, further cementing our reputation as a trusted and reliable supplier.

We are also expanding our footprint in India to support further growth expected in the coming years. Notably, we recently announced a new manufacturing facility for spherical and cylindrical roller bearings and related components in Bharuch, Gujarat. Expected to commence operations in January 2025, this new facility will help us deliver more Made In India products to our customers and increase our speed to market.

At Timken, we believe that innovation and sustainability are key drivers of long-term success. We continue to contribute to the global shift to renewable energy production and are proud to be a leading supplier to some of world's largest wind and solar projects. Timken manufactures bearings and industrial motion products for wind turbines and critical drive systems for solar equipment. Across the board, Timken technology continues to make renewable energy more efficient, more reliable and more competitive.

Good governance is core to our business and operations. In addition to our business success, we remain committed to our social responsibility and sustainability efforts. Our initiatives in this area include reducing our carbon footprint, supporting local communities and promoting employee health and well-being. We recognize that our long-term success depends not only on financial performance, but also on creating a positive impact on society and environment.

Looking ahead, we remain optimistic about the Company's future with a strong allocation pipeline, clearly differentiating ourselves from competitors. Our strong financial position, focus on customer value and investments in innovation and sustainability, position us well for continued growth and success. Our portfolio is strategically focused to deliver higher growth and margins and we expect to continue to diversify our products and industries into attractive and complementary spaces. We, at group level, are investing in R&D and application engineering to advance equipment designs of tomorrow.

We will continue to prioritize our strategic initiatives to create additional long-term value for all our stakeholders. We will remain focused on our strategy of innovation, operational excellence, and customer-centricity while also maintaining a strong commitment to sustainability and social responsibility.

In closing, I would like to thank our employees, customers, partners, shareholders and members of the Board for their continued support and trust in the Company. Our objective at Timken has always been to outgrow the markets. We have been successful in this pursuit and expect to grow profitably in the years to come by continuing to shift to higher growth market sectors and focus on newer technological trends. We are well-positioned to achieve stronger performance and deliver significant value in the years to come. I look forward to your continued support as we embark on the next phase of our journey.

Sincerely,

Sd/-

Sanjay Koul

Chairman & Managing Director

DIN: 05159352

Board's Report

To the Members,

The Board of Directors has pleasure in presenting 36th Annual Report of the Company for the year ended 31 March, 2023.

Financial Summary

(₹ in million)

Particulars	Financial Year ended 31 March, 2023	Financial Year ended 31 March, 2022
Revenue from Operations	28,066.10	22,032.44
Add: Other Income	531.75	142.89
Total Income	28,597.85	22,175.33
Less: Total Expenses	23,362.64	17,793.49
Profit before tax (PBT)	5,235.21	4,381.84
Less: Tax expenses	1327.76	1110.79
Net Profit after tax (PAT)	3,907.45	3,271.05
Add: Other Comprehensive Income	7.68	(23.92)
Total Comprehensive Income	3,915.13	3,247.13

During FY 2022-23, the Company recorded a strong revenue growth of 27% YOY. This increase is driven by growth across most of the end market sectors. Total expenses increased by 31% during the same period on account of inflationary impact on metals and other expenses. The PBT is ₹ 5,235.21 million in FY 2022-23 as compared to ₹ 4,381.84 million in FY 2021-22. Increase in PBT can be attributed to increase in sales due to increased business volume. The Financial Statements for FY 2022-23 have been prepared in accordance with Indian Accounting Standards ("Ind-AS").

Financial Position

The Company continues to remain debt free and generated adequate cash flow to meet its working capital needs and long-term growth projects. Cash and cash equivalents and investments in mutual funds as at 31 March, 2023 were ₹ 3,942.94 million as compared to ₹ 1,137.46 million as at 31 March, 2022. The year also saw better working capital management in the areas of receivables, payables and inventory which is also reflected under cash flow and financial ratios section. For more details on financial position, please refer Management Discussion and Analysis.

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 commitments between the date of financial year end and the date of this report affecting the financial position of the Company.

Reserves

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

Dividend

The Board of Directors, subject to approval of Members at ensuing Annual General Meeting ('AGM'), has recommended dividend of Rs. 1.5 per equity share of Rs. 10/- each fully paid up (15%) for the year ended 31 March, 2023. Dividend Distribution Policy is available on the website of the Company and can be accessed at www.timken.com/en-in/investors/policies/.

New Manufacturing Facility

New manufacturing facility is being set up at Bharuch, Gujarat to manufacture Spherical Roller Bearings ('SRB') and Cylindrical Roller Bearings ('CRB') and components thereof. The Company already has manufacturing plant at Bharuch, Gujarat wherein primarily Tapered Roller Bearings ('TRB') and its components are manufactured. At the same premises wherein existing plant is situated, new facility will be set up to manufacture SRB and CRB and components thereof which will enhance manufacturing capacity of the Company. Commercial production from new facility is expected to start in the month of January, 2025. The Company will be investing approx. Rs 600 crore for setting up this facility.

Directors and Key Managerial Personnel

As on 31 March, 2023, the Board comprised 8 Directors out of which 4 were Independent, 2 were Executive and 2 were Non-Executive Directors. During the year under review:

- Re-appointment of Mr. Sanjay Koul (DIN: 05159352) as Managing Director was approved by the members at 35th AGM of the Company.
- Appointment of Mr. George J Ollapally (DIN: 09607523) as an Independent Director was approved by members at 35th AGM of the Company.
- Appointment of Mr. Veerappan V (DIN: 01593254) as an Independent Director was approved by members at 35th AGM of the Company.
- Appointment of Mr. Hansal Patel (DIN: 09607506) as a Director was approved by members at 35th AGM of the Company.

Mr. Bushen Lal Raina (DIN: 00182160) ceased to be a part of the Board of Directors of the Company due to his sad demise on 2 August, 2022.

Mr. Douglas Smith (DIN: 02454618), Director will retire by rotation at 36th AGM and being eligible, offers himself for re-appointment.

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

- Appointment of Mr. Ajay Sood (DIN: 03517303) as an Independent Director of the Company w.e.f. 1 October, 2023 for a period of 2 years subject to approval of the members of the Company.
- Appointment of Dr. Lakshmi Lingam (DIN: 10181197) as an Independent Director of the Company w.e.f. 1 October, 2023 for a period of 2 years subject to approval of the members of the Company.

In the opinion of the Board, aforesaid persons possess requisite expertise, skills, integrity and experience and their association and leadership will be beneficial to the Company. Hence, the Board has recommended their appointment at 36th AGM.

The Company is in receipt of Notices under Section 160 of the Companies Act, 2013 (the 'Act') in respect of proposed appointment of Mr. Ajay Sood and Dr. Lakshmi Lingam as mentioned above at ensuing AGM.

Pursuant to Section 203 of the Act, Mr. Sanjay Koul as Managing Director, Mr. Avishrant Keshava as Chief Financial Officer and Mr. Mandar Vasmatkar as Company Secretary serve as whole-time Key Managerial Personnel ('KMP'). During the year under review, there has been no change in KMP.

The Company has received necessary declarations from all Independent Directors of the Company confirming that each of them has met with the criteria of independence laid down in Section 149 of the Act and Regulation 16 of Listing Regulations. Independent Directors' details have been included in the databank of Independent Directors maintained by Indian Institute of Corporate Affairs ('IICA').

Corporate Governance

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), Corporate Governance Report along with Compliance Certificate from Practicing Company Secretary is attached as **Annexure - I**. Details relating to composition of the Board and its Committees along with its meetings held during FY 2022-23 are given in Corporate Governance Report which is attached as **Annexure - I**. One meeting of the Independent Directors was held on 20 February, 2023 which was attended by all the Independent Directors without participation of Non-Independent Directors and members of management.

Directors' Responsibility Statement

In pursuance of Section 134 (5) of the Act, the Directors hereby confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Nomination and Remuneration Policy

Based on recommendation of the Nomination and Remuneration Committee, the Board has laid down a Policy for remuneration of Directors, KMPs and other employees. The salient features of the Policy are as follows:

- It covers role of the Nomination and Remuneration Committee in line with Section 178 of the Act and Listing Regulations.
- It lays down factors and personal specifications that need to be considered for appointment of a Director.
- It specifies terms and conditions that need to be considered for appointment of Directors, KMPs and Senior Managerial Personnel including tenure of appointment, removal and retirement.
- It also lays down parameters for payment of remuneration to Executive Directors, Non- Executive/ Independent Directors, KMPs and Senior Managerial Personnel.

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

Ratio of Remuneration

Pursuant to Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, applicable details are given in specified format which is attached as **Annexure – II**.

Information required under Section 197(12) of the Act read with Rules 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, is annexed to this report. However, this Report and the Financial Statements are being sent to the shareholders of the Company excluding aforesaid information. Any shareholder interested in obtaining such information may write to the Company Secretary & Chief - Compliance at the Registered Office of the Company. The said information is also available for inspection at the Registered Office during working hours up to the date of AGM.

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

The Board has carried out performance evaluation of the Board of Directors as a whole, various Committees of the Board and individual Directors based on performance evaluation criteria. Each Director has provided feedback in writing to Chairman about the Board as a whole, various Committees and individual Directors. Further, Independent Directors in their separate meeting held on 20 February, 2023 have evaluated performance of Non- Independent Directors, Chairman and the Board as a whole.

Risk Management

The Board of Directors of the Company has constituted Risk Management Committee which *inter-alia* is responsible for assessment of risks, establishment of framework for monitoring risks and developing strategy for mitigation of various risks. During the year under review, new Risk Management Policy was approved mainly to capture the new Enterprise Risk Management processes that were adopted by the Company as per ISO 31000: 2018 to continually improve risk and opportunity management at enterprise level. Updated Policy is disclosed on the Company's website at <https://www.timken.com/en-in/investors/policies/>.

Vigil Mechanism/Whistle Blower Policy

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

Corporate Social Responsibility

The Corporate Social Responsibility ('CSR') Committee of the Board is responsible for evaluation and implementation of CSR Projects. The Company has spent Rs. 3,42,56,535/- on various CSR Activities during FY 2022-23 including administrative overheads. Further, the Company has transferred Rs. 2,46,63,101/- on account of ongoing project to Unspent CSR Account. For more details on CSR expenditure during the year under review, please refer Annual Report on CSR Activities attached as **Annexure – III**. Salient features of the CSR Policy are as follows:

- It lays down CSR Philosophy, Vision and Commitment of the Company.
- It specifies guidelines for implementation of CSR Projects through CSR Partners including eligibility criteria for CSR Partners.
- It also lays down roles and responsibilities of the CSR Committee.

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

Statutory Audit

Pursuant to Section 139 of the Act, M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Registration No. 117366W/W100018) have been re-appointed as Statutory Auditors of the Company for a period of 5 years from conclusion of 35th ('AGM') till 40th AGM. During the year under review, there was no fraud reported by the auditors to the Audit Committee/Board under section 143(12) of the Act. The Report given by the Statutory Auditors on the financial statements of the Company forms a part of this Annual Report. Statutory Auditors have given unmodified opinion. However, they have pointed out that proper books of accounts as required by law were kept except back up on daily basis of such books of accounts in electronic mode in server physically located in India. The Company is exploring options available for maintaining backup on daily basis and this is work-in-progress and it will be implemented soon.

Cost Audit

In terms of Section 148 of the Act, the Company is required to maintain cost records and have its records audited by Cost Accountant. The Company has maintained the cost records for FY 2022-23 as required under Section 148 of the Act.

The Board of Directors, on recommendation of the Audit Committee, has re-appointed M/s Shome and Banerjee (Firm Registration No. 000001) as Cost Auditors for FY 2023-24. In terms of Section 148 of the Act read with Rules made thereunder, remuneration payable to Cost Auditors is required to be ratified by members of the Company. Accordingly, appropriate resolution for ratification of remuneration payable to Cost Auditors for FY 2023-24 has been inserted in the Notice convening 36th AGM. The Board requests members to approve/ratify remuneration of Rs. 6,30,000/- (Rupees Six Lakhs and Thirty Thousand Only) plus applicable taxes and out of pocket expenses payable to Cost Auditors for FY 2023-24. The Cost Audit Report of the Company for FY 2021-22 was filed on 14 October, 2022 (within the stipulated due date).

Secretarial Audit

Pursuant to Section 204 of the Act, M/s. V Sreedharan & Associates, Practicing Company Secretaries, has submitted the Secretarial Audit Report which is attached as **Annexure – IV**. There are no qualifications or adverse remark made by the Secretarial Auditor. The Company has complied with norms of applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

Internal Audit

KPMG Assurance and Consulting Services LLP acted as Internal Auditors for FY 2022-23. They conducted periodical audits and submitted their reports to the Audit Committee. Their reports have been reviewed by the Audit Committee.

Internal Financial Controls

The Company has a system of internal controls commensurate with the nature of its business and the size and complexity of its operations. The Company has adequately documented policies, procedures and authorization matrix aligned with the level of responsibility which is designed to provide reasonable assurance on recording of transactions, effectiveness, and efficiency of operations, providing reliable financial information and safeguarding of assets. The Company has developed and implemented a framework for ensuring internal controls over financial reporting. The Company has carried out evaluation of design and effectiveness of these controls and noted no significant material weaknesses or deficiencies which can impact financial reporting.

Related Party Transactions

The Company has adopted Related Party Transactions Policy and all its transactions in ordinary course of business are entered in accordance with the said Policy. The Audit Committee reviews this Policy from time to time and also reviews and approves all related party transactions, to ensure that the same are in line with the provisions of applicable laws and the said Policy. Related Party Transactions Policy is available on the website of the Company at <https://www.timken.com/en-in/investors/policies/>. All related party transactions entered into by the Company during FY 2022-23 are disclosed in the Financial Statements for the year ended 31 March, 2023.

In terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, material related party transactions entered during FY 2022-23 in the ordinary course of business and on arm's length basis are given in Form AOC-2, attached to this Report marked as **Annexure – V**. For FY 2023-24, the Company anticipates that material related party transactions would be entered with four parties, for which approval is being sought in 36th AGM.

Listing with Stock Exchanges

The Company confirms that it has paid Annual Listing Fees for FY 2023-24 to National Stock Exchange of India Limited and BSE Limited, where the Company's shares are listed.

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

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

Investor Education and Protection Fund

Pursuant to Section 124 of the Act and Rules made thereunder:

- (i) the Company has transferred following unclaimed dividend amounts to Investor Education and Protection Fund ('IEPF') during FY 2022-23:

Particulars	Amount (in ₹)
Dividend paid by erstwhile ABC Bearings Limited (amalgamated with the Company) for FY 2014-15	3,43,620/-
Dividend paid by the Company for FY 2021-22 against shares already transferred to IEPF	13,91,739/-

- (ii) Unpaid dividend for FY 2015-16 relating to the Company and ABC Bearings Limited (amalgamated) is due for transfer to IEPF in the month of September, 2023.

Annual Return

A copy of Annual Return filed during FY 2022-23 is placed on the Company's website at <https://www.timken.com/en-in/investors/statutory-compliances/>. Draft Annual Return as on 31 March, 2023 is available on the website of the Company at <https://www.timken.com/en-in/investors/statutory-compliances/>.

Financial Performance of any Subsidiary / Associate / Joint Venture Company

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

Particulars of Loans, Guarantees or Investments

Particulars about investments made by the Company during the year are disclosed in the Financial Statements. During the year under review, the Company did not give any loans except to its employees as part of the conditions of service. Also, the Company did not give any guarantee or extended any securities in connection with any loan.

Deposits

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

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 going concern status and the Company's operations in future.

Other Reports/Annexures

Pursuant to the Act and Listing Regulations, following reports form part of this report:

- 1) Management Discussion and Analysis – **Annexure – VII**.
- 2) Declaration regarding compliance with Code of Conduct – **Annexure – VIII**
- 3) Business Responsibility and Sustainability Report – **Annexure – IX**

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

The Company does not tolerate discrimination, sexual harassment or any other harassment whether engaged in by management or associates or other individual with whom associates come into contact during work. The Company believes in providing and ensuring a workplace free from discrimination and harassment based on gender. The Company has adopted Anti-Sexual Harassment Policy in line with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has constituted 'Internal Committee' to redress complaints received regarding sexual harassment as required by aforesaid Act. During the year under review, the Company has not received any sexual harassment complaint.

Other Disclosures

Sweat Equity Shares	The Company has not issued any Sweat Equity Share and therefore, disclosure norms are not applicable to the Company.
Shares with differential Rights	The Company has not issued any Share with differential rights and therefore, 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, disclosure norms are not applicable to the Company.
Buy Back of Shares	The Company has not bought back any Equity Share and therefore, disclosure norms are not applicable to the Company.
Demat Suspense/Unclaimed Suspense Account	In terms of applicable SEBI Circulars, the Company has opened a Suspense Escrow Demat Account to credit shares in physical folios to aforesaid account in case of non-receipt of demat request from the securities holder/claimant within 120 days of the date of issuance of Letter of Confirmation. For more details, please refer Corporate Governance Report attached as Annexure - I .
Settlement with Banks/Financial Institutions	Not applicable.
Proceedings pending under Insolvency and Bankruptcy Code, 2016	Not applicable.

Acknowledgment

We thank all our stakeholders, employees, suppliers and investors for continuous support due to which we could achieve great results. The Company has innovative applications, strong leadership and therefore, better positioned to capitalize new opportunities and achieve stronger performance.

For and on behalf of the Board of Directors

Sd/-

Sanjay Koul

Chairman & Managing Director

DIN: 05159352

Date : 30 June, 2023

Place : Bengaluru

Corporate Governance Report

CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance philosophy of the Company is based on core value of ethics and integrity. The Company has long-standing reputation as an ethical company. The Company's Code of Conduct and the Standards of Business Ethics are an important tools in conducting business in a way that is consistent with its values and reinforces its commitments to one another, its customers, its suppliers and in the communities where the Company operates. Code of Conduct is a framework for turning ethics into action. This means that each Associate, Director, our Suppliers and everyone with whom Company deals with must uphold four principles namely Honesty, Respect, Fairness and Responsibility, which define our core value of ethics and integrity. The foundation of core value of ethics and integrity is the expectation to do what is right, regardless of whether or not a specific situation is covered in the Standards of Business Ethics Policy.

BOARD OF DIRECTORS

Details relating to composition of the Board during FY 2022-23 and attendance of Directors at Board Meetings and at the Annual General Meeting ('AGM') and other relevant details are given below:

Name of Director	Category	No. of Board Meetings attended during FY 2022-23	Whether attended AGM held on 23 August, 2022	No. of Directorships in other companies*	No. of Committee positions held in other companies**	
					Chairman/Chairperson	Member
Mr. Sanjay Koul (DIN: 05159352)	Executive, Non-Independent	5	Yes	-	-	-
Mr. P S Dasgupta (DIN: 00012552)	Non-Executive, Independent	4	Yes	14	2	2
Mrs. N S Rama (DIN: 06720033)	Non-Executive, Independent	5	Yes	1	1	1
Mr. Bushen Lal Raina ¹ (DIN:00182160)	Non-Executive, Independent	1	No	-	-	-
Mr. George J Ollapally ² (DIN: 09607523)	Non-Executive, Independent	4	Yes	-	-	-
Mr. Veerappan V ³ (DIN: 01593254)	Non-Executive, Independent	4	Yes	10	-	-
Mr. Douglas Smith (DIN: 02454618)	Non-Executive, Non-Independent	5	No	-	-	-
Mr. Hansal Patel ⁴ (DIN: 09607506)	Non-Executive, Non-Independent	4	No	-	-	-
Mr. Avishrant Keshava (DIN: 07292484)	Executive, Non-Independent	5	Yes	-	-	-

*Includes private companies and Section 8 companies as per the Companies Act, 2013. ('the Act')

**As per Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

¹Mr. Bushen Lal Raina (DIN: 00182160) ceased to be an Independent Director of the Company due to his sad demise on 2 August, 2022

²Mr. George J Ollapally (DIN: 09607523) was appointed as an Independent Director of the Company w.e.f. 1 June, 2022

³Mr. Veerappan V (DIN: 01593254) was appointed as an Independent Director of the Company w.e.f. 1 June, 2022

⁴Mr. Hansal Patel (DIN: 09607506) was appointed as Non-Executive Director of the Company w.e.f. 1 June, 2022

Mrs. N S Rama is also an Independent Director of Xchanging Solutions Limited and Mr. P S Dasgupta is also an Independent Director of four listed companies namely Vindhya Telelinks Limited, Maral Overseas Limited, RSWM Limited and Ester Industries Limited.

During the financial year ended 31 March, 2023, five Board Meetings were held on 27 May, 2022, 12 August, 2022, 31 October, 2022, 16 November, 2022 and 1 February, 2023 respectively and gap between two consecutive meetings did not exceed 120 days. Information as required under PART-A of Schedule II of Listing Regulations has been made available to the Board. During FY 2022-23, the Board of Directors accepted all the recommendations made by the Committees of the Board.

One meeting of the Independent Directors without participation of Non-Independent Directors and any management personnel was also held on 20 February, 2023. The Company has received necessary declaration from all Independent Directors of the Company confirming that each of them has met with criteria of independence laid down in Section 149 of the Act and Regulation 16 of Listing Regulations. Tenure of Independent Directors of the Company is within the time limit as prescribed under the Act. It is hereby confirmed that in the opinion of the Board, Independent Directors fulfil the conditions specified in Section 149 of the Act and Regulation 16 of Listing Regulations and are independent of the management. The Company has disclosed terms and conditions of appointment of Independent Directors on its website at <https://www.timken.com/en-in/investors/statutory-compliances/>. No Director of the Company serves as an Independent Director in more than seven listed companies and no Director serving as a Whole-time Director in any listed company, serves as an Independent Director in more than three listed companies. No Director of the Company is a member of more than ten committees or acts as Chairman/Chairperson of more than five committees across all companies in which he/she is a Director. Necessary disclosures regarding committee positions have been made by all the Directors.

The Board has identified core skills/expertise/competencies required in the context of business of the Company. Details regarding Directors who possess such skills/expertise/competencies are provided in the table below:

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

DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTORS INTER-SE

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

DIRECTORS' SHAREHOLDING

Mr. P S Dasgupta holds 1 equity share, Mr. Avishrant Keshava holds 2 equity shares. Other Directors do not hold any share of the Company. The Company has not issued any convertible instrument.

FAMILIARIZATION PROGRAM

During FY 2022-23, the Company conducted a Familiarization Program on 22 February, 2023 relating to "Timken India Supply Chain Management". Familiarization programmes conducted for Independent Directors so far have been disclosed on the Company's website and can be seen at <https://www.timken.com/en-in/investors/statutory-compliances/>.

AUDIT COMMITTEE

The Board has constituted Audit Committee comprising 6 Directors out of which 4 are Independent Directors. Mr. P S Dasgupta, Independent Director acted as the Chairman of the Audit Committee during the year ended 31 March, 2023 and he was present at 35th AGM of the Company held on 23 August, 2022.

During the financial year ended 31 March, 2023, four Audit Committee Meetings were held on 27 May, 2022, 12 August, 2022, 31 October, 2022 and 1 February, 2023 respectively. Relevant details regarding Audit Committee Meetings held during FY 2022-23 are given below:

Name of the Director	Designation	Category	No. of Meetings attended
Mr. P S Dasgupta	Chairman	Non-Executive, Independent	4
Mr. Sanjay Koul	Member	Executive, Non-Independent	4
Mr. Bushen Lal Raina ¹	Member	Non-Executive, Independent	1
Mrs. N S Rama	Member	Non-Executive, Independent	4
Mr. George J Ollapally ²	Member	Non-Executive, Independent	2
Mr. Veerappan V ³	Member	Non-Executive, Independent	1
Mr. Douglas Smith ⁴	Member	Non-Executive, Non-Independent	2

¹Mr. Bushen Lal Raina ceased to be Member of the Committee w.e.f. 2 August, 2022

²Mr. George J Ollapally was appointed as Member of the Committee w.e.f. 12 August, 2022

³Mr. Veerappan V was appointed as Member of the Committee w.e.f. 12 August, 2022

⁴Mr. Douglas Smith was appointed as Member of the Committee w.e.f. 12 August, 2022

Audit Committee Meetings were also attended by the representatives of Internal Auditors and Statutory Auditors. The Audit Committee enjoys all the powers as mentioned in Regulation 18 of Listing Regulations. Role of the Audit Committee is as per what is stated in Part C (A) of Schedule II of Listing Regulations read with Section 177 of the Act and Rules framed thereunder. The Audit Committee mandatorily reviewed the information prescribed in Schedule II, Part C (B) of Listing Regulations.

NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted Nomination and Remuneration Committee comprising 4 Directors out of which 3 are Independent Directors. Mrs. N S Rama and Mr. George J Ollapally, Independent Directors acted as the Chairperson/Chairman of the Nomination and Remuneration Committee during the year ended 31 March, 2023 and both were present at 35th AGM of the Company held on 23 August, 2022. During the year ended 31 March, 2023, one meeting of the Nomination and Remuneration Committee was held on 4 May, 2022. Relevant details regarding Nomination and Remuneration Committee Meeting held during FY 2022-23 are given below:

Name of the Director	Designation	Category	Attendance (4 May, 2022)
Mr. George J Ollapally ¹	Chairman	Non-Executive, Independent	NA
Mrs. N S Rama ²	Member	Non-Executive, Independent	Yes
Mr. P S Dasgupta	Member	Non-Executive, Independent	Yes
Mr. Bushen Lal Raina ³	Member	Non-Executive, Independent	Yes
Mr. Douglas Smith ⁴	Member	Non-Executive, Non-Independent	Yes
Mr. Hansal Patel ⁵	Member	Non-Executive, Non-Independent	NA

¹Mr. George J Ollapally was appointed as Chairman of the Committee w.e.f. 12 August, 2022

²Ms. N S Rama ceased to be Chairperson of the Committee w.e.f. 12 August, 2022

³Mr. Bushen Lal Raina ceased to be Member of the Committee w.e.f. 2 August, 2022

⁴Mr. Douglas Smith ceased to be Member of the Committee w.e.f. 12 August, 2022

⁵Mr. Hansal Patel was appointed as Member of the Committee w.e.f. 12 August, 2022

The role of Nomination and Remuneration Committee is as per what is described in Part D (A) of Schedule II of the Listing Regulations and Section 178 of the Act.

PERFORMANCE EVALUATION CRITERIA

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

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

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board has constituted Stakeholders Relationship Committee comprising 5 Directors out of which 4 are Non-Executive Directors. Mrs. N S Rama, Independent Director acted as the Chairperson of the Stakeholders Relationship Committee during the year ended 31 March, 2023 and she was present at 35th AGM of the Company held on 23 August, 2022.

The Stakeholders Relationship Committee is *inter-alia* entrusted with the responsibility to consider and resolve grievances of shareholders including complaints/queries relating to transmission of shares, non-receipt of annual report, non-receipt of declared dividend, loss of share certificates etc.

During the year ended 31 March, 2023, one meeting of the Stakeholders Relationship Committee was held on 15 March, 2023. Generally, approval of the members of the Stakeholders Relationship Committee is obtained through resolutions by circulation for effecting registration of transmission of shares in physical form, issue of duplicate/new certificates and other issues involving investor services.

Relevant details regarding Stakeholders Relationship Committee Meeting held during FY 2022-23 are given below:

Name of the Director	Designation	Category	Attendance (15 March, 2023)
Mrs. N S Rama	Chairperson	Non-Executive, Independent	Yes
Mr. Sanjay Koul ¹	Member	Executive, Non-Independent	NA
Mr. Veerappan V ²	Member	Non-Executive, Independent	Yes
Mr. Douglas Smith	Member	Non-Executive, Non-Independent	Yes
Mr. Hansal Patel ³	Member	Non-Executive, Non-Independent	Yes
Mr. Avishrant Keshava ⁴	Member	Executive, Non-Independent	Yes

¹Mr. Sanjay Koul ceased to be Member of the Committee w.e.f. 12 August, 2022

²Mr. Veerappan V was appointed as Member of the Committee w.e.f. 12 August, 2022

³Mr. Hansal Patel was appointed as Member of the Committee w.e.f. 12 August, 2022

⁴Mr. Avishrant Keshava was appointed as Member of the Committee w.e.f. 12 August, 2022

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

Status on investors' queries/complaints during FY ended 31 March, 2023 is given below:

Sl. No.	Particulars	Q1	Q2	Q3	Q4	Total
1.	Number of shareholders' queries received	501	471	740	548	2260
2.	Number of shareholders' complaints received	3	7	9	9	28
3.	Number of queries/complaints not solved to the satisfaction of shareholders	0	0	0	0	0
4.	Number of pending queries/complaints	0	0	0	0	0

RISK MANAGEMENT COMMITTEE

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

During the year ended 31 March, 2023, two meetings of Risk Management Committee were held on 30 June, 2022 and 27 December, 2022 respectively. Relevant details regarding Risk Management Committee Meetings held during FY 2022-23 are given below:

Name of Member	Designation	Category	No. of Meetings attended
Mr. Sanjay Koul	Chairman	Executive, Non-Independent	2
Mr. Avishrant Keshava	Member	Executive, Non-Independent	2
Mr. Bushen Lal Raina ¹	Member	Non-Executive, Independent	1
Mr. Veerappan V ²	Member	Non-Executive, Independent	1

¹Mr. Bushen Lal Raina ceased to be Member of the Committee w.e.f. 2 August, 2022

²Mr. Veerappan was appointed as Member of the Committee w.e.f. 12 August, 2022

The Role of Risk Management Committee includes Roles described in Part D(C) of the Schedule II of the Listing Regulations.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of Directors of the Company has constituted Corporate Social Responsibility Committee comprising 3 Directors out of which 1 is an Independent Director.

During the year ended 31 March, 2023, two meetings of the Corporate Social Responsibility Committee were held on 28 April, 2022 and 15 July, 2022. Relevant details regarding Corporate Social Responsibility Committee Meeting held during FY 2022-23 are given below:

Name of Member	Designation	Category	No. of Meetings attended
Mr. Sanjay Koul	Chairman	Executive, Non-Independent	2
Mr. Avishrant Keshava	Member	Executive, Non-Independent	2
Mr. Bushen Lal Raina ¹	Member	Non-Executive, Independent	2
Mrs. N S Rama ²	Member	Non-Executive, Independent	NA

¹Mr. Bushen Lal Raina ceased to be Member of the Committee w.e.f. 2 August, 2022

²Mrs. N S Rama was appointed as Member of the Committee w.e.f. 12 August, 2022

REMUNERATION OF DIRECTORS

Except for sitting fees paid to the Independent Directors for attending the meetings of the Board or Committees thereof or professional fees paid to firm where Independent Director is Partner, the Company does not have any pecuniary relationship or transactions with Non-executive Directors.

Independent Directors of the Company were paid remuneration by way of sitting fees only. The Company paid remuneration by way of salary & allowances, perquisites (fixed components) and performance incentive (variable component) to the Chairman & Managing Director and Whole-time Director being executive directors on the Board of Directors of the Company, after obtaining requisite approvals. Performance incentives (variable component) were based on performance criteria laid down at beginning of the year broadly taking into account EBIT and free cash flow targets set for the year. Criteria for making payment to the Directors are disclosed in the Nomination and Remuneration Policy, which is available on the Company's website at <https://www.timken.com/en-in/investors/policies/>.

REMUNERATION OF DIRECTORS FOR FY 2022-23*Non-Executive Directors*

Name of the Director	Sitting Fees (in ₹)
Mr. P S Dasgupta	5,65,000
Mr. Bushen Lal Raina	2,50,000
Mrs. N S Rama	7,00,000
Mr. George J Ollapally	4,70,000
Mr. Veerappan V	5,30,000
Mr. Douglas Smith	Nil
Mr. Hansal Patel	Nil

Executive Directors (In ₹)

Name of the Director	Salary & Allowances	Perquisites	Performance Incentive
Mr. Sanjay Koul	23,124,754	20,196,659	12,541,688
Mr. Avishrant Keshava	7,524,083	2,601,543	2,297,839

The Company does not have Stock Options Scheme. Mr. Koul and Mr. Keshava are entitled to receive stock options of ultimate Parent Company, cost of which is included in Perquisites. Terms of appointment of the Executive Directors are governed by applicable provisions of law and such appointment is subject to termination by either party by giving three months' notice unless termination at a shorter notice is mutually agreed. As per terms of appointment, none of the Executive Director is entitled to receive any severance fees.

GENERAL BODY MEETINGS

Location, date and time of last three AGMs':

Financial year ended	Location	Date	Day	Time	No. of Special Resolutions
31 March, 2020	Timken India Limited, 39-42, Electronic City, Phase II, Hosur Road, Bangalore - 560 100. (through VC/OAVM)	20 August, 2020	Thursday	03.00 pm	-
31 March, 2021	Timken India Limited, 39-42, Electronic City, Phase II, Hosur Road, Bangalore - 560 100. (through VC/OAVM)	23 August, 2021	Monday	03.00 pm	1
31 March, 2022	Timken India Limited, 39-42, Electronic City, Phase II, Hosur Road, Bangalore - 560 100. (through VC/OAVM)	23 August, 2022	Tuesday	03.00 pm	2

Notes: (a) No special resolution was required to be passed in FY 2022-23 through Postal Ballot.

(b) Two special resolutions were passed for appointment of Mr. George J Ollapally (DIN: 09607523) and Mr. Veerappan V (DIN: 01593254) as Independent Directors of the Company in FY 2022-23.

MEANS OF COMMUNICATION

Quarterly financial results of the Company were communicated through newspaper insertions and intimation to the Stock Exchanges and are also displayed on the Company's website at <https://www.timken.com/en-in/investors/financial-report/>. Quarterly financial results were published in Financial Express (English) and Prajavani (Kannada). During FY 2022-23, no presentation was made to Institutional Investors/analyst.

GENERAL SHAREHOLDERS INFORMATION

1	AGM	Monday, 21 August, 2023 through VC/OAVM at 3.00 PM (IST)	
2	Financial Year	1 April, 2022 to 31 March, 2023	
3	Dividend Payment Date	Within 30 days from declaration at the AGM	
4	Stock Exchanges where Shares are listed and Listing Fees	Equity Shares of the Company are presently listed on the following Stock Exchanges:	
		The National Stock Exchange of India Limited "Exchange Plaza" Bandra Kurla Complex Bandra (E), Mumbai - 400 051	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400 001
		The Company has paid annual listing fees to the above Stock Exchanges for FY 2023-24.	

5	Compliance Officer	Mr. Mandar Vasmatkar						
6	Registrar & Share Transfer Agent	CB Management Services Private Limited SEBI Registration Number : INR000003324						
7	Investor Relations Correspondence	Company Secretary & Chief - Compliance Timken India Limited 39-42, Electronic City, Phase II, Hosur Road, Bengaluru - 560 100 Tel. No. 080 - 41362000 e-mail: tilinvestor@timken.com			Registrar & Share Transfer Agent CB Management Services Private Limited P-22, Bondel Road Kolkata - 700 019 Tel. No. 033 - 40116700 e-mail: rta@cbmsl.com			
8	Stock Code/Symbol	522113 (BSE), TIMKEN (NSE) , ISIN : INE325A01013						
9	Promoter / Non-promoter shareholding as on 31 March, 2023	Promoter : Timken Singapore Pte Limited : 67.80% Non-promoter Public Shareholding : 32.20% Detailed shareholding pattern for every quarter is available on the website of the Company at https://www.timken.com/en-in/investors/statutory-compliances/ .						
10	Market Price Data/ Stock Performance	Month	BSE High (Rs.)	BSE Low (Rs.)	NSE High (Rs.)	NSE Low (Rs.)	BSE Sensex (Close)	Nifty 50 (Close)
		Apr-22	2208.00	1974.10	2210.00	1973.00	57060.87	17102.55
		May-22	2330.00	1714.80	2332.95	1713.35	55566.41	16584.55
		Jun-22	2727.00	2245.10	2730.00	2245.05	53018.94	15780.25
		Jul-22	3047.45	2387.70	3047.10	2385.00	57570.25	17158.25
		Aug-22	3190.00	2808.05	3186.00	2808.00	59537.07	17759.30
		Sep-22	3465.00	2753.80	3493.00	2754.05	57426.92	17094.35
		Oct-22	3382.35	2903.60	3385.00	2885.75	60746.59	18012.20
		Nov-22	3760.80	2626.10	3758.00	2645.00	63099.65	18758.35
		Dec-22	3688.80	3034.05	3689.00	3034.10	60840.74	18105.30
		Jan-23	3296.55	2961.85	3300.00	2960.00	59549.90	17662.15
		Feb-23	3275.50	2803.95	3279.55	2802.30	58962.12	17303.95
		Mar-23	3032.00	2658.70	3033.00	2660.00	57960.09	17080.70
11	Distribution of shareholding	The distribution of shareholding as on 31 March, 2023 is given below:						
		Range (Shares)	No. of Shares	No. of Folios	% (Shares)	% (Folios)		
		1 - 500	4487604	65943	5.97	97.42		
		501 - 1000	663965	891	0.88	1.32		
		1001 - 2000	625697	433	0.83	0.64		
		2001 - 3000	272664	108	0.36	0.15		
		3001 - 4000	205101	58	0.27	0.09		
		4001 - 5000	172597	38	0.23	0.06		
		5001 - 10000	506715	69	0.67	0.10		
		10001 - 50000	1768480	79	2.35	0.12		
		50001 - 100000	2453166	34	3.26	0.05		
		100001 and above	64062745	37	85.18	0.05		

12	Securities are suspended from trading	Not Applicable
13	Share Transfer System	It may please be noted that transfer of shares held in physical form has been discontinued as per SEBI guidelines. Requests for registration of transmission of shares, name deletion, name correction, issuance of duplicate share certificates for shares held in physical form were processed periodically. The Stakeholders Relationship Committee is delegated with power to approve these requests. As per SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/ 2022/8 dated 25 January, 2022, the Company is issuing "Letter of Confirmation" in lieu of physical share certificates corresponding to requests received from shareholders pertaining to transmission, transposition, issue of duplicate securities certificates etc.
14	Dematerialisation of Shares and liquidity	The Company has arrangements with National Securities Depositories Limited ('NSDL') as well the Central Depository Services (India) Limited ('CDSL') for Demat facility. As on 31 March, 2023, 98.69% of the Company's Equity Share Capital is dematerialized.
15	Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity	Not applicable
16	Commodity price risk or foreign exchange risk and hedging activities	The Risk Management Committee of the Board oversees various risks which may impact business of the Company which inter-alia includes Financial Risk, Cyber Security Risk, etc. The Company has adopted ISO 31000:2018 as a reference and developed its enterprise risk management system around framework and principles of ISO 31000:2018. For detailed comments on Financial Risk Management, please refer Note No. 39A to Financial Statements.
17	Plant locations	The Company's Plants are located at : Jharkhand : Bara, P.O. Agrico, Jamshedpur - 831 009 Gujarat : Plot no 109A, 109B, 1 -B- C, Narmadanagar, Bharuch - 392015

DISCLOSURES :

Related Party Transactions

There was no materially significant related party transaction that may have potential conflict with the interest of the Company at large during FY 2022-23. Senior management personnel have declared that during the year ended 31 March, 2023, the Company did not enter into transaction in which they had personal interest. Details of all material related party transactions are disclosed separately in the Annual Report (Refer Annexure V to Board's Report). Policy on dealing with related party transactions is disclosed on the website of the Company and can be seen at <https://www.timken.com/en-in/investors/policies/>.

Non-compliance details

There have been no instances of non-compliance of Rules and Regulations applicable to the Company and no penalty or strictures has been imposed on the Company by Stock Exchanges and SEBI or any other Statutory Authorities during the last three years.

Vigil Mechanism/Whistle Blower Policy

The Vigil Mechanism/Whistle Blower Policy of the Company is disclosed on the Company's website at <https://www.timken.com/en-in/investors/policies/>. The Company feels that turning Ethics into Action is everyone's responsibility. To help protect Company's values and reputation, associates, business partners are encouraged to speak up if something just doesn't seem right or when they have a question. It enables the Company to better uphold its values and fulfill commitments towards shareholders, customers, suppliers and the community. The Company has adopted a Vigil Mechanism/Whistle Blower Policy in terms of which associates, business partners of the Company are provided with mechanism to raise and resolve their concern or question. Open door policy of the Company supports an environment that encourages associates to ask questions and report concerns. When associates have a question or concern, they can speak with a

supervisor or manager with whom they feel comfortable. If associates are not comfortable disclosing their identity, they may choose to submit concern or question to "Timken Helpline", a toll free phone number and choose not to disclose his identity. The Company investigates all reports promptly, thoroughly and fairly, and take action when appropriate. The Company expects to participate in investigations if required but safeguards confidentiality both during and after the investigation. The Company does not tolerate acts of retaliation against anyone who makes report in good faith.

Certificate from Company Secretary in Practice

The Company has received a Certificate from Practicing Company Secretary certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/Ministry of Corporate Affairs and same is available on the Company's website at <https://www.timken.com/en-in/investors/statutory-compliances/>

Sexual Harassment Complaints

The Company does not tolerate any discrimination, sexual harassment or any other harassment whether engaged in by management or associates or other individual with whom associates come into contact during work. The Company has adopted Anti-Sexual Harassment Policy in line with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has constituted Internal Committee to redress complaints received regarding sexual harassment as required by aforesaid Act. During the year under review, the Company has not received any sexual harassment complaint.

Credit Rating

During the year under review, no credit rating was required to be obtained by the Company.

Utilization of Funds

Disclosure requirements regarding utilization of fund were not applicable as the Company has not received any fund through Preferential Allotment or Qualified Institutional Placements.

Auditors Fees

Total Fees paid to Statutory Auditors during the year is disclosed in the Annual Report separately (Refer note no. 32 to Financial Statements).

Material Subsidiary

The Company does not have any subsidiary company and therefore, policy for determining material subsidiaries is not applicable.

Disclosure relating to loans and advances

During the FY 2022-23, the Company has not given loans and advances to firms/companies in which any Directors of the Company are interested.

Disclosures with respect to Suspense Escrow Demat Account

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

No. of shareholders and shares transferred in the suspense escrow demat account during FY 2022-23		No. of shareholders who approached the listed entity for transfer of shares from suspense escrow demat account during FY 2022-23	No. of shareholders to whom shares were transferred from suspense escrow demat account during FY 2022-23	Aggregate no. of shareholders and outstanding shares lying in the suspense escrow demat account as on 31 March, 2023	
No. of shareholders	No. of shares			No. of shareholders	No. of shares
3	304	-	-	3	304

Compliance Requirement of Corporate Governance Report

The compliance with Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Sub-regulation (2) of Regulation 46 of Listing Regulations has been disclosed in this report. The Company has 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:

- Chairman of the Board of Directors is an Executive Director under the designation of Chairman & Managing Director.
- Quarterly/Half-yearly Financial Results are not currently sent to each of the household of Shareholders but are published in terms of Regulation 47(3) of Listing Regulations in certain newspapers and also sent to the Stock Exchanges. Besides, all the quarterly/half-yearly/annual financial results are published on the Company's website.
- The Independent Auditor's Report on the Company's Financial Statements for FY 2022-23 is with unmodified opinion.
- KPMG Assurance and Consulting Services LLP acted as the Internal Auditors for FY 2022-23 and during the tenure, they reported to the Audit Committee of the Board.

During the FY 2022-23, the Company has complied with all applicable compliance norms relating to Corporate Governance and there has been no instance of non-compliance.

For and on behalf of the Board of Directors

Sd/-

Sanjay Koul

Chairman & Managing Director

DIN: 05159352

Date: 30 June, 2023

Place: Bengaluru

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

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

To

The Members of Timken India Limited,

I have examined all the relevant records of Timken India Limited for the purpose of certifying compliance of Corporate Governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (hereinafter collectively referred to as "Listing Regulations") for the financial year ended March 31, 2023. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification.

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

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

In my opinion and to the best of my information and according to the explanations and information furnished to me and the representations made by the Directors and the management, I certify that the Company has complied with all the mandatory conditions of Corporate Governance as stipulated in the said Listing Regulations. As regards to Discretionary Requirements specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has complied with items C and E.

Sd/-

Nagarjun Y G

Membership No. 52406 | CP: 19301

Peer Review Certificate No.: 1466/2021

Place: Bengaluru

Date: 17 May, 2023

UDIN: A052406E000323336

Ratio of Remuneration

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

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Employee to CMD* Ratio :28.6 Employee to WTD* Ratio :9.06
(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;	10%-12%
(iii) the percentage increase in median remuneration of employees in the financial year;	6.54%
(iv) the number of permanent employees on the rolls of company;	1,345 as on 31 March, 2023 (including Union & Salaried Operators)
(v) 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;	8.69% There have been no exceptions made, all hikes were made as per the Company's Remuneration Policy.
(vi) Affirmation that the remuneration is as per the remuneration policy of the company.	Yes

*CMD: Chairman & Managing Director

*WTD: Whole-time Director

For and on behalf of the Board of Directors

Sd/-

Sanjay Koul

Chairman & Managing Director

DIN: 05159352

Date: 30 June, 2023

Place: Bengaluru

Annual Report on CSR activities for the financial year 2022-23

1.	Brief outline on CSR Policy of the Company	<p>Timken makes the world a better place through a combination of volunteer efforts, community leadership and financial support. The Company's CSR vision includes (i) Consulting with local communities to identify needs (ii) Partnering with organizations of repute including NGOs, educational institutions and (iii) Continuously endeavor to find out ways to bring a stronger community.</p> <p>The Company wishes to focus on programs and agencies that (i) Promote lifelong learning through education; (ii) Work collaboratively to deliver health and human services; and (iii) Foster innovative ways to build a strong community. In terms of the CSR Policy, the Company is willing to take any activity covered under Schedule VII of the Act for CSR expenditure. However, the Company focuses primarily on two broad areas namely promotion of education including enhancing vocational skills and preventive healthcare.</p>		
2.	Composition of CSR Committee as on as on 31 March, 2023:			
	Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year
	1.	Mr. Sanjay Koul	Chairman/ Managing Director	2
	2.	Mr. Avishrant Keshava	Member/ Whole-time Director	2
	3.	Mrs. N S Rama*	Member/ Independent Director	NA
	*Mrs. N S Rama was appointed as member of the CSR Committee effective 12 August, 2022. Mr. Bushen Lal Raina ceased to be member of the Committee on 2 August, 2022 due to his sad demise. He attended two meetings during the year.			
3.	Web-links where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company		<p>CSR Committee Composition: https://www.timken.com/en-in/investors/</p> <p>CSR Policy: https://www.timken.com/en-in/investors/policies/</p> <p>CSR Projects approved by the Board https://www.timken.com/en-in/investors/statutory-compliances/</p>	
4.	Details of impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)		Not Applicable	
5.	(a)	Average net profit of the Company as per sub-section (5) of Section 135 of the Act		Rs. 3,13,26,41,962/-
	(b)	Two percent of average net profit of the Company as per sub-section (5) of Section 135 of the Act		Rs. 6,26,52,839/-
	(c)	Surplus arising out of the CSR Projects or Programmes or Activities of the previous financial years		Nil
	(d)	Amount required to be set off for the financial year, if any		Rs. 37,33,203/-
	(e)	Total CSR obligation for the financial year (b+c-d)		Rs. 5,89,19,636/-

6.	(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)		Rs 3,38,96,972/-		
	(b)	Amount spent in Administrative Overheads		Rs 3,59,563/-		
	(c)	Amount spent on Impact Assessment, if applicable		Nil		
	(d)	Total amount spent for the Financial Year [(a)+(b)+(c)]		Rs 3,42,56,535/-		
	(e)	CSR amount spent or unspent for the Financial Year:				
		Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)			
			Total amount transferred to Unspent CSR Account as per sub-section 6 of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section 5 of section 135	
		Amount (in ₹)	Date of transfer	Amount (in ₹)	Date of transfer	
	3,42,56,535/-	2,46,63,101	19 April, 2023	NA		
(f)	Excess amount for set-off, if any		Nil			
7.	Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:		Nil			
8.	Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year		No			
9.	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135		Not Applicable			

For and on behalf of the Board of Directors

Sd/-

Sanjay KoulChairman & Managing Director
(Chairman – CSR Committee)

DIN: 05159352

Date: 30 June, 2023

Place: Bengaluru

Form No. MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to Sub Section (1) of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the Financial Year Ended March 31, 2023

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2023, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder.
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. There was no External Commercial Borrowing, Overseas Direct Investment by the Company during the period under review.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (**Not Applicable to the Company during the Audit Period**).
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. (**Not Applicable to the Company during the Audit Period**).
 - e. The Securities and Exchange Board of India (Issue and Listing Of Non-Convertible Redeemable Preference Shares) Regulations, 2013 (**Not Applicable to the Company during the Audit Period**).
 - f. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (**Not Applicable to the Company during the Audit Period**).
 - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (**Not Applicable to the Company during the Audit Period**).
 - i. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; (**Not Applicable to the Company during the Audit Period**) and
 - j. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- vi. Other laws applicable specifically to the Company namely:
 - a. The Environment Protection Act, 1986
 - b. The Water (Prevention & Control of Pollution) Act, 1974
 - c. The Air (Prevention & Control of Pollution) Act, 1981
 - d. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
 - e. The Competition Act, 2002
 - f. The Indian Contract Act, 1872
 - g. The Sales of Goods Act, 1930
 - h. Legal Metrology Act, 2009
 - i. The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

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

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

We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

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

We further report that:

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

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

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous, and no dissenting views have been recorded.

We further report that Risk Management Committee of the Board of Directors is empowered to monitor compliances applicable to the Company and there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

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

For **V SREEDHARAN & ASSOCIATES**

Company Secretaries

Sd/-

(Pradeep B. Kulkarni)

Partner

FCS: 7260; CP No. 7835

Place: Bengaluru

Date: 17 May, 2023

UDIN: F007260E000323961

Peer Review Certificate No. 589/2019

This report is to be read with our letter of even date which is annexed as '**Annexure -1**' and forms an integral part of this report.

Annexure -1

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

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

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

For **V SREEDHARAN & ASSOCIATES**
Company Secretaries

Sd/-
(Pradeep B. Kulkarni)
Partner
FCS: 7260; CP No. 7835

Place: Bengaluru
Date: 17 May, 2023
UDIN: F007260E000323961
Peer Review Certificate No. 589/2019

Annexure – V

FORM NO. AOC - 2

(Pursuant to clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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 arm's 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, 2023, there were no contracts or arrangements or transactions entered into by the Company which were not on arm's length basis.						
2. Details of material* contracts or arrangement or transactions at arm's length basis						
Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions - (Value in Rs./ Millions)	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board/ Shareholders, if any	Amount paid as advances, if any	
The Timken Corporation (Fellow Subsidiary)	Purchase of Goods - 1,072.40 Sale of Goods - 4,304.85 Purchase of Property, Plant & Equipment - 24.88 Agency Commission (Income)- 12.13	All these transactions are ongoing in nature.	Based on Transfer Pricing guidelines/ market rates	Board Approval: 27 May, 2022 Shareholders' Approval: 23 August, 2022	Not applicable	
The Timken Company (Ultimate Holding Company)	Purchase of Goods - 711.10 Sale of Goods - 1,635.28 Expense Receivable - 0.30 Expense Payable - 218.68 Agency Commission (Income)- 4.44 Purchase of Property, Plant & Equipment - 3.04 Royalty - 630.64			Board Approval: 27 May, 2022 Shareholders' Approval: 23 August, 2022	Not applicable	
Timken Engineering and Research-India Pvt. Ltd (Fellow Subsidiary)	Expense Receivable - 33.04 Expense Payable - 97.72 Purchase of Goods - 1,494.88 Sale of Goods - 217.19			Board Approval: 27 May, 2022 Shareholders' Approval: 23 August, 2022	Not applicable	
Timken Wuxi Bearings Co. Ltd. (Fellow Subsidiary)	Purchase of Goods - 2,467.44 Sale of Goods - 20.50			Board Approval: 27 May, 2022 Shareholders' Approval: 23 August, 2022	Not applicable	

*Note: Transaction with a related party is considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten percent of the annual turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

For and on behalf of the Board of Directors

Sd/-
Sanjay Koul
Chairman & Managing Director
DIN: 05159352

Date: 30 June, 2023
Place: Bengaluru

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

A. Conservation of Energy

Since the beginning, the Company is focused to save energy and improve efficiency. The Company is committed to reduce energy use and to produce more energy efficient products. The Company at global and at India level is exploring opportunities to source greater percentage of energy through renewables.

1. The steps taken/ impact on conservation of energy

Jamshedpur and Bharuch Plants are following ISO 50001 (Energy Management Systems) and below are few energy conservation initiatives taken at Jamshedpur and Bharuch Plants:

JAMSHEDPUR

- Thermal Insulation of Coolant Filtration Systems
- Auto operation of HVAC system for canteens
- Interlocking of pressure and temperature for automatic control of HVAC system for complete plant
- Replacement of existing old and energy inefficient Air Compressors with Variable Speed VSD Compressors
- Variable speed control for AHU system across plant
- Sustaining power factor at 0.99 through regular monitoring and controls

BHARUCH

- Replaced old motors by IE3 energy efficient motors in rings and roller grind
- Energy and water saving by replacing submersible pumps, making centralized water tanks, and modification of pipelines
- Maintain power factor above 0.998
- Replaced old AC units with new 5 star rated AC units

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

JAMSHEDPUR

Jamshedpur plant is fully utilizing its roof top solar panels with a capacity of 1267 KWP and there are further plans to enhance solar power panels to double the capacity in near future.

3. The capital investment on energy conservation equipments

The Company has invested ₹ 2.02 crores during FY 2022-23 on energy conservation projects.

B. Technology Absorption

1. The efforts made towards technology absorption of the company: Following efforts were made for technology absorption:

- Online process gauging for Roller size and automatic correction with real time run chart
- Optical Gauge replaced with SREG and SRAG Contact based form gauges
- Automated Vision System across all roller lines
- Isotropic Finish and Double Disc Grinding process added as new capability for roller manufacturing
- Shot Blasting introduced in place of existing tumbling process

BHARUCH

- Upgraded in Process gauging in Rings grind area with latest standard with automatic correction
- New Centerless grinder and vertical face grinder introduced
- New Mar quench salt hardening furnace introduced

2. **Benefits derived from technology absorption:** Technology absorption has helped the Company to develop new part numbers and to manufacture products in time efficient manner.

3. **In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year): a) Details of technology imported. b) Year of import c) Whether the technology been fully absorbed d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof:**

The Timken Company, ultimate Parent Company of our Company, conducts research and development activities and focuses on development of new products and technologies. The Timken Company passes on newly developed products and technologies to all its group companies in the world from time to time.

Our Company has received technology from The Timken Company from time to time starting from FY 1991 -92 mainly in the areas of machining, heat treatment and finishing to make further improvements in the manufacturing process, product quality and production output and related activities for manufacturing of bearings and components. This is a continuous process.

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

C. Foreign exchange earnings and outgo

Particulars	FY 2022-23 (₹/million)	FY 2021-22 (₹/million)
Foreign Exchange Earnings	8,634	5,370
Foreign Exchange Outgo	7,185	5,967

For and on behalf of the Board of Directors

Sd/-

Sanjay Koul

Chairman & Managing Director

DIN: 05159352

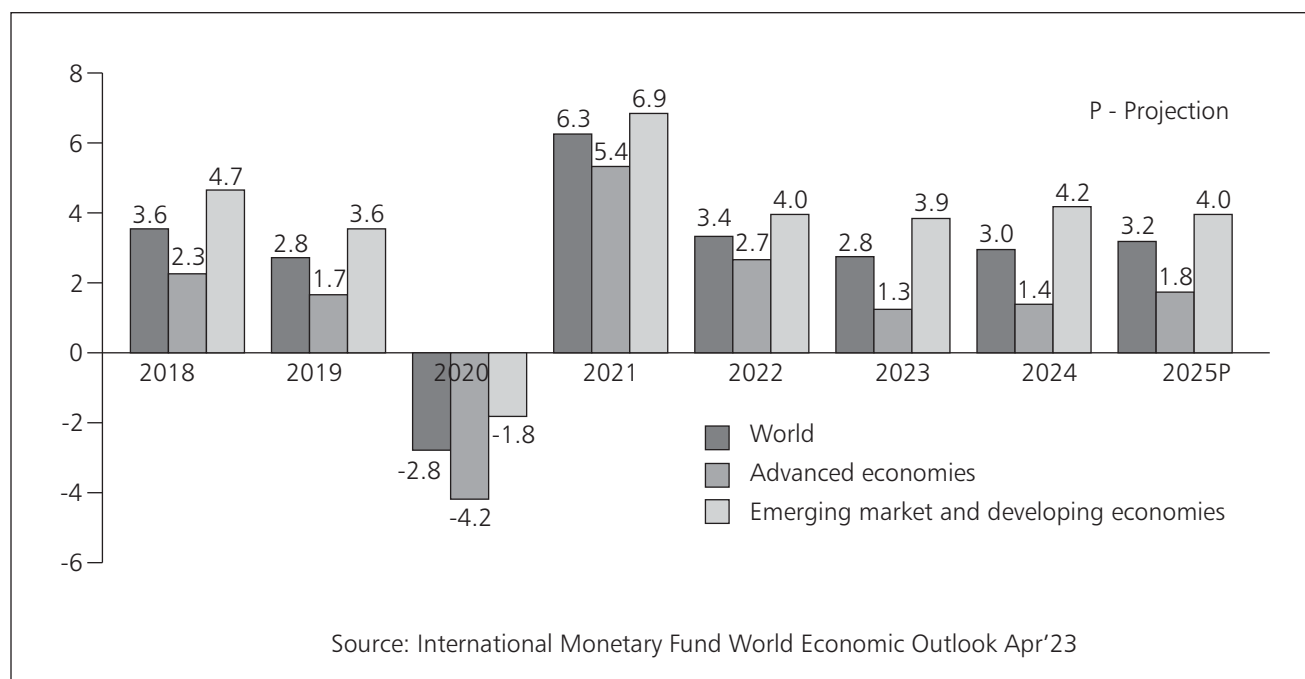
Date: 30 June, 2023

Place: Bengaluru

Management Discussion and Analysis

The rearmost World Economic Outlook published by the International Monetary Fund (IMF) has projected a slightly less caliginous picture than what we anticipated a while ago. Among the top reasons cited were the robust consumer spending and a less severe energy extremity than anticipated post-Russia's irruption of Ukraine. Nonetheless, global frugality still faces major headwinds. Global growth is now anticipated to fall from 3.4 percent in 2022 to 2.8 percent this time, before rebounding to 3 percent in 2024. The 2023 growth protuberance is in line with the October 2022 estimate of 2.7, as the IMF visualizes far smaller countries facing recession this time and no longer anticipates a global downturn. One of the main reasons behind the watchful and auspicious outlook is the rearmost downcast trend in inflation, suggesting that inflation may have peaked in 2022. The projection given by IMF on global inflation is that it will dip to 6.6 in 2023 and 4.3 in 2024, which is still above pre-pandemic situations of about 3.5 percent, but significantly lower than the 8.8 percent observed in 2022. (Source: International Monetary Fund)

Global Growth (%)

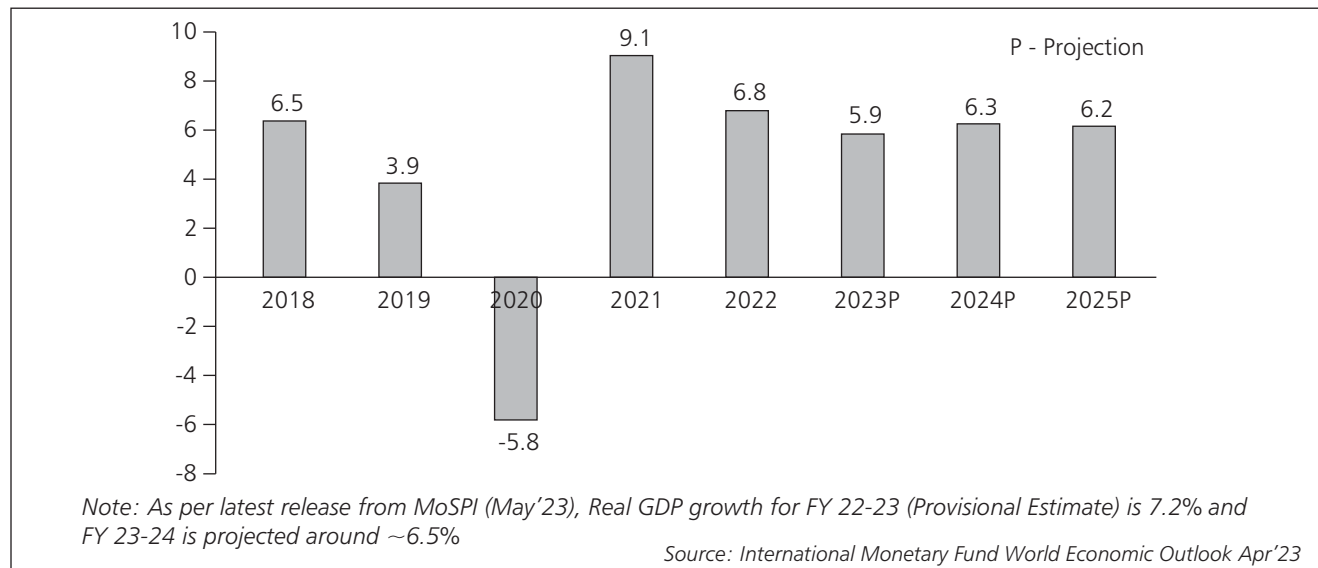


o Global Outlook

Global Economic growth is expected to dampen to 2.7% in 2023 which is 0.2% higher than what was predicted in October of last year in World Economic Outlook (WEO) but lower than the documented (2000-19) average of 3.8%. The upswing in central bank outlays to fight inflation and Russia's insurgence in Ukraine continue to chew on the economic activity. The fleeting spread of COVID-19 in China's provinces dampened growth in 2022, but the recent and more current reopening has shown a path for a quicker-than-expected recovery. As a bonus, strong labor markets and solid remuneration growth could strengthen consumer demand, while alleviating supply chain disruptions could assist in cooling down inflation and curb the need for more monetary tightening.

o Current Scenario

Asia's third sizeable economy recorded a year-on-year growth of 4.4% in October-December, dropping from 11.2 percent a year back and 6.3 percent in the aforementioned quarter. The GDP growth forecast for India as provided by the IMF for FY 2023-24 has dropped by 20 basis points to 5.9 percent and for FY25 by 50 basis points to 6.3 percent. Despite a noteworthy drop in the growth rate projections from 6.8 percent to 5.9 percent, India reinstates its position as the fastest growing economy in the world. The deluge from the recent turmoil in financial markets in the United States and Europe constitutes an impending risk to interim investment flows to markets coming to the fore, including India.

India's Growth (%)

- o **Outlook**

In contention with the rest of the world, India too encountered an exceptional set of challenges in tightening the financial atmosphere and alleviated supply chain disruptions from a prolonged and arduous war in Europe but combated them better than most notable economies. As stated by the survey, India is the world's third-largest economy in PPP (purchasing power parity) terms and sizably fifth in terms of the exchange rate. With the indication that inflation may not be too worrisome, borrowing/commandeering costs are likely to remain 'higher for longer' as deep-rooted inflation may prolong the tightening cycle. India's recovery from Covid 19 was quick, with a growth outlook to be supported by solid domestic demand, and a boost in capital investment, but accentuated the defiance of the rupee with the prospect of further interest rate hikes by the US Fed. This optimistic and buoyant growth forecasts stem from several positives like the recoiling of private consumption giving a boost to production activity, higher capital expense, and near-universal vaccination coverage permitting people to spend on contact-based services such as restaurants, hotels, shopping malls, and cinemas. Supporting further economic growth is the expansion of public digital platforms and measures such as PM GatiShakti, the NLP (National Logistics Policy), and the PLI (Production-linked incentive) schemes to bolster manufacturing output. (Source: International Monetary Fund and IBEF)

Bearing Market and Future Development

In 2022, the global bearing market expanse is anticipated to grow at a CAGR of 10.6% from 2023 to 2030 (Source: <https://www.grandviewresearch.com/industry-analysis/bearings-market>). The roller bearings segment in 2022 accounted for the largest revenue share of more than 47.37%. Against all odds, this segment is also appraised to continue its supremacy and materialize as the quickest-growing segment for the years to come. Bearings are virtually part of every kind of equipment's or machinery, thoroughly ranging from automobile parts, farm equipment, and household appliances to segments comprising defense and aerospace equipment. These factors are projected to drive this market.

- o **Indian Automotive Industry**

The Automotive Market for India was valued at USD 100 billion in 2021 and is anticipated to hit USD 160 billion in 2027, inscribing a CAGR of 8.1% over the forecast period (2022-2027). The automobile sector accounts for 7.1% of India's GDP and 49 % of the manufacturing GDP. Hence, the automobile sector in India is a significant driver of macroeconomic growth and technological advancement. Being a significant driver in the bearing market, it is said to propel India bearing market size from US\$ 1,772.6 Mn in 2021 to US\$3,374.4 Mn by the end of 2027 thus registering growth at a CAGR of 10.9%.

- o **Commercial Vehicles (LCV and M&HCV) and Tractor Sales**

The automotive market, which is arguably the most sizeable consumer of bearings in India among other notable industries registered a stable CAGR of 0% from FY20 to FY22 due to increased supply chain disruptions and other factors as per the report published by SIAM (Society of Indian Automobile Manufacturers).

(In Thousands)

Sales	FY20	FY21	FY22	FY23
Commercial Vehicles	718	569	717	962
Tractors	705	899	842	944

Source: Domestic Sales (SIAM and Tractor Manufacturer's Association)

With the onset of a steep growth of about 26% in FY22, the momentum continued into FY23 registering a staggering 32.88% uptick as compared to FY22 with figures inching towards the one-million-unit sales mark.

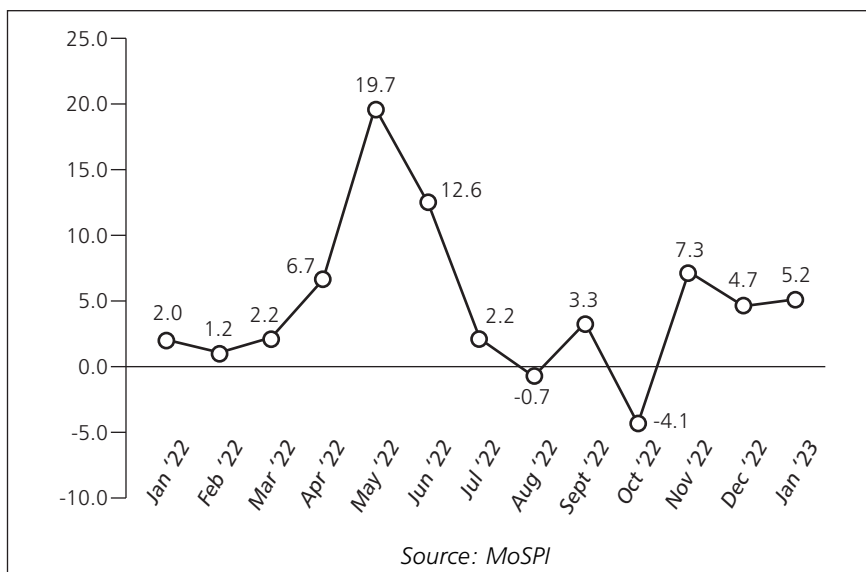
The Indian Agriculture tractor market surpassed their all-time records and have registered an increase of about 12% in sales over last year with 944,000 units in FY23. Few reasons include an increase in farm income as a consequence of rising MSP (minimum support prices) as well technological advancements in 40HP plus tractors aiding to this increased demand. Mahindra tops the list with TAFE, John Deere and CNH following up on the list. Tractors in the range of 41-60 HP have proven to be the market leader and is expected to sustain growth at a CAGR of 5.78%.

o **Indian Industrial Industry**

India is gradationally progressing on the road to Industry 4.0 through the Government of India’s enterprises like the National Manufacturing Policy aimed at increasing the share of manufacturing in GDP to 25 percent by 2025 and the PLI (Production Linked Incentive) scheme for manufacturing which was launched in 2022 to develop the core manufacturing sector proportionate with global manufacturing norms. Industrial Production in India ballooned 5.2% year-on-year in January of 2023, following a 4.3% ascension in December and equated to market forecasts of a 5% increase. Yields from the manufacturing sector rocketed to 3.7%, mining 8.8% and electricity 12.7%. Considering the April 2022- January 2023 period, the artificial product went up 5.4%. (Source: Report released by the Ministry of Statistics and Programme Implementation)

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

The Indian government continues to bestow momentum on the Manufacturing and Mining industry. Early January 2023, the mining growth stood at 8.8% versus 9.8% back in December last year, while the manufacturing output stood at 3.7% versus 2.6% and electricity growth came in at 12.7% versus 10.4%. Expectations are that the mining production in India will be 2% by this quarter’s end. The current projections for 2024 and 2025 are 3.10% and 2.50% respectively with a CAGR of 3.07% (2023 – 2025). India’s output of 8 core industries registered a growth of 7.8% in January 2023 against 4% growth during January 2022 (Source: Ministry of Commerce) The production of coal, fertilizers, electricity, steel, cement, natural gas, and refinery products



increased early this year in January over the corresponding month of last year. The government has recently taken several initiatives to boost growth in the industrial sector. Among notable ones are PLI (Production linked incentive), PM GatiShakti (Multimodal connectivity infrastructure), Bharatmala (Northeast India connectivity), Startup India, Make in India 2.0, Atmanirbhar Bharat Campaign, Disinvestment plans, and MSME innovative schemes.

Additionally, there are measures that have commenced to strengthen the railway infrastructure. As per the Union budget, which was discussed, Indian Railways finalized a tender to procure 90,000 freight wagons by 2025. The investment involved is about INR 1 Trillion. They are also set to achieve a loading of 2024 MT (metric tonne) in 2024 from the current 1600-1700 MT loading in 2023. Also, Indian Railways launched the National Rail Plan, Vision 2024, to facilitate the implementation of important and critical projects, such as multitrack congested routes, achieving 100% electrification, upgradation of the speed to 160 kmph on the Delhi-Howrah/Mumbai routes, upgrade speeds to 130 kmph on all other golden quadrilateral/diagonal (GQ/GD) routes /circuits thus eliminating all level crossings for the same, by 2024. Indian Railways have prepared an NRP (National Rail Plan) which is directed at formulating certain strategies based on both functioning capacities and business-oriented policy initiatives to increase the modal allotment of the Railways in freight to 45%.

- **Business Review**

Your Company's active operations are in anti-friction bearings, mechanical power transmission products, and related services business. Our parent organization, The Timken Company is a 120-year-old US-based organization with operations in 46 countries around the world keeping industries in motion. The journey started when Henry Timken, founder of the Timken Company, designed and patented the world's first tapered roller bearings. Today, Timken is synonymous with innovation, cutting-edge technology, and quality.

Your Company was the recipient of diverse awards and recognitions in the year including CII National lean award, Kaizen, ET Promising Plant award (Jamshedpur), TPG Accreditation for Heat treating (Qualified Manufacturer's list - Chennai), TATA Steel Kalinganagar Safety competition and received the full approval from the LRC (Launch Readiness Council) to assemble completely knocked down (CKD) SRB's for the domestic market.

Your Company caters to an entire spectrum of bearings including Tapered Roller Bearings (TRB), Spherical Roller Bearings (SRB), Plain Bearings, Cylindrical Roller Bearings (CRB), Needle Bearings, and Slewing Rings with a focus on localized manufacturing having facilities in Jamshedpur and Bharuch. Your Company's focus has been primarily on providing technical value and customer experience with an unmatched and uncontested quality standard. With a strong supplier network base and localized manufacturing facilities, your Company aims at providing state-of-the-art products and assistance/services in India by means of a concrete workforce and world-class manufacturing facilities. Your Company stands towering above the 'Make in India' concept by not only localizing finished products but also raw material sourcing, lowering the dependency on imports. ABC Bearings Division of the Company, which was acquired in 2018, has only enhanced since then with systems and operations to bring it up to Timken's quality standards. The facility is corroborated and is now successfully and profitably manufacturing parts adhering to Timken quality standards which are saddled by top OEMs (original equipment manufacturers) of the Indian Automotive market. The Bharuch facility is also currently expanding its manufacturing capacity by adding SRBs and CRBs. The Company would be investing approx. Rs 600 crore towards this expansion and commercial operation is expected to start in January 2025. With a robust footprint of channel partners all across India, your Company's outreach to end markets for its product, services, and operations assists customers in improving the reliability and efficiency of equipment, machinery, and vehicles.

In FY 2022-23, your Company made significant progress in the service business with Milltec adding 3 new sites in the year. This was achieved by penetrating new segments including the public sector and non-ferrous rolling.

- **Financial Statement Analysis**

The Company achieved revenue of ₹ 28,066.10 million as compared to ₹ 22,032.44 million in the previous year, an increase of 27%. This increase is driven by growth across most of the end market sectors. The total expenses increased by 31% on account of inflationary impact on metals and other expenses. There is no change in effective tax rate of 25% as compared to previous year. Profit after tax (PAT) stands at ₹ 3,907.45 million as compared to ₹ 3,271.12 million in the previous year.

Earnings per share for the year FY 2022-23 was ₹ 51.95 as compared to ₹ 43.49 for the previous year.

Property plant and equipment net of depreciation as at 31 March, 2023 stands at ₹ 5,006.24 million as compared to ₹ 5,094.97 million in previous year. Right of use assets as at 31 March, 2023 stands at ₹ 1,015.66 million as compared to ₹ 1,040.51 million in previous year. Capital work in progress has stands at ₹ 534.54 million as compared to ₹ 495.43 million in previous year. These projects follow continuous monitoring by the project management team to target for timely completion. These projects will be capitalized as and when these assets are ready for its intended use.

During the financial year improvement in Inventory Turnover ratio and Trade receivables turnover ratio is noted and reflected in the table below. Cash and cash equivalents and investments in mutual funds as at 31 March, 2023 were ₹ 3,942.94 million as compared to ₹ 1,137.46 million as at 31 March, 2022. The increase was primarily due to better working capital management. The cash balances were managed at appropriate levels as depicted in the statement of cash flow.

The company's low debt equity ratio provides enough scope for gearing the balance sheet. Trade payables were ₹ 3,444.19 million as at 31 March, 2023 as compared to ₹ 3,285.39 million as at 31 March, 2022.

Key Financial Ratios

Parameter	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
Trade Receivables Turnover	5.04	4.84
Inventory Turnover	2.94	2.58
Interest coverage Ratio (times)	187	180
Current Ratio	3.77*	2.89
Debt Equity Ratio	1%**	2%
Operating Profit Margin	19%	20%
Net Profit Margin	14%	15%
Return on Net Worth	19%	20%

* Current Ratio has changed due to changes in working capital.

** The ratio has decreased from 2% to 1% in current year mainly due to increase in the shareholder's equity.

Also refer Note No. 41 of the Financial statements for more details. Current Ratio has changed due to changes in working capital.

● **Strengths, Opportunities, Threats and Outlook**

Strengths	Opportunities
<ul style="list-style-type: none"> ➤ Strong base of Tapered Roller Bearings. ➤ Flag bearer of localization with dedicated focus on localized finished goods and indigenously sourced steel requirements. ➤ Technologies and R&D capabilities of Timken Group with significant design and process innovation capability. ➤ Custom application knowledge, and proactive service and engineering engagement with customer to provide energy and cost-effective solutions. ➤ De-risked revenue stream with cross industry presence. 	<ul style="list-style-type: none"> ➤ Leveraging the capabilities of various Acquisitions ➤ Providing complete offering in mechanical drive train like belts, industrial chains, couplings, clutches, lubrication systems and housed units. ➤ Make use of Available support from Government under Make in India initiatives. ➤ Product portfolio expansion with electrification of Indian Railways. ➤ Channel footprint strengthening to penetrate General MRO market and address regional gaps with value added services.
Threats	Outlook
<ul style="list-style-type: none"> ➤ Impact on Supply chain and Logistics due to aspects related to Russia – Ukraine war. ➤ Any adverse modifications in the industrial environment or government policymaking affecting our customers' demand. ➤ Safety and operational risks posed by low quality counterfeit or spurious products. 	<ul style="list-style-type: none"> ➤ Focus on localization and improvement in indigenous components sourcing in the up-coming years. ➤ Value proposition of all Timken Associated Brands. ➤ Risk mitigation by educating customers on importance of using genuine high-quality bearings procured from authorized channel partner.

- **Internal Control**

The Company's internal control systems are commensurate with the nature of its business and the size, scale, and complexity of Company's operations. The Company has documented policies and procedures covering all financial and operating functions to provide reasonable assurance on:

- Effectiveness and efficiency of its operations
- executing transactions with proper authorisation
- Reliability of financial reporting
- Compliance with applicable laws and regulations
- Prevention and detection of frauds and errors
- Safeguarding its assets

The Company tracks all amendments to Accounting Standards and applicable statutes and makes timely changes to underlying systems, processes and financial controls to ensure adherence to the same. The Company believes in conducting business in a fair and ethical manner.

The risk-based internal audit plan is approved by the Audit Committee of the Board. Significant audit observations and follow-up actions thereon are reported to the Audit Committee. The Company is certified by Bureau Veritas for maintaining the risk management system as per ISO 31000:2018 which provides principles, a framework and a process for managing risk.

The adequacy and effectiveness of Internal controls are continuously examined by the independent Internal Auditor appointed by the Company and findings of these audits including its recommended improvements are reported to the Audit Committee of the Board. The adequacy of internal controls is examined by Statutory Auditors as well and the Company has not received any adverse comments from them on adequacy of the internal control system.

The Audit Committee periodically reviews significant audit finding, adequacy of internal controls and takes update on implementation of audit recommendations.

The Company has developed and implemented a framework for ensuring internal controls over financial reporting, which is commensurate with the size and operations of the business in alignment with requirements of the Companies Act, 2013.

This framework includes entity-level policies, process controls, IT General Controls and Standard Operating Procedures (SOP). These internal controls are reviewed and tested by Internal Auditors every year. The results are presented to the Audit Committee. Based on the periodical testing, the framework is strengthened, from time to time, to ensure adequacy and effectiveness of Internal Financial Controls. The Company uses Global SAP ERP and allied IT tools as an integral part of internal control system. Emphasis is placed on automated controls within the processes wherever possible to minimise deviations and exceptions. The Company has carried out evaluation of design and effectiveness of these controls and no significant material weaknesses or deficiencies were observed.

- **HR Front**

Performance Management System

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

Our Performance Management System gives equal weightage to Goals & Competencies. All employees are expected to have a development goal which helps them get better in their existing role or prepare for the next role. Few initiatives like Diversity & Inclusion, Development Driven Leadership are driven through Corporate & are assigned to all Managers and they are accountable for the success of these initiatives.

Our year end discussions provide a platform to all Managers to provide inputs about the performance of their team members and evaluate them against their peers. There is a distribution that is achieved based on which the merit and variable pay is allocated. The whole process is extremely transparent and fair.

Total Rewards

Our reward system follows a very data driven approach, the final output of the Performance Management system flows into our rewards process. The philosophy of Pay for Performance is backed by detailed market studies and benchmarking conducted every year. This helps the Company to be competitive in the job market. The Company offers competitive benefits and long term incentive plans to Senior Management.

The Company also offers an array of wellness programs under the umbrella of Corporate Wellness for all employees. The Corporate Wellness program offers health related sessions, health checks etc, which leads to employees having an active & healthy life. The Company also reimburses the annual health check cost for employees once a year.

Continued Learning

Continuous learning is one of the key objectives of the Company. This year with the Company opening up working from office post the pandemic, there were many learning & development programs conducted through the year. A lot of emphasis was given to technical trainings apart from a few other topics like Value Selling, CRM related trainings, Basic life support & ERT trainings. Most of these trainings were instructor led & conducted offline. India Operations Academy is a signature training program of the Company & the same was conducted in 2022 after almost 3 years.

Employee onboarding process was revamped & we tried to centralize onboarding of employees in regional offices also at Bangalore. This gave a great onboarding experience to many employees.

One of the key programs of this year was the Level 1 foundations training, the program covers in-depth product and application related topics. This training primarily is extended to sales, services and application engineers of the Company. The program covers all technical, commercial aspects of our products and introduces participants to some of the soft skills like negotiation, presentation & social styles.

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

Resource Groups

In India, the Company has two employee resource groups i.e. WIN (Women's International Network) and YPN (Young Professionals Network), these resource groups operate with goals & objectives aligned to Company goals. The ideology and concept of these groups are on similar lines of what the Global teams offer. The common objective of both the resource groups is to foster professional development of associates.

The resource groups engage employees in different events aligned to their objectives. The core team of each resource group is responsible for executing the events for the year. Every year WIN starts off their calendar of events with the International Women's Day celebration and focusses on providing opportunities for employees to attend different events. WIN Santhe which is a fund raising event aims at generating some funds & we tie up with Jeevodaya – an NGO supporting upliftment of distressed women in the society. Networking is a key objective of both the resource groups and they consciously drive events which encourage networking like Ignite, Air Crash, Impromptu speech competitions etc. Both the resource groups collaborate on common events like CSR, Trek etc.

● **Cautionary Statement**

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

For and on behalf of the Board of Directors

Sd/-

Sanjay Koul

Chairman & Managing Director

DIN: 05159352

Date: 30 June, 2023

Place: Bengaluru

Declaration in terms of Schedule V (D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) Code of Conduct

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

I confirm that Members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ended 31 March, 2023.

For the purpose of this declaration, Senior Management Personnel means Senior Management as defined under Listing Regulations.

For and on behalf of the Board of Directors

Date: 30 June, 2023
Place: Bengaluru

Sd/-
Sanjay Koul
Chairman & Managing Director
DIN: 05159352

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT**SECTION A: GENERAL DISCLOSURES**

I. Details of Company		
1.	Corporate Identity Number (CIN) of Company	L29130KA1996PLC048230
2.	Name of the Company	Timken India Limited
3.	Year of incorporation	1987
4.	Registered office address	39-42, Electronic City, Phase II, Hosur Road, Bengaluru 560100
5.	Corporate address	39-42, Electronic City, Phase II, Hosur Road, Bengaluru 560100
6.	E-mail	tilinvestor@timken.com
7.	Telephone	080-41362000
8.	Website	https://www.timken.com/en-in
9.	Financial year for which reporting is being done	2022-23
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11.	Paid-up Capital	INR 752.19 Million
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Avishrant Keshava, Business Controller - India, CFO & Whole-time Director Email: avishrant.keshava@timken.com Phone : 080-41362000
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis or on a consolidated basis	Standalone basis for Timken India Limited (hereinafter referred to as Timken or Company).

II. PRODUCTS/SERVICES			
14. Details of Business Activities (accounting for 90% of the entity's Turnover):			
S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	C7-Metal & Metal Products - Manufacturing of bearings and components	91%
15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover)			
S. No.	Product/Service	NIC Code (2008)	% of total Turnover contributed
1	Bearings and its components	2814	91%

III.	OPERATIONS						
16.	Number of locations where plants and/or operations/offices of the entity are situated:						
	Location	Number of plants	Number of offices	Total			
	National	2	4	6			
	International	-	-	-			
17.	Markets served by the entity:						
a.	Number of locations						
	Locations		Number				
	National (No. of States)		PAN India				
	International (No. of Countries)		Timken serves customers across the world through its group companies.				
b.	What is the contribution of exports as a percentage of the total turnover of the entity?		27%				
c.	A brief on types of customers		Timken serves (i) Automobile Industry mainly commercial / off highway vehicle manufactures & Original Equipment Manufacturers (ii) Rail (iii) Process Industry such as manufacturers of cement, steel etc.				
IV.	EMPLOYEES						
18.	Details as at the end of Financial Year:						
a.	Employees and workers (including differently abled):						
	S. No.	Particulars	Total (A)	Male		Female	
				No. (B)	%(B/A)	No. (C)	%(C/A)
	EMPLOYEES						
	1.	Permanent (D)	447	429	96%	18	4%
	2.	Other than Permanent (E)	101	92	91%	9	9%
	3.	Total employees (D + E)	548	521	95%	27	5%
	WORKERS						
	4.	Permanent (F)	898	885	99%	13	1%
	5.	Other than Permanent (G)	193	189	98%	4	2%
	6.	Total workers (F + G)	1091	1074	98%	17	2%
b.	Differently abled Employees and workers:						
	DIFFERENTLY ABLED EMPLOYEES						
	1.	Permanent (D)	3	3	100%	-	-
	2.	Other than Permanent (E)	0	0	0%	-	-
	3.	Total differently abled employees (D + E)	3	3	100%	-	-
	DIFFERENTLY ABLED WORKERS						
	4.	Permanent (F)	1	1	100%	-	-
	5.	Other than permanent (G)	4	4	100%	-	-
	6.	Total differently abled workers (F + G)	5	5	100%	-	-

19.	Participation/Inclusion/Representation of women									
		Total (A)			No. and percentage of Females					
					No. (B)		% (B / A)			
	Board of Directors	8			1		12.5			
	Key Management Personnel	3			0		-			
20.	Turnover rate for permanent employees and workers:									
		FY 2022-23			FY 2021-22			FY 2020-21		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
	Permanent Employees	10%	39%	11%	9%	13%	9%	5%	6%	5%
	Permanent Workers	6%	8%	6%	7%	0%	7%	3%	0%	3%
V.	Holding, Subsidiary and Associate Companies (including Joint Venture)									
21.	(a) Names of holding / subsidiary / associate companies / joint ventures:									
	S. No.	Name of the holding/ subsidiary/ associate companies/joint ventures (A)		Indicate whether holding/ Subsidiary/ Associate/ Joint Venture		% of shares held by listed entity as on 31 March, 2023		Does the entity indicated at column A, participate in the Business Responsibility initiatives of Company? (Yes/No)		
	1	Timken Singapore Pte Ltd		Holding Company		67.80%		No		
VI.	CSR DETAILS									
22.	(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)							Yes		
	(ii) Turnover (INRM)							28,066.10		
	(iii) Net worth (INRM)							20,371.72		
VII.	TRANSPARENCY AND DISCLOSURES COMPLIANCES									
23.	Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:									
	Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No)		FY 2022-23			FY 2021-22			
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks		
	Communities	-	-	-		-	-	-		
	Investors (other than shareholders)	-	-	-		-	-	-		
	Shareholders	Shareholders do raise queries /grievance mainly about their securities. Details of such queries/ complaints received from shareholders are filed with Stock Exchanges on quarterly basis.								
	Employees and workers	1	0	Complaint received was investigated and closed since no merit was found.		1	0	Complaint received was investigated and closed since no merit was found.		
	Customers	-	-	-		-	-	-		
	Value Chain Partners	-	-	-		-	-	-		
		<p>Notes : For reporting hereinabove, complaints received through Vigil Mechanism of the Company other than anonymous complaints are only considered. Suppliers, Customers, other stakeholders may have raised issues/concerns/complaints which may indirectly cover Principle 1 to 9 above with associates of Timken in course of their business dealings. Timken and its associates take utmost care to resolve such issues, complaints.</p> <p>The Company has Quality Issue Management System (QIM) wherein Customers of the Company can lodge issues/complaints about quality and related issues. These issues are resolved by Customer Service Team from time to time. For reporting above, issues/complaints raised by Customers in QIM are not considered as these are not directly related with Principle 1 to 9.</p>								

24. Overview of the entity’s material responsible business conduct issues					
Material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications :					
Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Changes in Technology : increasing usage of electric vehicles	Risk	Company’s products are not used in electric vehicles. Company does not sell products as such for two wheelers and passenger cars. So to that extent increasing usage of electric vehicles in these areas do not affect business of the Company. However, increasing usage of electric vehicles in commercial vehicles will adversely affect business of the Company.	The Timken Company, ultimate parent company, has been acquiring companies across the world in Industrial Motion space. This will increase product portfolio offering of Timken group which in turn will help to explore new business opportunities.	Electric vehicles do not require products sold by the Company. Due to increasing use of electric vehicles in commercial vehicles market, revenue of the Company is likely to go down.
2	Geo -political situations	Risk as well as Opportunity	Situations like Ukraine war will negatively impact business of the Company due to disturbed supply chains, increased raw material prices etc. India is emerging as manufacturing hub at world stage. Global companies are looking to add manufacturing footprints in India. This including policies like China plus one will create new business opportunities in India which in turn will impact the business of the Company positively.	Timken as group is well spread out across the globe and is well positioned to counter risks arising due geopolitical situations. Even if problem occurs at one part of the world, the Company can source products from other part of the world which is operating smoothly. Likewise, it can sell products in economies which are running well.	Geo -political situations can cause supply chain disruptions which would increase manufacturing cost. While emergence of India at global level as manufacturing hub would add business opportunities which in turn would boost sales.

Note: In the last year’s report, the Company had identified “carbon neutral supply chain” as risk as well as opportunity which continues to apply this year as well.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes										
1.a.	Whether your entity’s policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b.	Has the policy been approved by the Board? (Yes/No)	The Board of Directors of the Company has approved these Policies. Mr. Keshava has been specifically authorized by the Board to adopt and review Polices relating to this Report and Principles covered herein. Mr. Keshava has reported to the Board about such Polices and the Board has taken note of the same and approved it.								
c.	Web Link of the Policies, if available	https://www.timken.com/en-in/investors/policies/								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/ No)	Timken expects its value chain partners to adhere to these Policies.								
4.	Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 14001 & ISO 50001, ISO 45001, ISO 9001, IRIS Certification, IATF 16949 certification, M-1003 Certification.								

Disclosure Questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9								
Policy and management processes																		
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	-	-	-	-	-	-	-	-	-								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	-	-	-	-	-	-	-	-	-								
Governance, leadership and oversight																		
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.	<p>Sustainability continues to be the driving force for all our endeavors at Timken. We align our global programs with our engineering expertise to help build a world that is more efficient and more resilient. Globally, Timken is pursuing greater sustainability across its operations with the target of reducing its aggregate Scope 1 and 2 greenhouse gas emissions intensity by 50 percent by 2030. This covers direct emissions from our operations and indirect emissions from purchased energy.</p> <p>Work is already underway in our plants to make progress toward achieving this target, by purchasing renewable energy as it becomes more widely available and investing in plant-efficiency projects. Sustainability also applies to how we manage our operations we are successful because we are intentional and selective in what we pursue, both organically and inorganically. Across a wide range of end-market sectors, customers worldwide value our technology and service. Timken is top of mind for customers as they develop more sustainable equipment solutions. Timken has a long history as an excellent corporate citizen. It begins with our founding mission to create sustainable solutions for our customers' most challenging problems.</p> <p>I thank all our stakeholders for their trust in us and their support as we progress towards making sustainability a way of life at Timken</p>																
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Avishrant Keshava, Business Controller – India, CFO & Whole-time Director Email: avishrant.keshava@timken.com Phone : 080-41362000																
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The Board has constituted an ESG Committee comprising Chairman & Managing Director, Chief Financial Officer, General Manager - HR and General Manager - ISCM to oversee ESG related matters. The ESG Committee will look into this going forward.																
10. Details of Review of NGRBCs by the Company:																		
Subject for review	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Business Sustainability Policies : Adoption and Review	By Mr. Avishrant Keshava : Whole-time Director									Annually								
Timken India Supply Chain : Overview	By Board of Directors									Annually								
Corporate Social Responsibility Initiatives	By Mr. Sanjay Koul, Chairman and Managing Director and Mr. Avishrant Keshava, Whole-time Director									Half Yearly								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No).										P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
										Internal Auditors carried out audit in the ESG area. As a part of that they checked policies adopted by the Company.								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE**

1.	Percentage coverage by training and awareness programmes on any of the Principles during the financial year:				
	Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes	
	Board of Directors	One	Timken India Supply Chain : Overview	50%	
	Key Managerial Personnel	At least one	Online training on regular basis is provided to employees in the areas such as IT Security, POSH, Ethical behavior etc. based on their role and work profile.	Almost 100%	
	Employees other than BoD and KMPs				
	Workers	At least one	POSH Training	Almost 100%	
2.	Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors/ KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year				
	Monetary				
		NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case preferred? (Yes/No)
	Penalty/ Fine	Not applicable			
	Settlement				
	Compounding fee				
	Non-Monetary				
		NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case preferred? (Yes/No)
	Imprisonment	Not applicable			
	Punishment				
3.	Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.				
	Case Details		Name of the regulatory/ enforcement agencies/ judicial institutions		
	Not applicable				
4.	Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.		Yes. Anti -corruption principles are covered in Company's Code of Conduct. https://www.timken.com/en-in/investors/policies/		
5.	Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:				
		FY 2022-23		FY 2021-22	
	Directors	Nil		Nil	
	KMPs	Nil		Nil	
	Employees	Nil		Nil	
	Workers	Nil		Nil	

6.	Details of complaints with regard to conflict of interest:				
		FY 2022-23		FY 2021-22	
		Number	Remarks	Number	Remarks
	Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
	Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA
7.	Corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.			Not applicable	
Leadership Indicators					
1.	Awareness programmes conducted for value chain partners on any of the Principles during the financial year:				
	Total number of awareness programmes held	Topics / principles covered under the training		%age of value chain partners covered (by value of business done with such partners) under the awareness programmes	
	One Programme : May 2022	Adherence to Timken's Supplier code of conduct and compliance relating to conflict minerals		Direct Material Supplier : 100% (Direct material supplier includes suppliers who supply bearing components or services in relation thereto on regular basis to Timken)	
	Training Programme through Automotive Skill Development Council as part of CSR Initiative	Upskilling of mechanics by giving basic training in automobile sector		200 Mechanics were trained.	
2.	Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.	The Company receives declaration of interest in other entities and conflict of interest in transactions from Directors of the Company on annual basis. The Board takes note of those declaration. The Company prefers not to enter into transaction with those entities in which Directors have interest. In case transaction has to be entered for business needs, only non interested directors decide about such transaction and such transactions are carried out at arm's length. Interested Director don't participate in discussion on such transactions.			

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators		
1.	Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.	R&D Expenditure : Nil Capex Expenditure : less than 1%
2.	a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) b. If yes, what percentage of inputs were sourced sustainably?	Timken has a defined supplier code of conduct available at link https://1ja0pa1tvp163v04fj2l0oby-wpengine.netdna-ssl.com/wp-content/uploads/2020/09/Timken-Supplier-Code-of-Conduct-ENGLISH.pdf The Timken Supplier code of conduct covers aspects of Sustainable sourcing such as EHS, compliances, child and forced labor prohibition, non-discrimination, conflict material usage etc along with a process to compliance monitoring and reporting in case of violations. All Timken Direct Material Suppliers are expected to abide with this code of conduct.

Essential Indicators	
	<p>Additionally, Timken works very closely with suppliers and develop them on EHS Systems. Presently, 38 suppliers (31%) are certified to ISO 14001 (Environment mgmt. systems) and 22 suppliers (18%) are certified to ISO 45001 on safety management systems. Timken India plans to work aggressively with its direct material suppliers to improve this percentage in coming times.</p> <p>Timken is also working with suppliers to develop systems and processes on energy management systems in line to ISO 50001 to keep our sustainable sourcing drive to a next level in coming times.</p>
3.	<p>Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.</p> <p>The Company has put in place procedure for reusing, recycling and disposing various types of wastes. Hazardous waste is handed over to Agency authorized by Pollution Control Board for treatment and safe disposal. Non-hazardous waste such as wood / corrugated boxes are recycled through recycler which primarily goes as input to paper board making mills. No E-waste is generated from our supplied products. E-waste generated at plants or offices is handed over to Agency authorized by Pollution Control Board for treatment and safe disposal.</p> <p>Product waste is melted and reused in steel making process. Grinding sludge is recycled in cement kilns. Plastic which ends up as waste at all OEM's end are recycled as per Hazardous Waste approval. Approximate 70% of the plastic wastes is recyclable. System is being put in place for safe reclaim / recycle of balance 30% which end up as waste in the local market. The Company mandates its suppliers of plastic packaging items for collection (buy back), treatment and disposal of plastic packaging items.</p> <p>Further, Jamshedpur and Bharuch plants of the Company are zero liquid discharge plants.</p>
4.	<p>Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/ No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.</p> <p>Yes. Extended Producer Responsibility (EPR) is applicable for plastic waste. Waste Collection Plan will be in line with Extended Producer Responsibility (EPR) plan i.e.</p> <ol style="list-style-type: none"> 1. Quantify plastic items procured for business. 2. Quantify plastic waste finally end up at OEM and get certificate assuring the waste is recycled as per approval. 3. Devise a mechanism for left over plastic wastes for safe reclaiming and recycle.
<p>Note : Information for Leadership Indicators under this Principle is not provided being voluntary in nature.</p>	

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential Indicators												
1.	a. Details of measures for the well-being of employees:											
	Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
			Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
	Permanent employees											
	Male	429	429	100%	429	100%	-	-	429	100%	429	100%
	Female	18	18	100%	18	100%	18	100%	-	-	18	100%
	Total	447	447	100%	447	100%	18	100%	429	100%	447	100%
	Other than Permanent employees											
	Male	92	92	100%	92	100%	-	-	-	-	-	-
	Female	9	9	100%	9	100%	9	100%	-	-	-	-
	Total	101	101	100%	101	100%	9	100%	-	-	-	-
<p>Day care facilities are made available by the Company through tie-up with near by creches/day care centers.</p>												

b. Details of measures for the well-being of workers:											
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	885	885	100%	885	100%	-	-	885	100%	885	100%
Female	13	13	100%	13	100%	13	100%	-	-	13	100%
Total	898	898	100%	898	100%	13	100%	885	100%	898	100%
Other than Permanent workers											
Male	189	189	100%	189	100%	-	-	-	-	-	-
Female	4	4	100%	4	100%	4	100%	-	-	-	-
Total	193	193	100%	193	100%	4	100%	-	-	-	-
2.	Details of retirement benefits, for Current FY and Previous FY										
Benefits		FY 2022-23				FY 2021-22					
		No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)		No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)			
PF		100%	100%	Y		100%	100%	Y			
Gratuity		100%	100%	Y		100%	100%	Y			
ESI		3%	12%	Y		7%	19%	Y			
Superannuation		100%	100%	Y		100%	100%	Y			
3.	Accessibility of workplaces										
Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.						Yes					
4.	Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.					Yes. This is part of Code of Conduct which can be accessed at https://www.timken.com/en-in/investors/policies/ .					
5.	Return to work and Retention rates of permanent employees and workers that took parental leave.										
Gender		Return to work rate		Retention rate		Return to work rate		Retention rate			
Male		100%		100%		100%		100%			
Female		100%		100%		100%		100%			
Total		100%		100%		100%		100%			
6.	Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.										
Permanent Workers						Please refer Section A-VII (23) of this Report.					
Other than Permanent Workers											
Permanent Employees											
Other than Permanent Employees											

7.	Membership of employees and workers in association(s) or Unions recognised by Company:										
	Category	FY 2022-23			FY 2021-22						
		Total employees / workers in respective category (A)	No. of employees / Workers in respective category, who are part of association(s) or Union (B)	% (B/ A)	Total Employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)				
	Total Permanent Employees	447	0	0%	441	0	0%				
	- Male	429	0	0%	425	0	0%				
	- Female	18	0	0%	16	0	0%				
	Total Permanent Workers	898	200	22%	815	211	26%				
	- Male	885	200	22%	804	211	26%				
	- Female	13	0	0%	11	0	0%				
8.	Details of training given to employees and workers:										
		FY 2022-23				FY 2021-22					
		Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
			No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
	Employees										
	Male	429	429	100%	429	100%	425	15	4%	66	16%
	Female	18	18	100%	18	100%	16	1	6%	2	13%
	Total	447	447	100%	447	100%	441	16	4%	68	15%
	Workers										
	Male	885	885	100%	885	100%	804	289	36%	606	75%
	Female	13	13	100%	13	100%	11	7	64%	11	100%
	Total	898	898	100%	898	100%	815	296	36%	617	76%
9.	Details of performance and career development reviews of employees and workers:										
		FY 2022-23			FY 2021-22						
		Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)				
	Employees										
	Male	429	429	100%	425	425	100%				
	Female	18	18	100%	16	16	100%				
	Total	447	447	100%	441	441	100%				
	Workers										
	Male	885	885	100%	804	804	100%				
	Female	13	13	100%	11	11	100%				
	Total	898	898	100%	815	815	100%				

10.	Health and safety management system:						
	a.	Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?	Yes. The Company has adopted ISO 45001.				
	b.	What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	The Company uses (i) HIRA : Hazard Identification and Risk Assessment (ii) JBRA : Job based risk assessment and GEMBA walk by the management team/leadership team to identify work-related hazards and assess risks.				
	c.	Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)	Yes. Any worker who has grievance can report to Safety Committee of particular location. Safety Committee is entrusted with powers to resolve such issues.				
	d.	Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Yes				
11.	Details of safety related incidents:						
	Safety Incident/Number	Category	FY 2022-23	FY 2021-22			
	Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0			
		Workers	0	0			
	Total recordable work-related injuries	Employees	0	0			
		Workers	0	0			
	No. of fatalities	Employees	0	0			
		Workers	0	0			
	High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0			
		Workers	0	0			
12.	Describe the measures taken by the entity to ensure a safe and healthy work place.		The Company has adopted ISO 45001 to ensure safe and healthy workplace. Associates are trained from time and again to follow documented work instructions related to safety. The Company provides to associates PPEs as per hazard identification and associates have to use PPEs while working in the premises.				
13.	Number of Complaints on the following made by employees and workers:						
		FY 2022-23			FY 2021-22		
		Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
	Working Conditions	0	0	0	0	0	0
	Health & Safety	0	0	0	0	0	0
14.	Assessments for the year:						
		% of your plants and offices that were assessed					
	Health and safety practices	100%					
	Working Conditions	100%					

15.	Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.	No significant risks/concerns were identified during assessment and hence, no corrective actions as such were required to be undertaken during FY 2022-23.		
Leadership Indicators				
1.	Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).	Yes		
2.	Measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.	The Company ensures that contract labours working at Company premises are paid statutory dues by their employers. The Company either on its own or through third party conducts audit, on sample basis, of records of contractors to ensure compliance in this area.		
3.	Number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:			
		Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment
		FY 2022-23	FY 2021-22	FY 2022-23
	Employees	0	0	0
	Workers	0	0	0
4.	Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)	The Company may provide transition assistance program to certain employees on case to case basis.		
5.	Details on assessment of value chain partners:			
		% of value chain partners that were assessed		
	Health and safety practices	For contractors working at Company premises : 100%. We encourage our suppliers to achieve ISO 45001.		
	Working Conditions	For contractors working at Company premises : 100%. We encourage our suppliers to achieve ISO 45001.		
6.	Details of any corrective actions taken or underway to address significant risks/ concerns arising from assessments of health and safety practices and working conditions of value chain partners	No significant risks/concerns were identified during assessment of contractors working at Company premises and hence, no corrective actions as such were required to be undertaken during FY 2022-23. For suppliers, the Company may take actions, if required, on case to case basis.		

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators				
1.	Describe the processes for identifying key stakeholder	Mr. Keshava has held discussion with senior management personnel and heads of various departments and thereafter, identified key stakeholders group.		

2.	List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.				
	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication	Frequency of engagement (Annually / Half yearly / Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
	Shareholders - Investors	No	Disclosure to Stock Exchanges, conferences, meetings, plant visit	Quarterly	Financial Results, Material events were shared.
	Value Chain Partners - Direct Material Suppliers	No	Conferences/ Meetings/ General Communication through mails	on need basis	Update about Company policies, procedures, business plans, expectation from value chain partners
	Customers : OEs & Distributors	No	Conferences/ Meetings/ General Communication through mails	on need basis	Update about Company policies, procedures, business plans
	Employees and workers	Overall : No Note : Disabled / women employees are identified as vulnerable group.	General HR Communication / Women's International Network (WIN), POSH Trainings / awareness programs	less than month	Update about Company policies, procedures, major updates, initiatives for employees
	Communities nearby where we operate	Overall : No Note : Tribal Community around Jamshedpur Plant : Yes	Newspaper advertisements, CSR initiatives, website	on need basis	Update about Company initiatives, performance, knowing requirements / expectations from members of Community
Leadership Indicators					
1.	Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.			The Board has constituted ESG Committee which is responsible to understand needs/requirements of Stakeholders and then take necessary actions. ESG Committee in turn will brief the Board of Directors.	
2.	Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/ No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.			Timken does consult with stakeholders for identification and management of environmental, and social topics. Timken is aiming to increase consumption of clean energy over a period of time and for the same, is consulting with generators/suppliers of clean energy. Inputs given by these stakeholders have been taken into consideration while setting up roof top solar or availing clean energy from other sources. Also, Timken is specifically focusing on usage of recyclable packaging materials instead of plastic packaging. The Company is not only increasing usage of recyclable packaging materials but also encouraging our suppliers to do so. SCM & SQD team of Timken has been consulting, advising, guiding suppliers to take steps in this direction.	

3.	<p>Details of instances of engagement with, and actions taken to, address the concerns of vulnerable / marginalized stakeholder groups.</p>	<p>For Women employees: Women International Network platform has been provided wherein women employees discuss their concerns on periodical basis and take it with Management if required. Further, Anti Sexual Harassment Committee and Vigil Mechanism adopted by the Company are additional measure available to the raise their concerns.</p> <p>Business HR Partners are entrusted with responsibility to look into and resolve issues of disabled employees.</p> <p>The Company has been over the years focusing in taking certain projects under its CSR initiatives and also otherwise for the benefit of tribal community in and around Jamshedpur.</p>
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PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators										
1.	Employees and workers who have been provided training on human rights issues and policy(ies) of the entity									
Category	FY 2022-23					FY 2021-22				
	Total (A)	No. of employees / workers covered (B)		% (B / A)	Total (C)	No. of Employees / workers covered (D)		% (D / C)		
Employees										
Permanent	447	447		100%	441	441		100%		
Other than permanent	101	101		100%	90	90		100%		
Total Employees	548	548		100%	531	531		100%		
Workers										
Permanent	898	898		100%	815	815		100%		
Other than permanent	193	193		100%	156	156		100%		
Total Workers	1091	1091		100%	971	971		100%		
2.	Details of minimum wages paid to employees and workers:									
Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
No. (B)		% (B/A)	No. (C)	% (C/A)	No. (E)		% (E/D)	No. (F)	% (F/D)	
Employees										
Permanent	447	-	-	447	100%	441	-	-	441	100%
Male	429	-	-	429	100%	425	-	-	425	100%
Female	18	-	-	18	100%	16	-	-	16	100%
Other than Permanent	101	-	-	101	100%	90	-	-	90	100%
Male	92	-	-	92	100%	82	-	-	82	100%
Female	9	-	-	9	100%	8	-	-	8	100%
Workers										
Permanent	898	-	-	898	100%	815	-	-	815	100%
Male	885	-	-	885	100%	804	-	-	804	100%
Female	13	-	-	13	100%	11	-	-	11	100%
Other than Permanent	193	-	-	193	100%	156	-	-	156	100%
Male	189	-	-	189	100%	148	-	-	148	100%
Female	4	-	-	4	100%	8	-	-	8	100%

3.	Details of remuneration/salary/wages:						
		Male			Female		
		Number	Median remuneration/ salary/wages of respective category		Number	Median remuneration/ salary/wages of respective category	
	Board of Directors (BoD) (sitting fees excluded)	2	34,143,283		NA	NA	
	Key Managerial Personnel	3	12,423,465		NA	NA	
	Employees	426	1,121,160		18	909,720	
	Workers	885	443,958		13	270,708	
4.	Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)			Yes			
5.	Describe the internal mechanisms in place to redress grievances related to human rights issues.			Refer vigil mechanism section under Board's Report and Section VII (23) of this Report.			
6.	Number of Complaints on the following made by employees and workers:						
		FY 2022-23			FY 2021-22		
		Received	Resolved	Pending	Received	Resolved	Pending
	Sexual Harassment	0	0	0	0	0	0
	Discrimination at workplace	0	0	0	0	0	0
	Child Labour	0	0	0	0	0	0
	Forced Labour/ Involuntary Labour	0	0	0	0	0	0
	Wages	0	0	0	1	1	0
	Other human rights related issues	1	1	0	1	0	1
7.	Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.			Complainant has a choice to make anonymous complaint by calling dedicated toll free number. The Company does not ask for details of complainant for anonymous complaint. Further, details of complainant are not disclosed unless necessary. The Company follows Non retaliation Policy and adequately safeguards against victimization of reporting person. The Company does not tolerate acts of retaliation against anyone who makes report in good faith.			
8.	Do human rights requirements form part of your business agreements and contracts? (Yes/No)			This requirement forms part of Code of Conduct which is expected to be followed by business partners.			
9.	Assessments for the year:						
		% of your plants and offices that were assessed (by entity or statutory authorities or third parties)					
	Child labour	100% by the Company					
	Forced/involuntary labour	100% by the Company					
	Sexual harassment	100% by the Company					
	Discrimination at workplace	100% by the Company					
	Wages	100% by the Company plus external agency on sample basis.					
10	Details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above			Since no significant risks were identified, corrective actions were not required during FY 2022-23.			

Leadership Indicators		
1.	Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.	There was no requirement to modify business process during FY 2022-23.
2.	Details of the scope and coverage of any Human rights due-diligence conducted.	The Company did not conduct any human rights due diligence in FY 2022-23.
3.	Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?	Yes
4.	Details on assessment of value chain partners:	% of value chain partners (by value of business done with such partners) that were assessed
	Sexual Harassment	100% for contractors working on Company premises
	Discrimination at workplace	100% for contractors working on Company premises
	Child Labour	100% for contractors working on Company premises
	Forced Labour/Involuntary Labour	100% for contractors working on Company premises
	Wages	100% for contractors working on Company premises
5.	Details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.	No corrective actions were required to be taken during FY 2022-23.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators			
1.	Details of total energy consumption (in Joules or multiples) and energy intensity:		
	Parameter	FY 2022-23	FY 2021-22
	Total electricity consumption (A)	197822.0664	198678.96
	Total fuel consumption (B)	77320.08225	68435.48
	Energy consumption through other sources (C)	6441.235	4745.45
	Total energy consumption (A+B+C)	281583.384	271859.89
	Energy intensity per rupee of turnover (<i>Total energy consumption/ turnover in rupees</i>)	0.000100328 GJ/INR	0.000012GJ/INR
2.	Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.		
Not applicable			
3.	Details related to water:		
	Parameter	FY 2022-23	FY 2021-22
	Water withdrawal by source (in kilolitres)		
	(i) Surface water	0	0
	(ii) Groundwater	40686	56200
	(iii) Third party water	146498	141702
	(iv) Seawater / desalinated water	0	0
	(v) Others	0	0
	Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	187184	197902
	Total volume of water consumption (in kilolitres)	187184	197902
	Water intensity per rupee of turnover (Water consumed / turnover)	0.000006693 KL/INR	0.0000088KL/INR
Water intensity (optional) the relevant metric may be selected by the entity	-	-	

4.	Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.	Yes. Both Jamshedpur and Baruch Plants are zero liquid discharge plants. ETPs have been setup at plants to treat effluents coming from heat treatment, grind operations. Domestic effluents are sent outside to permitted agencies for treatment.		
5.	Details of air emissions (other than GHG emissions):			
	Parameter	Please specify unit	FY 2022-23	FY 2021-22
	NOx	µg/m ³	30.5	37.3
	SOx	µg/m ³	25.7	23.9
	Particulate matter (PM) 10 /2.5	µg/m ³	47.7/22.5	76.6 / 38.1
	Persistent organic pollutants (POP)	-	B/L	-
	Volatile organic compounds (VOC)	-	B/L	-
	Hazardous air pollutants (HAP)	-	B/L	-
	O3	µg/m ³	DL:5	DL:5
	Lead	µg/m ³	0.03	0.01
	Carbon monoxide	µg/m ³	DL:1.0	1.2
	Ammonia	µg/m ³	DL:20	DL:20
	Benzene	µg/m ³	<2.00	<2.0
	Benzo	µg/m ³	0.41	<0.2
	Arsenic	µg/m ³	3.4	<2.0
	Nickel	µg/m ³	<2.0	<2.0
6.	Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:			
	Parameter	Unit	FY 2022-23	FY 2021-22
	Total Scope 1 emissions	Metric tonnes of CO ₂ equivalent	4444	6486.6
	Total Scope 2 emissions	Metric tonnes of CO ₂ equivalent	38903	39072.76
	Total Scope 1 and Scope 2 emissions per rupee of turnover		0.000001544 MT/INR	0.00000204MT/INR
7.	Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.	Yes. The Company has a focused energy reduction program that aims at reducing the energy consumption. The Company could achieve improved CO ₂ emissions.		
8.	Details related to waste management by the entity:			
	Parameter		FY 2022-23	FY 2021-22
	Total Waste generated (in metric tonnes)			
	Plastic waste (A)		127.47	140.7
	E-waste (B)		6.489	15.0
	Bio-medical waste (C)		0.0054	0.006
	Construction and demolition waste (D)		0	0
	Battery waste (E)		1.3	0
	Radioactive waste (F)		0	0
	Other Hazardous waste. Please specify, if any. (G)		2363.995	2125.3
	Other Non-hazardous waste generated (H).		2771.517	2319.9
	Total (A+B + C + D + E + F + G + H)		5270.776	4600.9

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)						
Parameter		FY 2022-23		FY 2021-22		
Category of waste						
(i) Recycled		4337		3905.576		
(ii) Re-used		0		0		
(iii) Other recovery operations		6.67		0		
Total		4343.64		3905.576		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)						
Category of waste						
(i) Incineration		0.35		0.0058		
(ii) Landfilling		896		696.05		
(iii) Other disposal operations		0		0		
Total		896.44		696.0558		
9.	Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.			Wastes are segregated and collected at source of generation, accumulated in designated area and disposed to authorized recycler / coprocessing. Reduce - Reuse - Recycle are the principles followed in reducing the waste.		
10.	If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details:					
	Sl. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.		
	Not applicable					
11.	Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the :					
	Name and brief details of project	EIA Notification No.	Date	Whether Conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
	Not applicable					
12.	Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N) : Yes					
Leadership Indicators						
1.	Break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources:					
	Parameter		FY 2022-23		FY 2021-22	
	From renewable sources					
	Total electricity consumption (A)		6441.23		4745.46	
	Total fuel consumption (B)		0		0	
	Energy consumption through other sources (C)		0		0	
	Total energy consumed from renewable sources (A+B+C)		6441.23		4745.46	
	From non-renewable sources					
	Total electricity consumption (D)		197822.0664		198678.96	
	Total fuel consumption (E)		77320.08		68435.48	
	Energy consumption through other sources (F)		0		0	
	Total energy consumed from non-renewable sources (D+E+F)		275142.154		267114.44	

2.	Details related to water discharged:			
	Parameter		FY 2022-23	FY 2021-22
	Water discharge by destination and level of treatment (in kilolitres)			
	(i) To Surface water			
	– No treatment		0	0
	– With treatment		0	0
	(ii) To Groundwater			
	– No treatment		0	0
	– With treatment		0	0
	(iii) To Seawater			
	– No treatment		0	0
	– With treatment		0	0
	(iv) Sent to third-parties			
	– No treatment		0	0
	– With treatment		0	0
	(v) Others			
	– No treatment		0	0
	– With treatment – ETP		0	10645 - KL
	Total water discharged (in kilolitres)		0	10645 - KL
3	Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): Not applicable			
4.	Details of total Scope 3 emissions & its intensity:			
	Parameter	Unit	FY 2022-23	FY 2021-22
	Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	<i>Metric tonnes of CO₂ equivalent</i>	The Company at this stage is unable to provide details.	
	Total Scope 3 emissions per rupee of turnover			
	Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			
5.	With respect to the ecologically sensitive areas reported at Question10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.		Not applicable	
6.	If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:			
	Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
	The Company at this stage is unable to provide details.			

7	Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.	The Company has Disaster Recovery Plan that outlines each level of disaster and recommended / planned mitigation plan to remove or reduce the impact on Customer performance. This is reviewed by ERT members as part of annual review and then modified as required.
8.	Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?	The Company is not aware of any adverse impact arising from the value chain of the Company.
9.	Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.	The Company did not carry out any assessment of value chain partners for environmental impact in FY 2022-23.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators						
1.	a. Number of affiliations with trade and industry chambers/ associations. b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.					
	S. No.	Name of the trade and industry chambers/ associations		Reach of trade and industry chambers/ associations (State/National)		
	1	American Chamber of Commerce in India		National		
	2	Engineering Export Promotion Council		National		
2.	Details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.					
	Name of authority		Brief of the case		Corrective action taken	
	Not applicable					
Leadership Indicators						
1.	Details of public policy positions advocated by the entity:					
	Sl. No.	Public Policy Advocated	Method resorted for such advocacy	Whether information available in public domain ? (Yes/No.)	Frequency of Review by Board (Annually / Half yearly / Quarterly / other (Please Specify))	Web link, if available
	The Company has not exclusively advocated any Public Policy during the financial year 2022-23.					

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators						
1.	Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the .					
	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
	The Company is not required to carry out Social Impact Assessments of CSR Projects undertaken during FY 2022-23.					
2.	Information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:					
	S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R
	Not applicable					
3.	Describe the mechanisms to receive and redress grievances of the community.			<p>The Company operates at various locations in India. Members of community where the Company operates often request for help for betterment of society. The Company appropriately considers needs of the society and selects various projects for overall betterment of people. The Company works with many implementing agencies across India to implement CSR Projects. The Company also undertakes various projects over and above mandatory CSR requirement as part of its Global initiatives and policies.</p> <p>The Company follows open door Policy. Any stakeholder or member of Community having problem with projects or its implementation can lodge their grievance through vigil mechanism details provided on the website of the Company.</p>		
4.	Percentage of input material (inputs to total inputs by value) sourced from suppliers:					
				FY 2022-23	FY 2021-22	
	Directly sourced from MSMEs/ small producers			23.38% from MSME and balance 76.62% NON MSME	20% from MSME and balance 80% NON MSME	
	Sourced directly from within the district and neighbouring districts			43.89% from within local districts 56.11% Outside local districts	41% from within local districts 59% Outside local districts	
Leadership Indicators						
1.	Details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):					
	Details of negative social impact identified Corrective action taken					
	Not applicable					
2.	Information on CSR projects undertaken by Company in designated aspirational districts as identified by government bodies:					
	S. No.	State	Aspirational District		Amount spent (In INR)	
	1	Jharkhand	East Singhbhum		2,76,81,572/-	

3.	(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? No (b) From which marginalized /vulnerable groups do you procure? Not applicable (c) What percentage of total procurement (by value) does it constitute? Not applicable			
4.	Details of the benefits derived and shared from the intellectual properties owned or acquired by Company in financial year based on traditional knowledge:			
	S. No.	Intellectual Property based on traditional knowledge	Owned / Acquired (Yes/No)	Benefit shared (Yes / No)
	Not applicable			
5.	Details of beneficiaries of CSR Projects:			
	Name of authority	Brief of the Case	Corrective action taken	
	Project Report on CSR activities during FY 2022-23 is available on the website at https://www.timken.com/en-in/investors/statutory-compliances/			

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators							
1.	Describe the mechanisms in place to receive and respond to consumer complaints and feedback.		The Company has dedicated Customer Service team to respond to customer complaints and provides necessary feedback to resolve complaints. Contact details of Customer Service Team including email ID and Phone number are provided on product packaging. Customers facing issue with product can directly communicate with Customer Service team to resolve the problems faced by them. Your Company's customers include OE and Institutional customers. Service Engineering team and Quality team inter alia engage with OE and Institutional customers to redress their complaints. Details about Service Engineering, Quality and Warranty team executives are provided to OE, Institutional Customers on case to case basis.				
2.	Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:		As a percentage to total turnover				
	Environmental and social parameters relevant to the product		The Company provides the information about safe and responsible usage along with almost all products. Such information is also provided to customers in form of products maintenance manuals. Most of Products manufactured and sold by the Company as such don't require information about environmental and social usage and recycling. However, wherever applicable, the Company makes attempt to provide such information.				
	Safe and responsible usage						
	Recycling and/or safe disposal						
3.	Number of consumer complaints in respect of the following:						
		FY 2022-23		Remarks	FY 2021-22		Remarks
		Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
	Data privacy	-	-	-	-	-	-
	Advertising	-	-	-	-	-	-
	Cyber-security	-	-	-	-	-	-
	Delivery of essential services	-	-	-	-	-	-
	Restrictive Trade Practices	-	-	-	-	-	-
	Unfair Trade Practices	-	-	-	-	-	-
	Others Quality issues	11	1	One pending complaint is being resolved.	14	2	-

4.	Details of instances of product recalls on account of safety issues:		
		Number	Reasons for recall
	Voluntary recalls	0	0
	Forced recalls	0	0
5.	Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.	Yes. https://www.timken.com/timken-global-data-privacy-policy-training/ The Company has adopted The Timken Company's policy for cyber security and risks related to data privacy.	
6.	Details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.	Not Applicable	
Leadership Indicators			
1.	Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).	https://www.timken.com/portfolio/	
2.	Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.	Product related safety information (if any) are published in the product catalog. MSDS sheet are published wherever applicable. Additionally, product safety and safe practices are explained in product seminars and training sessions to customers.	
3.	Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.	Not applicable.	
4.	Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)	The Company provides information on products as required under the Legal Metrology (Packaged Commodities) Rules, 2011. The Company also provides information such as product usage, safety precautions, features of product on certain product packaging. The Company did not carry out any survey for end consumer satisfaction in FY 2022-23.	
5.	Provide the following information relating to data breaches:		
	a. Number of instances of data breaches along-with impact	Nil	
	b. Percentage of data breaches involving personally identifiable information of customers	Not applicable	

For and on behalf of the Board of Directors

Date: 30 June, 2023
Place: Bengaluru

Sd/-
Sanjay Koul
Chairman & Managing Director
DIN: 05159352

INDEPENDENT AUDITOR'S REPORT

To the Members of Timken India Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Timken India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sl. No.	Key Audit Matter	Auditor's Response
1.	<p>Capital work-in-progress/ Property, Plant and Equipment (PPE)</p> <p>The Company had embarked on capacity augmentation / expansion projects at its multiple plant locations in line with approved business plans. Assets acquired under these projects which were yet to be capitalized amounted to Rs. 534.54 million and additions to Property, Plant and Equipment (PPE) during the year amounted to Rs. 705.31 million.</p> <p>Given the nature and size of the aforesaid expansion projects, the underlying assets acquired require substantial time to meet the criteria for capitalization. The assets are capitalized and depreciated once the assets are ready for use as intended by the management. Inappropriate timing of capitalization of the project and/or inappropriate classification as PPE could result in material misstatement of capital work-in-progress/ PPE balances with a consequential impact on depreciation charge and results for the year.</p> <p>Accordingly, we have considered this as a key audit matter.</p> <p>Refer note 2.7.1 for the accounting policy.</p>	<p>Principal audit procedures performed:</p> <p>We tested the design, implementation and operating effectiveness of controls in respect of review of capital work in progress, particularly in respect of timing of the capitalization and recording of additions to items of PPE with source documentation.</p> <p>We tested details of the assets capitalized under PPE during the year and those classified as capital work in progress on a sample basis to source documentation to determine whether the expenditure is of a capital nature and has been appropriately approved.</p> <p>Our tests included validating the appropriateness of the cut-off date considered for project capitalization based on discussions with the project personnel and corroborative evidence obtained during the audit.</p> <p>We reviewed operating expenses to determine whether any assets have been inappropriately expensed.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report (including Corporate Governance Report, Ratio of Remuneration, Annual Report on CSR activities, Management Discussion & Analysis, Business Responsibility & Sustainability Report and other Annexures to the Board's report) but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our

auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for keeping backup on daily basis of such books of account maintained in electronic mode, in a server physically located in India (refer Note 43 to the financial statements).
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) The observation relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above.
 - (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34 to the financial statements;

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(b) The management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

As stated in Note 16 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with Section 123 of the Act, as applicable.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Mumbai
May 17, 2023

Sd/-
Sathya P. Koushik
Partner
(Membership No. 206920)
UDIN: 23206920BGYMEQ8447

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls with reference to financial statements of Timken India Limited ("the Company") as of March 31, 2023, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Mumbai
May 17, 2023

Sd/-
Sathya P. Koushik
Partner
(Membership No. 206920)
UDIN: 23206920BGYMEQ8447

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress, investment properties and relevant details of right-of-use assets.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has a program of verification of property, plant and equipment, capital work-in-progress, investment properties and right-of-use assets so to cover all the items once every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were due for verification during the year and were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) Based on our examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, capital work-in-progress and investment property are held in the name of the Company as at the balance sheet date.
 - (d) The Company has not revalued any of its property, plant and equipment (including right of use assets) and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories were physically verified during the year by the management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.
- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.
- (iv) The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) In respect of statutory dues:
 - (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023, for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023, on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs. in million)	Amount Unpaid (Rs. in million)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	FY 2002-03, 2017-18	25.11	25.11
		Income Tax Appellate Tribunal	FY 2016-17	92.91	92.91
Various State Tax Acts	Various Sales Tax	Various Appellate Authorities	2005-06, 2008-09, 2013-14, 2014-15 and 2015-16	10.95	10.46
Various State Tax Acts	Various Sales Tax	Deputy Commissioner Appeals	2009-10 to 2015-16	20.81	13.53
Various State Tax Acts	Various Sales Tax	Joint Commissioner of Commercial Taxes (Appeals)	2017-18	8.63	8.63
Finance Act, 1994	Service Tax	Central Excise and Service Tax Appellate Tribunal	2013-14, 2015-16	10.96	10.26
		Commissioner Appeals	2016-17	1.29	1.19

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

- (b) To the best of our knowledge, no report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year and provided to us, when performing our audit.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
(b) We have considered, the internal audit reports issued to the Company during the year and the draft of the internal audit reports issued after the balance sheet date for the period under audit.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of its holding company, subsidiary company, associate company or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
(b) The Group does not have any core investment company as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act.

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

Sd/-
Sathya P. Koushik
Partner

(Membership No. 206920)
UDIN: 23206920BGYMEQ8447

Mumbai
May 17, 2023

BALANCE SHEET

₹ in million

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	5,006.24	5,094.97
Right of use assets	4	1,015.66	1,040.51
Capital work-in-progress	5	534.54	495.43
Investment Property	6	100.61	102.80
Goodwill	7	1,813.11	1,813.11
Other Intangible assets	8	497.45	550.22
Financial assets			
Investments	9 A	0.30	0.30
Loans	10 A	0.82	23.00
Other financial assets	11 A	104.71	80.95
Non-current tax assets (net)		157.02	81.35
Other non-current assets	12 A	218.01	55.53
I. Total non-current assets		9,448.47	9,338.17
Current assets			
Inventories	13	5,694.90	5,584.85
Financial assets			
Investments	9 B	2,358.93	989.59
Trade receivables	14	5,757.35	5,387.55
Cash & Cash equivalents	15 A	1,584.01	147.87
Bank balances other than cash & cash equivalents mentioned above	15 B	33.10	34.03
Loans	10 B	38.93	31.15
Other financial assets	11 B	74.37	89.35
Other current assets	12 B	575.28	335.37
II. Total current assets		16,116.87	12,599.76
III. Total Assets (I+II)		25,565.34	21,937.93
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	752.19	752.19
Other equity	17	19,619.53	15,817.23
IV. Total Equity		20,371.72	16,569.42
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	18	6.32	9.54
Other financial liabilities	24 A	2.40	2.40
Provisions	19 A	502.52	524.50
Deferred tax liabilities (net)	20 A	263.86	280.06
Other non-current liabilities	21 A	145.26	194.27
V. Total non-current liabilities		920.36	1,010.77
Current Liabilities			
Financial liabilities			
Borrowings	22	294.40	297.77
Lease liabilities	18	4.74	10.02
Trade payables	23		
Total outstanding dues of micro and small enterprises		373.21	269.09
Total outstanding dues of creditors other than micro and small enterprises		3,070.98	3,016.30
Other financial liabilities	24 B	129.99	124.22
Other current liabilities	21 B	106.86	195.66
Provisions	19 B	44.51	77.18
Current tax liabilities (net)	25	248.57	367.50
VI. Total current liabilities		4,273.26	4,357.74
VII. Total Liabilities (V+VI)		5,193.62	5,368.51
VIII. Total Equity and Liabilities (IV+VII)		25,565.34	21,937.93

See accompanying notes to the Financial Statements

As per our report of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W – 100018)

Sd/-

Sathya P. Koushik

Partner

Membership No. 206920

Mumbai, May 17, 2023

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

Sd/-

Sanjay Koul

Chairman & Managing Director

DIN: 05159352

Sd/-

Avishrant Keshava

Business Controller - India,

CFO & Whole-time Director

DIN: 07292484

Sd/-

Mandar Vasmatkar

Company Secretary & Chief - Compliance

Mumbai, May 17, 2023

STATEMENT OF PROFIT AND LOSS

₹ in million

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from Operations	26	28,066.10	22,032.44
Other Income	27	531.75	142.89
I. Total Income		28,597.85	22,175.33
Expenses			
Cost of Materials Consumed		9,223.77	7,343.04
Purchases of Stock-in-trade		7,429.92	5,856.36
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	28	(55.90)	(1,258.86)
Employee Benefits Expenses	29	1,590.89	1,405.59
Finance costs	30	28.13	24.47
Depreciation and amortisation expenses	31	871.99	843.37
Other Expenses	32	4,273.84	3,579.52
II. Total Expenses		23,362.64	17,793.49
III. Profit before tax (I-II)		5,235.21	4,381.84
Tax expense:			
(i) Current tax {includes reversal of ₹ 30.09 million (March 31, 2022 - net charge of ₹ 16.15 million) relating to earlier years}		1,343.97	1,153.67
(ii) Deferred tax		(16.21)	(42.88)
IV. Total Tax Expenses	20 B	1,327.76	1,110.79
V. Profit for the year (III - IV)		3,907.45	3,271.05
Other Comprehensive Income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
(i) Re-measurement gains/ (losses) on defined benefit plans		10.26	(31.77)
(ii) Income tax (losses)/gains effect on above		(2.58)	7.85
VI. Other comprehensive income / (loss) for the year, net of tax		7.68	(23.92)
VII. Total Comprehensive Income for the year (V + VI)		3,915.13	3,247.13
VIII. Earnings per equity share (₹ 10 each) in INR: Basic & Diluted	33	51.95	43.49

See accompanying notes to the Financial Statements

As per our report of even date

For Deloitte Haskins & Sells LLPChartered Accountants
(Firm's Registration No. 117366W/W – 100018)

Sd/-

Sathya P. KoushikPartner
Membership No. 206920
Mumbai, May 17, 2023

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

Sd/-

Sanjay KoulChairman & Managing Director
DIN: 05159352

Sd/-

Mandar VasmatkarCompany Secretary & Chief - Compliance
Mumbai, May 17, 2023

Sd/-

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

STATEMENT OF CHANGES IN EQUITY

A) Equity Share Capital (Refer note 16)

	Subscribed and Fully Paid-up		Subscribed and partly paid-up		Total Equity share capital
	No. of Shares	Amount (₹ in million)	No. of Shares	Amount (₹ in million)	Amount (₹ in million)
As at April 1, 2021	75,218,734	752.19	-	-	752.19
Changes in equity share capital during the year	-	-	-	-	-
As at March 31, 2022	75,218,734	752.19	-	-	752.19
Changes in equity share capital during the year	-	-	-	-	-
As at March 31, 2023	75,218,734	752.19	-	-	752.19

B) Other Equity (Refer note 17)

₹ in million

	Reserves and Surplus			Total
	Capital Redemption Reserve	Securities Premium	Retained earnings	
Balance as at April 1, 2021 (a)	260.00	5,348.67	7,074.26	12,682.93
Profit for the year (b)	-	-	3,271.05	3,271.05
Other comprehensive income/ (loss) for the year, net of tax (c)	-	-	(23.92)	(23.92)
Total comprehensive income (d) = (b+c)	-	-	3,247.13	3,247.13
Equity dividend paid for the year 2020-21 (e)	-	-	(112.83)	(112.83)
Balance as at March 31, 2022 (f) = (a+d+e)	260.00	5,348.67	10,208.56	15,817.23
Profit for the year (g)	-	-	3,907.45	3,907.45
Other comprehensive income/ (loss) for the year, net of tax (h)	-	-	7.68	7.68
Total comprehensive income (i) = (g+h)	-	-	3,915.13	3,915.13
Equity dividend paid for the year 2021-22 (j)	-	-	(112.83)	(112.83)
Balance as at March 31, 2023 (k) = (f+i+j)	260.00	5,348.67	14,010.86	19,619.53

See accompanying notes to the Financial Statements

As per our report of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W – 100018)

Sd/-

Sathya P. Koushik

Partner

Membership No. 206920

Mumbai, May 17, 2023

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

Sd/-

Sanjay Koul

Chairman & Managing Director

DIN: 05159352

Sd/-

Avishrant Keshava

Business Controller - India,

CFO & Whole-time Director

DIN: 07292484

Sd/-

Mandar Vasmatkar

Company Secretary & Chief - Compliance

Mumbai, May 17, 2023

STATEMENT OF CASH FLOWS

₹ in million

	For the year ended March 31, 2023		For the year ended March 31, 2022	
A. Cash Flow from Operating Activities :				
Profit for the year		3,907.45		3,271.05
Adjustments to reconcile profit for the year to net cash flows :				
Income tax expenses	1,327.76		1,110.79	
Depreciation and amortisation expenses	871.99		843.37	
Interest income	(34.42)		(27.89)	
Finance costs	28.13		24.47	
Dividend Income on current investments- Non trade	(104.48)		(10.49)	
(Profit)/Loss on disposal of Property, Plant & Equipment (Net)	(5.29)		1.72	
Provision for doubtful debts, deposits & advance	10.04		7.29	
Provision no longer required written back	(17.98)		(15.65)	
Deferred government grant income	(49.01)		(42.87)	
Unrealised foreign exchange loss / (gain)	(24.47)		(11.44)	
		2,002.27		1,879.30
Operating cash flows before working capital changes		5,909.72		5,150.35
Changes in working capital				
(Increase) / Decrease in Trade receivable	(389.21)		(1,689.03)	
(Increase) / Decrease in Loans, other financial assets and other assets	(651.08)		(245.49)	
(Increase) / Decrease in Inventories	(110.05)		(1,897.72)	
Increase / (Decrease) in Trade payables	171.26		(62.86)	
Increase / (Decrease) of Short term borrowings	(3.37)		(29.09)	
Increase/(Decrease) in Other financial liabilities, other liabilities & provisions	22.88		243.26	
		(959.57)		(3,680.93)
Cash Generated from Operations		4,950.15		1,469.42
Direct Taxes paid (net of refund)		(1,538.57)		(1,140.48)
Net Cash from Operating Activities (A)		3,411.58		328.94
B. Cash Flow from Investing Activities :				
Purchase of Property, Plant & Equipment including capital work in progress and capital advances		(620.42)		(803.49)
Proceeds from disposal of property, plant & equipment		9.88		4.06
Dividend received		104.48		10.49
Interest received		34.42		27.89
Redemption/ maturity of bank deposits (net) (having original maturity of more than three months)		0.03		0.04
Net Cash (used in) Investing Activities (B)		(471.61)		(761.01)

Statement of Cash Flows

(Contd.)

₹ in million

	For the year ended March 31, 2023		For the year ended March 31, 2022	
C. Cash Flow from Financing Activities :				
Interest paid		(28.13)		(24.47)
Repayment of lease liabilities		(11.96)		(9.78)
Dividend paid		(112.83)		(112.83)
Net Cash (used in) Financing Activities (C)		(152.92)		(147.08)
Net Increase in Cash & cash equivalents (A + B + C)		2,787.05		(579.15)
Cash & Cash equivalents - Opening Balance		1,137.46		1,704.04
Effect of exchange differences on restatement of foreign currency cash & cash equivalents		18.43		12.57
Cash & Cash equivalents - Closing Balance		3,942.94		1,137.46

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

₹ in million

	As at March 31, 2023	As at March 31, 2022
Cash on hand and balances with banks (Refer. Note 15A)	1,584.01	147.87
Short term Investments (Refer Note 9B)	2,358.93	989.59
Cash & Cash equivalents	3,942.94	1,137.46

See accompanying notes to the Financial Statements

As per our report of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W – 100018)

Sd/-

Sathya P. Koushik

Partner

Membership No. 206920

Mumbai, May 17, 2023

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

Sd/-

Sanjay Koul

Chairman & Managing Director

DIN: 05159352

Sd/-

Mandar Vasmatkar

Company Secretary & Chief - Compliance

Mumbai, May 17, 2023

Sd/-

Avishrant Keshava

Business Controller - India,

CFO & Whole-time Director

DIN: 07292484

Notes to financial statements as at and for the year ended March 31, 2023

1. CORPORATE INFORMATION

Timken India Limited ('the Company') is a public limited company incorporated on 15th June 1987 under the provisions of the erstwhile Companies Act, 1956. The Company's shares are listed in National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The registered office of the Company is located at 39-42, Electronics City, Phase II, Hosur Road, Bengaluru - 560 100. The Company is into manufacture, distribution and sale of anti-friction bearings primarily tapered roller bearings, other roller bearings, components, accessories, and mechanical power transmission products for diverse customer base. The Company also provides maintenance contract and refurbishment services. The Company's manufacturing plants are located at Jamshedpur in Jharkhand & Bharuch in Gujarat and distribution centers are located in various parts of the country.

These financial statements of the Company for the year ended March 31, 2023 were authorised for issue in accordance with the resolution of the Board of Directors on May 17, 2023.

2. BASIS OF PREPARATION AND PRESENTATION, SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The financial statements have been prepared in all material aspects in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time and other relevant provisions of the Act.

2.2 Basis of preparation and measurement

These financial statements have been prepared on going concern and accrual basis. The accounting policies have been followed consistently across all the periods in the financial statements. All assets and liabilities are classified as current or non-current as per Company's operating cycle and other criteria defined in the Schedule III of the Companies Act, 2013. The operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of business and the time between the asset acquisition and their conversion into cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of identification of current or non-current assets and liabilities.

These Ind-AS Financial Statements have been prepared on historical cost basis, except for certain financial instruments and defined benefit plans which have been measured at fair value or amortised cost at the end of each reporting period as explained in accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.3 Functional and Presentation currency

These financial statements are prepared in Indian Rupees (₹), the functional currency of the Company, which is the currency of the primary economic environment in which the Company operates (the functional currency).

Notes to financial statements as at and for the year ended March 31, 2023

All amounts presented in the financial statements which also includes accompanying notes have been rounded off to the nearest million as per the requirement of Schedule III to the Companies Act, 2013, unless otherwise stated.

2.4 Cash flow statement

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

2.5 Use of Estimates and Judgments:

The preparation of the Company's financial statements in conformity with IND AS requires management to make judgements, estimates and assumptions in application of accounting policies that affect the reported amounts of assets, liabilities, income, expenses and accompanying disclosures. Estimates and assumptions are reviewed on an ongoing basis, based on historical experience and other factors including the expectation of the future factors that are believed to be reasonable. Revisions to accounting estimates are recognised in the period in which the estimates are revised, and future periods affected.

Information about critical judgements, estimates and assumptions that have significant effect to the carrying amount of assets and liabilities in the financial statements are included in the following notes below:

Sl. No	Judgement, Estimates, Assumptions	Accounting Policy Reference	Note Reference
1	Estimation of useful life of tangible, intangible assets and investment property	2.7.1; 2.7.2 & 2.7.4	3,6 & 8
2	Measurement of Right -of- use assets and Lease liability	2.7.3	4 & 18
3	Measurement of defined benefit obligations and key actuarial assumptions	2.7.11	40
4	Recognition of current and deferred taxes	2.7.12	20 A, 25
5	Goodwill Impairment and future cashflow projection	2.7.6	7
6	Impairment of Trade receivables: Expected credit loss	2.7.9.1	14
7	Measurement and likelihood of occurrence of contingencies	2.7.13	34

2.6 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023. The effective date for adoption of the amendments is annual periods beginning on or after April 1, 2023. The Company is evaluating the amendments on its financial statements and does not expect to have any significant impact.

2.7 SIGNIFICANT ACCOUNTING POLICIES

2.7.1 Property, Plant and equipment

- Property, Plant and Equipment held for use in the production and/or supply of goods or services or for administrative purposes, are stated in the Balance Sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Free hold Land is not depreciated. Property, Plant and Equipment acquired in a business combination are recognised at fair value at the acquisition date. Cost comprises the purchase price including import duties and non-refundable, purchase taxes (net of taxes credits wherever applicable), and erection / commissioning & any incidental expenses which are directly attributable in bringing the asset to its working condition for the intended use. The amount of asset related grants are added to the cost of respective asset with a corresponding recognition of deferred income in respect of Government grant (also refer accounting policy on Government grants in note 2.7.10). Subsequent expenditure

Notes to financial statements as at and for the year ended March 31, 2023

related to an item of property, plant & equipment is included in carrying amount of the asset or recognised as a separate asset, as appropriate, only if it is probable that the future economic benefits associated with the asset will flow to the Company and it is reliably measured. All other expenses on existing property plant and equipment, including day-to-day repair and maintenance expenditure, overhaul and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

- Spares which meet the definition of property, plant and equipment are capitalised as on the date of acquisition. The corresponding old spares are de-capitalised on such date with consequent impact on the statement of Profit and Loss.
- Property, Plant and Equipment not ready for its intended use at the date of Balance Sheet are disclosed as "Capital Work in progress". Such items are classified to specific sections of the Property, Plant and equipment as and when ready for its intended use.
- Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under "Other non-current assets". An item of property, plant and equipment is de-recognised upon its disposal or when no future economic benefits are expected from its use. Gains or losses, if any, arising from de-recognition of property, plant & equipment (measured as the difference between the net disposal proceeds and the carrying amount of the asset) are recognised in the statement of profit and loss when the asset is de-recognised. The Company identifies and determines cost of each component of an asset separately, if the component has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the useful life of the principal asset.
- **Depreciation and useful lives**
 - Depreciation is charged so as to write off cost or value of assets over their estimated useful lives and are capitalised in the books of accounts, when the assets are ready for its intended use.
 - Depreciation for an item in property plant and equipment which are derecognised are provided on proportionate basis up to the date when the asset is derecognised from the financial statement.
 - Depreciation on items of property, plant & equipment (Other than free hold land) is calculated on a straight-line basis using the rates based on the useful lives estimated by the management.
 - The identified components of an asset are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.
 - The estimated useful life, residual value and the depreciation methods are reviewed at the end of each reporting period, with effect of any changes in estimate accounted on a prospective basis.
 - Estimated useful life of the assets are determined based on various technical parameters / assessments and aligned to the prescribed useful life specified under schedule II of the Companies Act, 2013. The useful economic life of buildings and plant and equipment as estimated by the management, is supported by independent assessment by professionals, are lower than those indicated in Schedule II to the Companies Act, 2013. The estimated useful lives are as below:

Block of Assets	Useful life
Factory Buildings	5 -30 Years
Furniture & Fixtures	5 -10 Years
Plant & Equipment	5 -20 Years
Computers	3 - 6 Years
Vehicles	8 Years
Office Equipment	5 Years

Notes to financial statements as at and for the year ended March 31, 2023

2.7.2 Investment Property

- Investment property is held to earn rentals or for capital appreciation or both (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 requirements. Cost comprises the purchase price including purchase taxes (net of taxes credits wherever applicable), and erection / commissioning & any incidental expenses which are directly attributable in bringing the asset to its working condition for the intended use.
- Subsequent expenditure related to investment property is included in carrying amount of the asset, only if it is probable that the future economic benefits associated with the asset will flow to the Company and it is reliably measured. All other expenses on existing investment property, including day-to-day repair and maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.
- Depreciation on investment property is calculated on a straight-line basis using the rates based on the useful lives estimated by the management. Estimated useful life of Building classified as investment property is 7-30 years. Depreciation are determined based on various technical parameters / assessments and aligned to the prescribed useful life specified under schedule II of the Companies Act, 2013.
- Investment properties are de-recognised either upon disposal when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. On disposal of an investment property, the difference between its carrying amount and net disposal proceeds is recognised in the Statement of Profit and Loss in the period in which the property is derecognised.

2.7.3 Leases and Right of use assets

The Company has adopted Ind AS 116 – Leases effective 1st April 2019, using the modified retrospective method. The Company has applied standard to its leases with cumulative impact recognised on the date of initial application (1st April 2019). Accordingly, previous period information has not been restated.

The Company lease asset classes primarily consist of leases for land, buildings, plant and machinery and motor vehicles. The Company, at the inception of a contract, assesses whether the contract is a lease or contain a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

At the date of commencement of lease, the Company recognises a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it's a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less accumulated depreciation and impairment losses if any. The ROU asset is depreciated using the straight-line method from the commencement date over the shorter of lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments that are not paid at the commencement date, discounted using the discount rate implicit in the lease, if not determinable, discounted with the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

Assets or liabilities recognised under IND AS 103 (Business Combinations), relating to favorable or unfavorable terms of an operating lease, acquired during business combination, the same is derecognised and appropriate ROU and lease liability is recognised on the date of transition.

ROU and lease liability are separately presented in the Balance Sheet and lease payments have been classified as financing cashflows. The Company does not have any financial leases at the end of the reporting period.

Notes to financial statements as at and for the year ended March 31, 2023

2.7.4 Intangible assets

- **Intangible assets acquired separately** are carried at cost less accumulated amortisation less accumulated impairment losses if any.
- **Internally generated intangible assets**, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in Profit and loss in the period in which the expenditure is incurred.
- **Intangible assets acquired in a business combination:**
 - Intangible assets acquired in a business combination are recognised at fair value at the acquisition date
 - Subsequent to initial recognition, the intangible assets are reported at cost less accumulated depreciation and accumulated impairment if any
- **Amortisation :**
 - For all finite life intangibles, amortisation is charged on straight line basis over their estimated useful economic lives.
 - The estimated useful economic life and the amortisation method are reviewed at the end of each reporting period, with effect of any changes in estimate accounted on a prospective basis.
 - The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss under the heading "Depreciation and amortisation expense"
 - Estimated useful economic life of Intangibles are as follows:

Intangibles	Useful economic life (years)
Computer Software	3-7
Tradename and Trademark	15
Developed Technology	15
Customer Relationship	20

- Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is initially recognised based on the accounting policies on business combinations refer note 2.7.5 and is tested annually for impairment.

2.7.5 Business Combinations and Goodwill

The Company accounts for its business combinations under acquisition method of accounting. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognised at their fair values at the acquisition cost.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfers of interests in entities that are under common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity is recorded in shareholders' equity.

Acquisition related costs are recognised in the statement of profit and loss as incurred.

Notes to financial statements as at and for the year ended March 31, 2023

2.7.6 Impairment of Non-Financial assets

- The carrying amount of tangible, intangible and other non-financial assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external or internal factors. If any such indication exists, the recoverable amount of the asset / Cash Generating Units (CGU) is estimated in order to determine the extent of impairment loss (if any).
- For Goodwill, an impairment test is performed as at each Balance Sheet date and whenever there is an indication that the asset may be impaired.
- An Impairment is recognised in the statement of Profit and loss to the extent the recoverable amount of an asset or CGU is estimated to be less than its carrying amount of the asset or CGU.
- Recoverable amount represents the higher of fair value less cost to sell and their 'value in use'. In assessing the 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 for which the estimates of future cash flows have not been adjusted.
- When an impairment loss subsequently reverses, the carrying amount of the asset or a CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised immediately in the statement of Profit and loss.

2.7.7 Inventories

Inventories are valued at the lower of cost and net realisable value after providing for obsolescence and slow-moving inventory as follows:

Inventory Types	Valuation methodology
Raw materials, components, stores and spares	These are valued at lower of cost and net realisable value. Cost includes cost of purchase including duties & taxes (other than the taxes, which can be taken as input tax credit) and other costs incurred in bringing the inventories to their present location and condition. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.
Work-in-progress and finished goods	These are valued at lower of cost and net realisable value. Cost includes direct materials and labour and an allocated proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis.
Traded goods	Valued at lower of cost and net realisable value. Cost includes cost of purchase including duties & taxes (other than the taxes, which can be taken as input tax credit) and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realisable 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.

2.7.8 Cash & Cash Equivalents & Investments

- Cash & cash equivalents in the balance sheet comprise cash at banks and short-term deposits with an original maturity of three months or less
- Investments comprise of investments made in various liquid funds in mutual funds. These investments are valued at cost less impairment if any

Notes to financial statements as at and for the year ended March 31, 2023

- For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits and short-term liquid investments, as defined above.

2.7.9 Financial Instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

2.7.9.1 Financial Assets:

Company's financial assets broadly comprise the following:

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

2.7.9.1.1 Initial recognition and measurement:

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through Profit and loss) are added to the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through Profit and loss are recognised immediately in statement of profit and loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

2.7.9.1.2 Subsequent measurement:

For the purpose of subsequent measurement, financial assets are classified into following categories:

(a) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost, if both the below conditions are met:

1. These financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows
2. Contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these financial assets are subsequently measured using the effective interest rate (EIR) method, less impairment, if any. The amortisation of EIR and loss arising from impairment, if any, recognised in the statement of Profit and loss. This category generally applies to trade and other receivables. For the impairment policy on financial assets measured at amortised cost, refer note no 2.7.9.1.3

(b) Financial Assets at fair value through other comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if both the below conditions are met:

1. These financial assets are held within business model whose objective is achieved by both collecting contractual cash flows on specified dates and selling financial assets
2. These assets contractual cash flows represent solely payments of principal and interest on the principal amount outstanding

The Company does not own any financial asset classified at FVTOCI.

(c) Financial assets at fair value through Profit and loss (FVTPL)

This is a residual category. Any financial assets which do not fall under the category of financial assets measured at amortised cost or FVTOCI are classified as FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with gain or loss arising on remeasurement recognised in statement of Profit and loss incorporates any dividend or interest earned on the financial assets and is included in other Income line item.

The Company's investment as presented in note 9A and 9B are valued at FVTPL.

Notes to financial statements as at and for the year ended March 31, 2023

2.7.9.1.3 Impairment of Financial Assets

In accordance with Ind AS 109 "Financial Instruments", the Company applies Expected Credit Loss (ECL) model for measurement and recognition of loss allowance on the following and the basis of its measurement:

- Trade Receivable – For Trade receivable and other financial assets that results from transactions that are in scope of Ind AS 115, the Company applies the simplified approach required in Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.
- Financial assets measured at amortised cost (other than trade receivable) - In case of other than trade receivable, the Company determines, if there is any significant increase in credit risk of the financial asset since initial recognition. Below methods are followed based on the credit risk changes:
 - If there are no significant changes in credit risk since initial recognition, twelve months ECL is used to provide the impairment loss
 - If there is a significant change in credit risk, lifetime ECL is measured for making the impairment loss assessment. Subsequently if there is an improvement in credit risk, the Company reverts to recognition of impairment loss based on twelve months ECL.

To make the assessment whether there is any significant change in risk, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with a risk of default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increase in credit risk since its initial recognition.

Lifetime ECL are the expected credit losses resulting from all possible default events, over the expected life of a financial assets. 12 months ECL is a portion of lifetime ECL which result from default events that are possible within 12 months from the reporting period.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (EIR).

As a practical expedient and as permitted under Ind AS 109, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking information available. At each reporting date, the historically observed default rates and changes in the forward-looking information are updated.

ECL allowance recognised (or reversed) during the period is recognised as income or expense in the statement of profit and loss under the head 'Other Expenses'. If the reversal of ECL allowance related to prior financial year, these are accounted as part of other Income in the statement of profit and loss.

2.7.9.1.4 Derecognition of financial assets

- The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of profit and loss if such gain or loss would have otherwise been recognised in statement of profit and loss on disposal of that financial asset.
- On derecognition of a financial assets other than entirely, (when the Company retains an option to repurchase part of a transferred asset), the Company allocates previous carried over amount of financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of transfer.

Notes to financial statements as at and for the year ended March 31, 2023

- The difference between the carrying amount allocated to the part that is no longer recognised and the sum of consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in Profit and loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair value of those parts.

2.7.9.2 Financial liabilities and Equity instruments issued by the Company:

2.7.9.2.1 Equity Instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

2.7.9.2.2 Financial liabilities:

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

2.7.9.2.2.1 Initial recognition and measurement:

- Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.
- All financial liabilities are recognised initially at Fair value. In case of loans, borrowings and payables, net of directly attributable transaction costs.
- Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL or at amortised cost as appropriate.

2.7.9.2.2.2 Subsequent measurement:

- Financial Liabilities at amortised cost - The carrying amounts of financial liabilities that are subsequently measured at amortised cost using the effective interest method. All the financial liabilities of the Company fall under this category.
- The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.
- Financial Liabilities at FVTPL - Financial liabilities at fair value through Profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Profit and loss. The Company does not owe any financial liability which is classified at FVTPL

2.7.9.2.2.3 Derecognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in statement of profit and loss.

2.7.9.3 Offsetting financial asset and financial liability

The Company offsets a financial asset and a financial liability and report this as a net balance in the Balance sheet only when:

- There is a legally enforceable right to set off the recognised amounts and
- There is an intention to realise the asset and settle the liability simultaneously.

2.7.10 Government Grants

Government grants are recognised when there is a reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Notes to financial statements as at and for the year ended March 31, 2023

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and its amortisation re-recognised in the statement of profit and loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in the statement of profit and loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

2.7.11 Employee benefits

2.7.11.1 Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits generally include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

2.7.11.2 Other than short term employee benefits:

2.7.11.2.1 Defined Contribution schemes:

Contributions to defined contribution scheme such as Employee state insurance, labour welfare fund, superannuation scheme (for specific employee group) are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution is made to a government administrated fund and charged as an expense to the statement of profit and loss. The above benefits are classified as Defined Contribution schemes as the Company has no further defined obligations beyond the monthly contribution.

2.7.11.2.2 Defined benefit schemes:

The Company operates the following schemes which are under defined benefit plans:

- Gratuity is administered through an approved benefit fund. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method done at the end of each financial year.
- The liability on account of long-term compensated absences and death benefit scheme (in respect of certain employees) due to the employees are provided for on the basis of an actuarial valuation on projected unit credit method at the end of each financial year.

2.7.11.2.3 Re-measurements, comprising of actuarial gains and losses excluding amounts included in net interest on the net defined benefit liability and the return on plan assets, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to Statement of profit and loss in subsequent periods.

2.7.11.2.4 Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- b) Net interest expense or income

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

Notes to financial statements as at and for the year ended March 31, 2023

2.7.12 Income Taxes

Income tax expense comprises current tax and the net change in the deferred tax asset or liability during the year and includes any adjustments related to past periods in current and/or deferred tax adjustments that may become necessary due to certain developments or review during the relevant period. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income, in which case, the current and deferred tax are also recognised in other comprehensive income.

Current income taxes

Current tax is the expected tax payable/ receivable on the taxable income/ loss for the year using applicable tax rates for the relevant period, and any adjustment to taxes in respect of previous years in accordance with Income Tax Act, 1961 including the relevant transfer price regulations prescribed there under, read with applicable judicial precedents or interpretations wherever relevant.

Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in other income.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amount and there is an intention to settle the assets and liabilities on net basis.

Management periodically evaluates contingencies and position taken on uncertain tax positions in tax return with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit and loss at the time of the transaction.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantially enacted, by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be realised or settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to income tax levied by the same taxation authority.

2.7.13 Provisions, contingent liabilities and contingent assets

2.7.13.1 Provisions

A provision is recognised when the Company 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 measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

Notes to financial statements as at and for the year ended March 31, 2023

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used the increase in the provision due to the passage of time is recognised as a finance cost.

2.7.13.2 Contingent liabilities and contingent assets

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 arises from a past event where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Such liabilities are disclosed in notes but are not recognised. Contingent assets are neither recognised nor disclosed in the financial statements.

2.7.14 Revenue Recognition

Revenue is recognised on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Sale of Goods

Revenue is recognised upon transfer of control of promised products to customers and when there are no longer any unfulfillment obligations. The performance obligations in our contracts are fulfilled either at the time of dispatch, delivery or upon formal customer acceptance dependent on customer terms agreed in the contract.

Revenue is measured based on the transaction price, which is the consideration received or receivable, adjusted of any discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue excludes taxes or duties collected from customers on behalf of Government. The revenue is recognised to the extent that it is highly probable a significant reversal will not occur. No element of financing is deemed present as the sales are made with credit term as per the contract terms agreed with the customers, which is consistent with market practice and the industry norms, that the Company operates.

Income from Services

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

Contract Balances

Trade Receivable: A trade receivable is recognised when the control is transferred and there is no unfulfilled obligation as this is the point in time that the consideration becomes unconditional because only a passage of time is required before the payment is due.

Contract Assets: Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. If the unbilled receivable and unbilled revenue are not material numbers, these numbers are included in revenue and trade receivable appropriately.

Contract Liabilities: Contract Liabilities, which is Company's obligation to transfer goods or services to customers for which the Company has already received the consideration. This relate mainly to advance payments from customers which are disclosed in note no 21. Contract liabilities are recognised as revenue when the Company performs under the contract.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Notes to financial statements as at and for the year ended March 31, 2023

Export Incentive Income

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

Dividends

Dividend income on investments is recognised when the right to receive dividend is established.

Insurance claims

Claim on insurance companies and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of a financial liability or a financial asset to their gross carrying amount.

Interest and Dividend income are included under the head "other income" in the Statement of Profit and Loss.

2.7.15 Foreign Currency Translations

In the financial statements of the Company, transactions in foreign currencies are translated into the functional currency at the exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the Statement of Profit and Loss at the time of settlement. Foreign currency denominated monetary assets and liabilities are translated into the functional currency at exchange rates prevailing on the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss. Non-monetary items are measured at historical cost.

2.7.16 Earnings Per Share

Basic Earnings per share is calculated by dividing the net Profit and loss before OCI attributable to equity shareholders for the year 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 and 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, 2023

NOTE 3 : PROPERTY, PLANT & EQUIPMENT

Refer Note 2.7.1 and 2.7.6 for accounting policy on Property, Plant and Equipment and Impairment of non-financial assets

₹ in million

Cost	Buildings	Plant & Equipment	Office Equipment	Computer Equipment	Furniture & Fixtures	Vehicles	Total
Balance as at April 1, 2021	1,546.03	5,785.43	61.81	68.26	21.46	7.79	7,490.78
Additions	103.47	1,132.79	2.30	10.94	0.88	6.91	1,257.29
Disposals	(0.54)	(16.60)	(2.34)	(0.36)	(0.43)	-	(20.27)
Balance as at March 31, 2022	1,648.96	6,901.62	61.77	78.84	21.91	14.70	8,727.80
Additions	193.21	491.91	2.61	10.71	5.02	1.85	705.31
Disposals	-	(46.10)	(0.21)	(15.95)	-	-	(62.26)
Balance as at March 31, 2023	1,842.17	7,347.43	64.17	73.60	26.93	16.55	9,370.85

Accumulated Depreciation and Impairment	Buildings	Plant & Equipment	Office Equipment	Computer Equipment	Furniture & Fixtures	Vehicles	Total
Balance as at April 1, 2021	169.98	2,640.51	20.20	47.30	6.27	1.50	2,885.76
Depreciation	67.89	678.01	0.35	12.37	1.81	1.09	761.52
Disposals	(0.45)	(11.00)	(2.26)	(0.33)	(0.41)	-	(14.45)
Balance as at March 31, 2022	237.42	3,307.52	18.29	59.34	7.67	2.59	3,632.83
Depreciation	76.83	695.33	0.41	12.51	2.54	1.80	789.42
Disposals	-	(41.82)	(0.06)	(15.76)	-	-	(57.64)
Balance as at March 31, 2023	314.25	3,961.03	18.64	56.09	10.21	4.39	4,364.61
Net carrying amount as at March 31, 2022	1,411.54	3,594.10	43.48	19.50	14.24	12.11	5,094.97
Net carrying amount as at March 31, 2023	1,527.92	3,386.40	45.53	17.51	16.72	12.16	5,006.24

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

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 4 : RIGHT OF USE ASSETS

Refer Note 2.7.3 and 2.7.6 for accounting policy on Leases and Right of use assets and Impairment of non-financial assets

₹ in million

Cost	Land usage rights	Buildings	Plant and Machinery	Vehicles	Total
Balance as at April 1, 2021	1,093.77	28.22	-	4.94	1,126.93
Additions	-	-	1.15	1.63	2.78
Disposals	-	(1.99)	-	(4.01)	(6.00)
Balance as at March 31, 2022	1,093.77	26.23	1.15	2.56	1,123.71
Additions	-	1.31	-	1.33	2.64
Disposals	-	(1.04)	-	(0.93)	(1.97)
Balance as at March 31, 2023	1,093.77	26.50	1.15	2.96	1,124.38
Accumulated Depreciation	Land usage rights	Buildings	Plant and Machinery	Vehicles	Total
Balance as at April 1, 2021	52.30	5.18	-	3.40	60.88
Depreciation	17.93	7.36	0.13	1.60	27.02
Disposals	-	(0.69)	-	(4.01)	(4.70)
Balance as at March 31, 2022	70.23	11.85	0.13	0.99	83.20
Depreciation	17.93	8.00	0.25	1.24	27.42
Disposals	-	(0.97)	-	(0.93)	(1.90)
Balance as at March 31, 2023	88.16	18.88	0.38	1.30	108.72
Net carrying amount as at March 31, 2022	1,023.54	14.38	1.02	1.57	1,040.51
Net carrying amount as at March 31, 2023	1,005.61	7.62	0.77	1.66	1,015.66

NOTE 5 : CAPITAL WORK IN PROGRESS (CWIP)

Refer Note 2.7.1 and 2.7.6 for accounting policy on Property, Plant and Equipment and Impairment of non-financial assets

₹ in million

CWIP	As at March 31, 2023					As at March 31, 2022				
	Amount in CWIP for a period of				Total	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years		Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Project in progress	484.20	48.15	2.10	0.09	534.54	343.86	76.86	22.55	52.16	495.43
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
Total	484.20	48.15	2.10	0.09	534.54	343.86	76.86	22.55	52.16	495.43

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

₹ in million

CWIP	As at March 31, 2023					As at March 31, 2022				
	To be completed in				Total	To be completed in				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years		Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Project in progress										
Project -1	100.69	-	-	-	100.69	-	-	-	-	-
Project -2	14.28	-	-	-	14.28	-	-	-	-	-
Others*	22.91	-	-	-	22.91	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
Total	137.88	-	-	-	137.88	-	-	-	-	-

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

Note : None of the projects in CWIP exceeded cost compared to original plan

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 6 : INVESTMENT PROPERTY

Refer Note 2.7.2 and 2.7.6 for accounting policy on Investment Property and Impairment of non-financial assets

₹ in million

Cost	Land	Buildings	Total
Balance as at April 1, 2021	47.11	61.45	108.56
Additions	-	-	-
Disposals	-	-	-
Balance as at March 31, 2022	47.11	61.45	108.56
Additions	-	-	-
Disposals	-	-	-
Balance as at March 31, 2023	47.11	61.45	108.56

Accumulated Depreciation	Land	Buildings	Total
Balance as at April 1, 2021	-	3.57	3.57
Depreciation	-	2.19	2.19
Disposals	-	-	-
Balance as at March 31, 2022	-	5.76	5.76
Depreciation	-	2.19	2.19
Disposals	-	-	-
Balance as at March 31, 2023	-	7.95	7.95
Net carrying amount as at March 31, 2022	47.11	55.69	102.80
Net carrying amount as at March 31, 2023	47.11	53.50	100.61

Fair Value of Investment property

₹ in million

Particulars	As at March 31, 2023	As at March 31, 2022
Land	50.41	49.91
Building	66.95	65.00

The fair value of investment property is based on a valuation carried out by an independent valuer during the financial year 2022-23, who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. The fair value of the investment property has been arrived at by means of market approach. As per the said technique, fair value of investment property is arrived by considering the comparable prices of similar property at that location.

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 7 : GOODWILL

Refer Note 2.7.4, 2.7.5 and 2.7.6 for accounting policy on Intangible assets, Business combinations & Goodwill and Impairment of non-financial assets

₹ in million

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying value at the beginning of the year	1,813.11	1,813.11
Closing value as at the reporting date	1,813.11	1,813.11

Impairment assessment of goodwill as at March 31, 2023:

The Company has performed the annual impairment assessment of the goodwill by determining the "value in use" of the Cash Generating Unit (CGU) as an aggregate of present value of cash flow projections covering a five year period and the terminal value. The management considers the entire business operations of the Company as a single CGU for the impairment assessment. Determination of value in use involves significant estimates and assumptions that affect the reporting CGU's expected future cash flows. These estimates and assumptions, primarily include, but not limited to, the Industry trend, the revenue growth and profitability during the forecasted period, the discount rate and the terminal growth rate.

Considering the historical performance of the CGU and based on the forward looking estimates, revisions were made to the cash flow projections and other key assumptions such as discount rate and the perpetual growth rate. The cash flows are discounted using a post tax discount rate of 13.5%. The terminal value of cash generating unit is arrived at by extrapolating cash flows of latest forecasted year to perpetuity considering a nil growth rate.

During the year ended March 31, 2023, the testing did not result in any impairment in the carrying amount of goodwill.

Sensitivity Analysis:

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

NOTE 8 : OTHER INTANGIBLE ASSETS

Refer Note 2.7.4 and 2.7.6 for accounting policy on Intangible assets and Impairment of non-financial assets

₹ in million

Cost	Computer Software	Tradename and Trademark	Developed Technology	Customer Relationship	Total
Balance as at April 1, 2021	28.43	119.00	476.00	119.00	742.43
Additions	8.81	-	-	-	8.81
Disposals	-	-	-	-	-
Balance as at March 31, 2022	37.24	119.00	476.00	119.00	751.24
Additions	0.19	-	-	-	0.19
Disposals	-	-	-	-	-
Balance as at March 31, 2023	37.43	119.00	476.00	119.00	751.43

Accumulated amortisation	Computer Software	Tradename and Trademark	Developed Technology	Customer Relationship	Total
Balance as at April 1, 2021	15.35	23.13	92.55	17.35	148.38
Amortisation	7.03	7.93	31.73	5.95	52.64
Disposals	-	-	-	-	-
Balance as at March 31, 2022	22.38	31.06	124.28	23.30	201.02
Amortisation	7.35	7.93	31.73	5.95	52.96
Disposals	-	-	-	-	-
Balance as at March 31, 2023	29.73	38.99	156.01	29.25	253.98
Net carrying amount as at March 31, 2022	14.86	87.94	351.72	95.70	550.22
Net carrying amount as at March 31, 2023	7.70	80.01	319.99	89.75	497.45

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 9 : INVESTMENTS

Refer Note 2.7.8 and 2.7.9.1 for accounting policy on Cash and cash equivalents & investments and Financial assets

A: NON-CURRENT INVESTMENTS

	Face Value	Holdings as at March 31, 2023		Face Value	Holdings as at March 31, 2022	
	₹ per unit	Nos	₹ in million	₹ per unit	Nos	₹ in million
At Fair Value Through Profit and Loss (FVTPL) Trade (Unquoted) Equity Shares fully paid up						
Nicco Jubilee Park Limited	10	30,000	0.30	10	30,000	0.30
Total			0.30			0.30

B: CURRENT INVESTMENTS

₹ in million

	Holdings as at March 31, 2023	Holdings as at March 31, 2022
At Fair Value Through Profit and Loss (FVTPL) Unquoted Instruments Investments in Mutual Funds		
	2,358.93	989.59
Total	2,358.93	989.59

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

NOTE 10: LOANS

Refer Note 2.7.9.1 for accounting policy on Financial assets

A: Non current (at amortised cost. Unsecured, considered good)

₹ in million

	As at March 31, 2023	As at March 31, 2022
Loans to employees	0.82	0.66
Loans and advances to others / vendors	-	22.34
Total	0.82	23.00

B: Current (at amortised cost. Unsecured, considered good)

₹ in million

	As at March 31, 2023	As at March 31, 2022
Loans to employees	1.31	0.97
Loans and advances to others / vendors	37.62	30.18
Total	38.93	31.15

- (i) No loans are due from directors or other officers of the Company or any of them severally or jointly with any other person. Further, no loans are due from firms or private companies in which any director is a partner, a director or a member.
- (ii) Refer note 39A for information about credit risk and market risk of other financial assets.

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 11 : OTHER FINANCIAL ASSETS

Refer Note 2.7.9.1 for accounting policy on Financial assets

A : Non current

(at amortised cost. Unsecured, considered good)

₹ in million

	As at March 31, 2023	As at March 31, 2022
Security Deposits	104.71	80.33
Deposits with accrued interest	-	0.62
Total	104.71	80.95

B : Current

(at amortised cost. Unsecured, considered good)

₹ in million

	As at March 31, 2023	As at March 31, 2022
Security Deposits	64.83	38.87
Deposits with accrued interest	0.65	-
Advances to employees	0.13	0.65
Other receivables	0.38	18.31
Reimbursements receivable from related parties (Refer Note 37)	8.38	31.52
Total	74.37	89.35

- (i) Advances to employees include for March 31, 2023 ₹ NIL (March 31, 2022 ₹ NIL) given to directors of the company. No other advances are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no advances are due from firms or private companies in which any director is a partner, a director or a member.
- (ii) Refer note 39 A for credit risks on other financial assets.

NOTE 12 : OTHER ASSETS

A : Non current

(at amortised cost. Unsecured, considered good)

₹ in million

	As at March 31, 2023	As at March 31, 2022
Capital advances	208.65	45.69
Deposits paid under protest	5.79	5.79
Prepaid expenses	3.57	4.05
Total	218.01	55.53

B : Current

(at amortised cost)

₹ in million

	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Balance with Statutory/ Government authorities	510.23	256.30
Prepaid expenses	21.89	18.40
Export Benefits	32.91	56.65
Trade advances to suppliers	10.25	4.02
Unsecured, doubtful		
Trade advances to suppliers	0.95	0.95
Allowance for doubtful advances	(0.95)	(0.95)
Total	575.28	335.37

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 13 : INVENTORIES

Refer Note 2.7.7 for accounting policy on Inventories

	₹ in million	
	As at March 31, 2023	As at March 31, 2022
Raw materials *	1,222.28	1,224.66
Work - in - progress	701.12	596.13
Finished stock*	1,127.42	1,074.05
Stock-in-trade*	2,350.84	2,453.30
Stores and Spares *	293.24	236.71
Total	5,694.90	5,584.85
* Including goods in transit :		
	₹ in million	
Raw Materials	104.27	138.17
Finished Stock	249.80	282.48
Stock-in-trade	569.58	667.07
Stores & Spares	2.11	10.10

NOTE 14 : TRADE RECEIVABLES (at amortised cost)

Refer Note 2.7.9.1 for accounting policy on Financial assets

	₹ in million	
	Current	
	As at March 31, 2023	As at March 31, 2022
Trade receivables		
Secured, considered Good	17.75	15.15
Unsecured		
- considered Good	5,754.93	5,376.55
- which have significant increase in Credit Risk	5.14	24.26
- credit impaired	1.42	1.42
	5,779.24	5,417.38
Allowance for Expected credit losses	(21.89)	(29.83)
Total	5,757.35	5,387.55

(i) Movement of expected credit loss allowance

Particulars	₹ in million
Expected credit loss allowance on April 1, 2021	46.33
Change in Expected credit loss allowance	(16.50)
Expected credit loss allowance on March 31, 2022	29.83
Change in Expected credit loss allowance	(7.94)
Expected credit loss allowance on March 31, 2023	21.89

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 14 : TRADE RECEIVABLES (Contd.)

- (ii) No trade receivables are due from directors or other officers of the Company or any of them severally or jointly with any other person. Further, no loans are due from firms or private companies in which any director is a partner, a director or a member.
- (iii) Trade receivables are non-interest bearing and are generally settled on terms of credit periods agreed with the customers, which is generally in line with the industry the Company operates.
- (iv) Refer note 39A for information about credit risk and currency risk which may impact trade receivables.
- (v) Refer note 37 for trade receivables from related parties.
- (vi) The Company has determined the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions.

In computing the expected credit losses, the Company has also considered external sources of information relating to its customers' credit risk that were available in public domain to estimate the probability of default in future.

₹ in million

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

₹ in million

Particulars	Outstanding for the following period from due date of payments as at 31 March 2022							Unbilled trade receivables	Total
	Not Yet Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years			
(i) Undisputed Trade Receivables - Considered Good	2,363.76	2,917.23	30.96	-	-	-	79.75	5,391.70	
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	4.85	7.69	4.34	7.38	-	24.26	
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	1.42	-	1.42	
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-	-	
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-	
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-	
Less: Expected credit loss allowance	-	-	-	-	-	-	-	(29.83)	
	2,363.76	2,917.23	35.81	7.69	4.34	8.80	79.75	5,387.55	

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 15: CASH & CASH EQUIVALENTS AND OTHER BANK BALANCES

Refer Note 2.7.8 for accounting policy on cash & cash equivalents and Investments

A : CASH & CASH EQUIVALENTS

₹ in million

	As at March 31, 2023	As at March 31, 2022
Cash & Cash Equivalents :		
Balance with Banks		
Current Accounts	243.43	126.88
Deposit Accounts with original maturity less than three months	1,312.68	-
Foreign Currency Account (USD)	27.90	20.99
Total	1,584.01	147.87

There is no repatriation restriction with regard to cash and cash equivalents at the end of reporting period and prior period.

B : BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

₹ in million

	As at March 31, 2023	As at March 31, 2022
Earmarked balances with Banks - Dividend accounts	33.10	34.03
Total	33.10	34.03

Earmarked bank balances on dividend accounts represent monies that can be utilised only to pay dividend to equity shareholders against dividend warrants issued to them.

NOTE 16 : SHARE CAPITAL

₹ in million

	As at March 31, 2023	As at March 31, 2022
Authorised :		
87,000,000 (March 31, 2022: 87,000,000) Equity Shares of ₹ 10/- each	870.00	870.00
2,600,000 (March 31, 2022: 2,600,000) 9% Cumulative Redeemable Preference Shares of ₹100/- each	260.00	260.00
	1,130.00	1,130.00
Issued :		
75,233,884 (March 31, 2022: 75,233,884) Equity Shares of ₹10/- each	752.34	752.34
Subscribed and fully paid-up:		
75,218,734 (March 31, 2022: 75,218,734) Equity Shares of ₹ 10/- each fully paid-up	752.19	752.19
	752.19	752.19

- (i) No Equity shares have been allotted during the year ended March 31, 2023 out of 15,150 shares of ₹ 10/- each kept in abeyance as at March 31, 1998.

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 16 : SHARE CAPITAL (Contd.)

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

Equity Shares	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	₹ in million	No. of Shares	₹ in million
At the beginning of the year	75,218,734	752.19	75,218,734	752.19
Receipt of Call in arrears	-	-	-	-
Outstanding at the end of the year	75,218,734	752.19	75,218,734	752.19

b. Terms/rights attached to equity shares

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

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

c. Dividend details

The Company declares and pays dividends in Indian Rupees. The final dividend proposed by Board of Directors of ₹ 1.50 per equity share (March 31, 2022 - ₹ 1.50 per equity share) is subject to the approval of the shareholders in the ensuing Annual General Meeting upon which the liability will be recorded in the books.

The final dividend for the year 2021-22 proposed by the Board and approved by the shareholders at the 35th Annual General Meeting, has been paid to the eligible shareholders during the year ended March 31, 2023.

d. Details of shareholders holding more than 5% of the aggregate shares and promoters holding in the Company (Refer note (i) & (ii) below)

	As at March 31, 2023			As at March 31, 2022		
	No. of Shares*	₹ in million	% of share holding	No. of Shares*	₹ in million	% of share holding
Timken Singapore PTE Limited	50,999,988	510	67.80%	50,999,988	510	67.80%

* Holdings combined based on the PAN of the shareholders

- (i) Out of the total shares issued, 50,999,988 fully paid-up Equity shares of ₹10/- each are held by Timken Singapore PTE Limited. However, The Timken Company, USA is the ultimate holding company. No shares in the Company are held by any subsidiary or associates of the holding company or the ultimate holding company.
- (ii) As per records of the Company, including its register of shareholders/ members, the above shareholding represents legal ownership of shares.

NOTE 17 : OTHER EQUITY

₹ in million

	As at March 31, 2023	As at March 31, 2022
a) Capital Redemption Reserve	260.00	260.00
Capital Redemption Reserve created on redemption of preference shares in earlier years		
b) Securities Premium Account	5,348.67	5,348.67
Premium received on equity shares issued are recognised in the Securities premium account		
c) Retained Earnings (refer (i) below)	14,010.86	10,208.56
Surplus in Statement of Profit & Loss		
Total - Other equity	19,619.53	15,817.23

(i) Movement in Retained Earnings

₹ in million

	As at March 31, 2023	As at March 31, 2022
Opening Balance	10,208.56	7,074.26
Add: Profit for the year	3,907.45	3,271.05
Other Comprehensive income for the year, net of tax	7.68	(23.92)
Less: Appropriations		
Final Equity Dividend of ₹ 1.50 /- per equity share for FY 2021-22 (FY 2020-21 - ₹ 1.5/- per equity share)	(112.83)	(112.83)
Closing Balance	14,010.86	10,208.56

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 18 : LEASE LIABILITIES

(at amortised cost)

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

The following is the movement in lease liabilities:

₹ in million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Carrying amount at the beginning of the year	19.56	26.64
Additions	2.64	2.78
Deletions	(0.40)	(1.76)
Add : Finance cost accrued during the period	1.22	1.68
Less: Repayment of lease liabilities	(11.96)	(9.78)
Carrying amount at the end of the year	11.06	19.56
Non current Lease Liabilities	6.32	9.54
Current Lease Liabilities	4.74	10.02
Total	11.06	19.56

The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2023 on an undiscounted basis:

₹ in million

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Less than one year	5.31	11.11
Total	5.31	11.11
Non-current		
One to five years	3.70	7.00
More than five years	17.54	17.89
Total	21.24	24.89

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

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 19 : PROVISIONS

Refer Note 2.7.13.1 and 2.7.11 for accounting policy on Provisions and Employee benefits

A: Non-Current

₹ in million

	As at March 31, 2023	As at March 31, 2022
Provision for Employee benefits :		
Employees' Death Benefit Scheme (refer Note 40)	14.45	18.10
Employees' Provident Fund (refer Note 40)	-	20.88
Compensated absences (refer Note 40)	117.77	115.22
Total (a)	132.22	154.20
Others :		
Other provisions (refer note (ii) below)	370.30	370.30
Total (b)	370.30	370.30
Total (a)+(b)	502.52	524.50

B: Current

₹ in million

	As at March 31, 2023	As at March 31, 2022
Provision for Employee benefits :		
Employees' Death Benefit Scheme (refer Note 40)	8.69	8.82
Employees' Provident Fund (refer note (iii) below and Note 40)	-	6.00
Gratuity (refer Note 40)	10.52	35.67
Compensated absences (refer Note 40)	14.23	14.25
Total (a)	33.44	64.74
Others :		
Provision for Indirect taxes (refer note (i) below)	11.07	12.44
Total (b)	11.07	12.44
Total (a)+(b)	44.51	77.18

(i) Provision for Indirect taxes

₹ in million

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	12.44	12.99
Additions during the year	-	-
Utilisation/Reversal during the year	(1.37)	(0.55)
Closing Balance	11.07	12.44

The Company has reviewed the various liabilities/ claims relating to indirect taxes and estimated the provision for contingencies based on assessment of its probability of outflows. These provisions have not been discounted as it is not practicable for the Company to estimate the timing of the provision utilisation and cash outflows, if any, pending resolution.

- (ii) Other provision of ₹ 370.30 million represents accrual for fair value of obligations payable relating to certain transactions of acquired Company for earlier periods (i.e. prior to acquisition by the Company vide a NCLT approved scheme of amalgamation in 2018-19). The timing of utilisation of provision depends on the outcome of the decisions of the appropriate authorities and the Company's rights for future appeals.
- (iii) All funds managed by Timken India Provident Fund Trust was transferred to EPFO by July 15, 2022.

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 20 A: DEFERRED TAX LIABILITIES (net)

Refer Note 2.7.12 for accounting policy on Income taxes

₹ in million

	As at March 31, 2023	As at March 31, 2022
Deferred Tax Assets		
- Provision for employee benefits & other expenses	62.14	63.25
- Allowance of doubtful receivables and other assets	5.51	7.51
- Amortisation of merger expenses	-	11.57
Deferred Tax Assets	67.65	82.33
Deferred Tax Liabilities		
- Depreciation and amortisation differences	(331.51)	(362.39)
Deferred Tax Liabilities	(331.51)	(362.39)
Deferred Tax Liabilities (net)	(263.86)	(280.06)

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

₹ in million

Particulars	2022-2023				
	Balance as at March 31, 2022	Recognised in the statement of profit and Loss	Recognised in OCI	Recognised through Balance Sheet	Balance as at March 31, 2023
Deferred Tax Assets					
Provision for employee benefits & other expenses	63.25	(1.11)	-	-	62.14
Allowance of doubtful receivables and other assets	7.51	(2.00)	-	-	5.51
Amortisation of merger expenses	11.57	(11.57)	-	-	-
Deferred Tax Liabilities					
Depreciation and amortization differences	(362.39)	30.88	-	-	(331.51)
Deferred Tax Assets/ Liabilities (Net)	(280.06)	16.20	-	-	(263.86)

Notes to financial statements as at and for the year ended March 31, 2023

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

₹ in million

Particulars	2021-2022				
	Balance as at March 31, 2021	Recognised in the statement of profit and Loss	Recognised in OCI	Recognised through Balance Sheet	Balance as at March 31, 2022
Deferred Tax Assets					
Provision for employee benefits & other expenses	52.16	11.09	-	-	63.25
Allowance of doubtful receivables and other assets	12.31	(4.80)	-	-	7.51
Amortisation of merger expenses	23.14	(11.57)	-	-	11.57
Deferred Tax Liabilities					
Depreciation and amortization differences	(410.55)	48.16	-	-	(362.39)
Deferred Tax Assets/ Liabilities (Net)	(322.94)	42.88	-	-	(280.06)

- (i) During FY 2018-19, the Company acquired ABC Bearings Limited vide a NCLT approved Scheme of amalgamation. The Company continues to apply the initial recognition exemption under Ind AS 12 in respect of recognition of deferred tax liability on Goodwill arising out of the aforesaid acquisition.
- (ii) Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set-off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relates to income tax levied by the same taxation authorities.
- (iii) The Company has done a detailed analysis of future recoverability of the Deferred Tax assets based on the internal and external information and expects, the recoverability of the Deferred Tax asset is not impacted.

NOTE 20 B : INCOME TAXES AND RECONCILIATION OF STATUTORY TAX RATE AND EFFECTIVE TAX RATE

₹ in million

	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before Tax (a)	5,235.21	4,381.84
Tax Expense (b)	1,327.76	1,110.79
Tax rate as a % of PBT (b)/(a)	25.36%	25.35%
At India's statutory income tax rate of 25.168% (March 31, 2022: 25.168%)	1,317.60	1,102.82
Adjustments:		
Tax on Permanent Disallowances / (Exempt Income)	18.15	16.22
Other adjustments {includes reversal of ₹ 30.09 million (March 31, 2022 - net charge of ₹ 16.15 million) relating to earlier years}	(7.99)	(8.25)
Income tax expense reported in the statement of profit and loss	1,327.76	1,110.79

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 21 : OTHER LIABILITIES

A: Non-Current

Refer Note 2.7.10 for accounting policy on Government grants

₹ in million

	As at March 31, 2023	As at March 31, 2022
Government Grants		
Opening Balance	194.27	233.26
Received during the year	-	3.88
Released to the statement of profit and loss (refer Note 27)	(49.01)	(42.87)
Total	145.26	194.27

Government grants have been received for import of certain items of Property, Plant and Equipment and capital work in progress against import licenses taken under export promotion capital goods(EPCG) scheme of Government of India. The Company has certain export obligations against such benefits availed which it would fulfil within the required time period under the scheme. In case of such commitments are not met, the Company would be required to pay the duty along with interest to the regulatory authorities.

B: Current

₹ in million

	As at March 31, 2023	As at March 31, 2022
Statutory liabilities	55.26	55.80
Contract Liabilities - Advances from Customers	51.60	139.86
Total	106.86	195.66

NOTE 22: SHORT-TERM BORROWINGS

(at amortised cost, unsecured)

Refer Note 2.7.9.2 for accounting policy on Financial liabilities

₹ in million

	As at March 31, 2023	As at March 31, 2022
Bills discounted with bank	294.40	297.77
Total	294.40	297.77

Bills discounted with banks are with recourse to the Company with various maturity dates ranging from 1- 3 months. Interest payable is 10% of the overdue bills.

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 23 : TRADE PAYABLES

(at amortised cost)

Refer Note 2.7.9.2 for accounting policy on Financial liabilities

₹ in million

	As at March 31, 2023	As at March 31, 2022
Trade Payables :		
a) Total outstanding dues of micro and small enterprises (refer note below)	373.21	269.09
b) Total outstanding dues of creditors other than micro and small enterprises (for dues to related parties refer note 37)	3,070.98	3,016.30
Total Trade Payables	3,444.19	3,285.39

Trade payables are generally settled as per payment terms agreed by the Company and vendor.

Note: Information in terms of section 22 of the Micro, Small and Medium Enterprises Development Act 2006:

₹ in million

Details of dues to Micro and small enterprises	As at and for the year ended March 31, 2023	As at and for the year ended March 31, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal	320.99	265.02
Interest	1.20	0.47
The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	9.11	1.92
The amount of interest accrued for the year and remaining unpaid at the end of each accounting year	23.80	14.69
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Company.

₹ in million

Reconciliation to trade payable-total outstanding dues of micro and small enterprises and MSME disclosure principal amount.	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro and small enterprises	373.21	269.09
Accrued payables	(82.70)	(19.71)
Capital creditors	30.48	15.64
MSME principal	320.99	265.02

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 23 : TRADE PAYABLES (Contd.)

(at amortised cost)

₹ in million

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

₹ in million

Particulars	Outstanding for the following period from due date of payments as on March 31, 2022					Unbilled trade payables	Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	204.54	40.61	7.74	1.10	9.36	5.74	269.09
(ii) Others	935.28	1,891.78	16.18	3.08	3.92	166.06	3,016.30
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	1,139.82	1,932.39	23.92	4.18	13.28	171.80	3,285.39

NOTE 24 : OTHER FINANCIAL LIABILITIES

(at amortised cost, unsecured)

Refer Note 2.7.9.2 for accounting policy on Financial liabilities

A: Non-Current

₹ in million

	As at March 31, 2023	As at March 31, 2022
Security deposits received from Customers	2.40	2.40
Total	2.40	2.40

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 24 : OTHER FINANCIAL LIABILITIES (Contd.)

B: Current

₹ in million

	As at March 31, 2023	As at March 31, 2022
Security deposits received from Customers (refer note (i))	24.65	26.48
Interest accrued on Security deposit from customers	2.26	2.10
Unpaid dividends (refer note (ii))	33.10	34.03
Capital creditors	69.98	61.61
Total	129.99	124.22

- (i) These are interest bearing deposits accepted from dealers / distributors which are repayable only upon termination of the dealership / distributor agreement.
- (ii) Investor Education and Protection Fund will be credited by the amount of unpaid dividends as and when due.

NOTE 25 : CURRENT TAX LIABILITIES

Refer Note 2.7.12 for accounting policy on Income taxes

₹ in million

	As at March 31, 2023	As at March 31, 2022
Income tax payable (net of advance tax of ₹ 3,395.35 million (Mar 31, 2022 - ₹ 4,122.52 million))	248.57	367.50
Total	248.57	367.50

The Company is subject to tax assessments and ongoing proceedings from the Income Tax department. Management periodically reviews and evaluates various tax positions taken in tax returns, including unresolved tax disputes, which involves interpretation of applicable tax regulations and judicial precedents. Current tax liability and tax asset balances are presented, after recognising as appropriate, provision for taxes payable and contingencies basis management's assessment (including tax experts based on requirement) of outcome of such ongoing proceedings and amounts that may become payable to the tax authorities. Considering the nature of such estimates and uncertainties involved, the amount of such provisions may change upon final resolution of the matters with tax authorities.

NOTE 26 : REVENUE FROM OPERATIONS

Refer Note 2.7.14 for accounting policy on Revenue recognition

₹ in million

	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from contracts with customers		
Sale of Products	26,292.49	20,714.28
Sale of Services	1,586.05	1,104.00
Other operating revenue		
Export incentives (refer note (i) below)	187.56	214.16
Revenue from operations	28,066.10	22,032.44

- (i) Export benefits available under prevalent schemes are accrued as revenue in the year in which the goods are exported and only when there is reasonable assurance that the conditions attached to them will be complied with, and the amounts will be received.
- (ii) Performance obligations and remaining performance obligations:
The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts that have original expected duration of one year or less.
- (iii) Refer note 37 for revenue from related parties.

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 27 : OTHER INCOME

Refer Note 2.7.14 for accounting policy on Revenue recognition

₹ in million

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Income recognised on Financial assets, recognised at amortised cost	34.42	27.65
Other Interest income	-	0.24
Dividend Income on current investments - non-trade (refer note (i) below)	104.48	10.49
Profit on sale of property, plant and equipment (net)	5.29	-
Gain on foreign currency transaction and translation (net)	221.11	20.55
Provision no longer required written back	17.98	15.65
Deferred Government grant income (refer note (ii) below)	49.01	42.87
Rental Income	5.04	4.80
Government Grants (refer note (iii) below)	75.30	-
Miscellaneous Income	19.12	20.64
Total	531.75	142.89

(i) Includes fair value gain on current investments classified as fair value through profit and loss.

(ii) Government grants on capital goods are recognised on a systematic basis over the useful life of the asset.

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

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

Refer Note 2.7.7 for accounting policy on Inventories

₹ in million

	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Stock		
Work in Progress	596.13	333.37
Finished Goods (Including in transit)	1,074.05	758.29
Stock-in-trade (Including in transit)	2,453.30	1,772.96
(A)	4,123.48	2,864.62
Closing Stock		
Work in Progress	701.12	596.13
Finished Goods (Including in transit)	1,127.42	1,074.05
Stock-in-trade (Including in transit)	2,350.84	2,453.30
(B)	4,179.38	4,123.48
(Accretion)/Decretion to Inventories	(A)-(B)	(1,258.86)

During the year ended March 31, 2023 ₹ (26.36) million (March 31, 2022 ₹ 11.44 million) was recognised as reversal /(expenses) for inventories carried at net realisable value.

NOTE 29 : EMPLOYEE BENEFITS EXPENSES

Refer Note 2.7.11 for accounting policy on Employee benefits

₹ in million

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, Wages and Bonus	1,308.24	1,114.43
Contribution to provident and other funds (Note 40)	132.29	153.41
Staff welfare expense	150.36	137.75
Total	1,590.89	1,405.59

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 30 : FINANCE COSTS

₹ in million

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Expense	28.13	24.47
Total	28.13	24.47

Includes interest expense on lease liabilities for year ended March 31, 2023 ₹ 1.22 million (March 31, 2022 ₹ 1.68 million)

NOTE 31 : DEPRECIATION AND AMORTISATION EXPENSES

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

₹ in million

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on Property, plant and equipment (refer Note 3)	789.42	761.52
Depreciation on Right of use assets (refer Note 4)	27.42	27.02
Depreciation on Investment Property (refer Note 6)	2.19	2.19
Amortisation of Intangible assets (refer Note 8)	52.96	52.64
Total	871.99	843.37

NOTE 32 : OTHER EXPENSES

₹ in million

	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Consumption of stores and spares (refer note (i) below)	1,030.05	935.20
b) Power & Fuel	410.78	368.96
c) Repairs to Buildings	18.00	14.44
d) Repairs to Machineries	172.59	154.48
e) Repairs Others	112.88	95.04
f) Royalty	630.64	491.67
g) Rent	11.41	13.15
h) Rates and Taxes (refer note (ii) below)	31.71	29.67
i) Insurance	20.96	13.60
j) Freight, Delivery and Shipping charges	612.73	461.26
k) Travelling	91.94	52.08
l) Services outsourced	470.72	410.35
m) Professional Fees (refer note (iii) below)	247.19	186.17
n) Inter company Service Charges	118.39	99.06
o) ERP and other applications expenses	68.67	69.84
p) CSR Expenditure (refer note (iv) below)	58.92	52.05
q) Provision for doubtful debts, deposits & advance	10.04	7.29
r) Loss on sale of property, plant and equipment (net)	-	1.72
s) Other Expenses	156.22	123.49
Total	4,273.84	3,579.52

(i) Consumption of stores and spares includes packaging cost for year ended March 31, 2023 ₹ 347.27 million (March 31, 2022 ₹ 318.79 million)

(ii) Rates & Taxes includes GST paid on stocks written off, issue of free samples/supplies, etc.

Notes to financial statements as at and for the year ended March 31, 2023 Contd.

NOTE 32 : OTHER EXPENSES (Contd.)

(iii) Professional Fees include:

₹ in million

Auditor's remuneration (exclusive of GST)	For the year ended March 31, 2023	For the year ended March 31, 2022
Statutory Audit		
As Auditors		
- For Statutory Audit	2.97	2.97
- For Limited Reviews	1.88	1.65
- For out-of-pocket expenses	0.10	-
For Other Matters		
- For Tax Audit	0.93	0.88
- For Other Services	0.51	0.15

(iv) Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013 ("the Act"), a Company meeting the applicability threshold, need to spend at least 2% of average net profits made during immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are mentioned in Schedule VII of the Act. During the FY 2022-23, the Company has spent ₹ 34.26 million on CSR activities primarily covering three areas namely promoting education including vocational skills, sports and preventive healthcare. An amount of ₹ 24.66 million is transferred to 'unspent CSR account', which is related to ongoing project.

₹ in million

	For the year ended March 31, 2023	For the year ended March 31, 2022
Gross amount required to be spent by the Company during the year	58.92	48.38
Amount spent during the year :		
i) On purposes of promotion of education, sports and preventive healthcare	34.26	52.05
ii) Amount transferred to 'unspent CSR account'	24.66	-
Total	58.92	52.05
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Amount spent on CSR activities through related parties	-	-
Whether any provision made with respect to a liability incurred by entering into a contractual obligation	No	No

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 33 : EARNINGS PER SHARE (EPS)

Refer Note 2.7.16 for accounting policy on Earnings Per Share

	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Profit attributable to equity shareholders of the Company (₹ in million)	3,907.45	3,271.05
b) Weighted average number of equity shares outstanding @ ₹ 10/- each	75,218,734	75,218,734
Earnings per share - Basic & Diluted* (a)/(b)(in ₹)	51.95	43.49

* There are no dilutive potential equity shares.

NOTE 34 : CONTINGENT LIABILITIES AND COMMITMENTS

Refer Note 2.7.13.2 for accounting policy on Contingent liabilities and contingent assets

A. CONTINGENT LIABILITIES

₹ in million

	As at March 31, 2023	As at March 31, 2022
Claims against the Company not acknowledged as debts		
a) Indirect tax matters	44.07	46.09
b) Direct tax matters	118.02	135.29
c) Other claims	3.19	3.49

Indirect tax contingencies

The Company has outstanding disputes with Indirect tax authorities mainly relating to treatment of characterisations and classification of certain items.

Direct tax contingencies

The Company has outstanding dispute with Direct tax authorities mainly relating to tax treatment of certain expenses claimed as deductions, computation or allowances.

Other claims

The Company has outstanding disputes from various other statutes, which is consolidated for disclosure as the value is not material.

These demands are being contested by the Company based on the management evaluation and advice of consultants as appropriate. In respect of above matters, future cash outflows are determinable only on receipt of judgments/decisions, which are pending at various authorities and the Company's rights for future appeals.

The Company does not expect any reimbursements in respect of the above contingent liabilities.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements.

The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

B. CAPITAL AND OTHER COMMITMENTS

₹ in million

	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for; (net of advance of ₹ 208.65 million (March 31, 2022 - ₹ 45.69 million))	2,490.77	288.40

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 35 : SEGMENT INFORMATION

Operating Segment:

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker (CODM) in deciding how to allocate resources and assessing performance. Information reported to the Chief Operating Decision Maker (CODM) for the assessment of segment performance focuses on the types of products and services delivered or provided. The Company's CODM is the Board of the Company.

The Company has only one reportable primary segment, viz. 'Bearings and allied goods & services'. Accordingly, no separate disclosure of segment information has been made.

Entity wide disclosures

- The revenue from the reportable segment 'Bearings and allied goods & services' for year ended March 31, 2023 ₹ 28,066.10 million (March 31, 2022 ₹ 22,032.44 million)
- The Company is domiciled in India. Geographical revenue is allocated based on the location of the customers. Information regarding geographical revenue is as follows:

₹ in million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from Operations		
India	20,477.85	15,524.76
Outside India		
- USA	4,927.45	3,860.58
- Others	2,660.80	2,647.10
	7,588.25	6,507.68
Total	28,066.10	22,032.44

Geographical non-current assets (other than financial instruments and deferred tax assets) are allocated based on the location of the assets. Non-current assets includes Property plant & equipment, right of use assets, capital work in progress, investment property, goodwill, non-current tax assets and other non-current assets. Information regarding geographical non-current assets is as follows:

₹ in million

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current assets other than financial assets		
India	9,342.64	9,233.92
Outside India	-	-
Total	9,342.64	9,233.92

- Revenue from one of the customer group amounted to ₹ 7,721.19 million (March 31, 2022 : ₹ 6,714.23 million) arising from sale of products & services.

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 36 : UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars of unhedged foreign currency exposure as at the reporting date

Particulars	Currency	As at March 31, 2023		As at March 31, 2022	
		Amount in Foreign Currency (in million)	Value (₹ in million)	Amount in Foreign Currency (in million)	Value (₹ in million)
a) Trade Receivables	USD	23.73	1,911.54	38.16	2,836.38
	EURO	0.01	1.07	0.04	2.91
b) Trade Payables and capital creditors	USD	19.15	1,597.85	21.19	1,631.10
	EURO	0.06	5.86	0.34	28.88
	GBP	0.01	0.65	0.00	0.38
	JPY	3.07	1.93	0.29	0.18
c) EEFC Bank account	USD	0.35	27.90	0.28	20.99

NOTE 37 : RELATED PARTY DISCLOSURE:

Related parties where control exists :

Holding company - Timken Singapore PTE. Limited

Ultimate Holding company - The Timken Company, US

Other related parties with whom transactions have taken place during the year :

Fellow subsidiaries 1) The Timken Corporation 2) Timken UK Limited 3) Timken Do Brazil Comercial Importadora LTDA. 4) Timken Korea Limited Liability Corp 5) Timken South Africa (PTY) Limited 6) Timken Romania SA 7) Yantai Timken Co., Ltd. 8) Australian Timken Proprietary Limited 9) Timken Polska SP z.o.o. 10) Timken (Wuxi) Bearings Co., Ltd. 11) Timken (Shanghai) Distribution and Sales Co., Ltd 12) MPB Corporation 13) Timken PWP SRL 14) Timken Engineering and Research - India Private Limited 15) Timken De Mexico, S.A. De C.V. 16) Timken Canada LP 17) Timken Gears and Services Inc. 18) Timken (Chengdu) Aerospace and Precision Products Co., Ltd. 19) Timken (Hunan) Bearing Co., Ltd 20) Timken SMO LLC 21) Bearing Inspection, Inc. 22) Timken Italia S.r.l. 23) Cone Drive Operations Inc 24) Timken GmbH 25) Baier & Koppel GMBH & Co KG 26) Rollon India Pvt Ltd 27) Jiangyin Huafang New Energy Tech Co

Key management personnel

Chairman & Managing Director - Mr. Sanjay Koul
 Business Controller-India, CFO & Whole-time Director - Mr. Avishrant Keshava
 Company Secretary & Chief of Compliance - Mr. Mandar Vasmatkar
 Non-executive director - Mr. P.S. Dasgupta
 Non-executive director - Mrs. N S Rama
 Non-executive director - Mr. Douglas H Smith
 Non-executive director - Mr. Bushen Lal Raina (Till 1st August 2022)
 Non-executive director - Mr. George J Ollapally (From 1st June 2022)
 Non-executive director - Mr. Veerappan V (From 1st June 2022)
 Non-executive director - Mr. Hansal Patel (From 1st June 2022)
 Firms where a director is a Partner - Asia Law Offices LLP

Trusts managed by the Company

- Timken India Provident Fund
 - Timken India Gratuity Fund
 - Timken India Superannuation Fund
 - ABC Bearings Employees Gratuity Fund

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 37 : RELATED PARTY DISCLOSURE: (Contd.)

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

₹ in million

SI No.	Name of the Related Party	Relationship	Nature of transactions	Transaction Amount for the year ended	Outstanding as at	Transaction Amount for the year ended	Outstanding as at
				March 31, 2023		March 31, 2022	
1	The Timken Company, US	Ultimate holding company	Purchase of goods	711.10	239.68	497.74	116.49
			Sale of goods	1,635.28	375.63	1,412.80	480.98
			Expense receivable	0.30	-	0.88	-
			Expense payable	218.68	44.52	196.71	13.12
			Agency Commission (Income)	4.44	0.24	3.76	0.70
			Royalty	630.64	157.97	491.67	331.23
			Purchase of Property, Plant & Equipment	3.04	-	0.25	-
2	Timken Singapore PTE. Limited	Holding company	Sale of goods	266.54	21.23	126.29	15.37
			Agency Commission (Income)	8.65	0.03	22.01	0.11
			Purchase of goods	16.21	3.22	22.68	1.89
			Expense receivable	15.12	0.96	6.97	0.97
			Expense payable	2.42	-	7.92	3.04
			Dividend paid	76.50	-	76.50	-
3	The Timken Corporation	Fellow Subsidiary	Purchase of goods	1,072.40	274.56	961.17	266.98
			Sale of goods	4,304.85	1,056.18	3,488.04	1,650.68
			Purchase of Property, Plant & Equipment	24.88	2.94	114.46	73.86
			Agency Commission (Income)	12.13	1.14	11.20	4.07
			Expense Receivables	-	-	26.70	26.70
4	Timken UK Limited	Fellow Subsidiary	Sale of goods	85.95	6.35	86.34	28.97
			Purchase of goods	-	-	0.41	0.31
5	Timken Do Brazil Comercial Importadora LTDA.	Fellow Subsidiary	Sale of goods	197.61	32.33	347.52	107.23
			Purchase of goods	6.00	2.86	3.57	1.70
			Expense payable	7.38	6.57	-	-
6	Timken Korea Limited Liability Corp	Fellow Subsidiary	Agency Commission (Expense)	3.75	-	1.79	0.91
7	Timken South Africa (PTY) Limited	Fellow Subsidiary	Sale of goods	264.31	25.67	124.21	6.36
			Purchase of goods	30.54	8.28	18.14	7.32
8	Timken Romania SA	Fellow Subsidiary	Purchase of goods	580.55	211.34	477.52	130.76
			Sale of goods	11.63	6.10	-	-
			Expense payable	14.06	1.02	-	-
			Expense receivable	1.02	-	-	-
9	Yantai Timken Co., Ltd.	Fellow Subsidiary	Purchase of goods	517.95	152.80	437.05	97.77
			Purchase of Property, Plant & Equipment	9.06	1.50	18.02	-
			Expense payable	-	-	0.10	0.38
			Sale of goods	66.85	11.84	134.64	26.26
10	Australian Timken Proprietary Limited	Fellow Subsidiary	Sale of goods	112.38	7.52	131.37	19.26
			Purchase of goods	6.42	3.85	0.57	0.13
			Expense receivable	7.06	0.76	0.97	0.11
11	Timken Polska SP z.o.o	Fellow Subsidiary	Purchase of goods	194.94	41.75	147.87	24.30
			Sale of goods	-	0.60	0.60	0.60
			Purchase of Property, Plant & Equipment	1.67	-	1.48	-

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 37 : RELATED PARTY DISCLOSURE: (Contd.)

₹ in million

Sl 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, 2023	March 31, 2022	March 31, 2022	March 31, 2022
12	Timken (Wuxi) Bearings Co., Ltd.	Fellow Subsidiary	Purchase of goods Expense receivable Sale of goods	2,467.44 - 20.50	401.85 0.92 2.28	2,044.22 0.92 16.89	396.47 0.92 3.63
13	Timken (Shanghai) Distribution and Sales Co., Ltd	Fellow Subsidiary	Sale of goods Purchase of goods	110.53 5.72	17.43 0.67	330.59 6.07	25.61 0.17
14	MPB CORPORATION	Fellow Subsidiary	Agency Commission (Income)	0.04	-	0.06	-
15	Timken PWP SRL	Fellow Subsidiary	Expense receivable Sale of goods	- 9.62	- 0.02	0.43 4.82	- 2.87
16	Timken Engineering and Research - India Private Limited	Fellow Subsidiary	Expense receivable Expense payable Purchase of goods Sale of goods Purchase of Property, Plant & Equipment Purchase of export licenses	33.04 97.72 1,494.88 217.19 - -	3.28 4.75 40.50 3.32 - -	30.54 90.68 998.30 253.24 0.23 50.81	1.93 4.10 12.64 7.67 - -
17	Timken De Mexico, S.A. De C.V.	Fellow Subsidiary	Sale of goods Purchase of goods	378.58 0.06	92.96 0.04	217.60 0.00	24.26 -
18	Timken Canada LP	Fellow Subsidiary	Purchase of goods Sale of goods	0.99 1.66	0.24 -	1.64 0.53	0.04 -
19	Timken Gears and Services Inc.	Fellow Subsidiary	Purchase of goods	-	-	18.82	-
20	Timken (Chengdu) Aerospace and Precision Products Co., Ltd.	Fellow Subsidiary	Purchase of goods	2.73	0.27	1.13	0.20
21	Timken (Hunan) Bearing Co., Ltd	Fellow Subsidiary	Purchase of goods	112.28	-	88.87	88.87
22	Timken SMO LLC	Fellow Subsidiary	Agency Commission (Income)	1.06	-	0.86	-
23	Bearing Inspection, Inc.	Fellow Subsidiary	Agency Commission (Income)	-	-	0.00	-
24	Timken Italia S.r.l.	Fellow Subsidiary	Sale of goods Purchase of goods Expense receivable	- 14.47 -	- - -	0.13 - 1.06	- - -
25	Cone Drive Operations Inc	Fellow Subsidiary	Purchase of Property, Plant & Equipment Purchase of goods	1.85 -	- -	1.60 1.36	- 1.20
26	Timken GmbH	Fellow Subsidiary	Expense Payable	13.87	1.04	10.98	0.91
27	Baier & Koppel GMBH & Co KG	Fellow Subsidiary	Purchase of goods Purchase of Property, Plant & Equipment	14.72 -	3.01 -	4.17 0.19	2.05 -
28	Rollon India Pvt Ltd	Fellow Subsidiary	Expense receivable	0.26	0.00	0.16	-
29	Jiangyin Huafang New Energy Tech Co	Fellow Subsidiary	Purchase of goods	0.06	0.06	-	-
30	Timken India Provident Fund	Trust managed by the Company	Provident fund expense	20.79	-	36.37	-

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 37 : RELATED PARTY DISCLOSURE: (Contd.)

₹ in million

Sl 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, 2023		March 31, 2022	
31	Timken India Gratuity Fund	Trust managed by the Company	Gratuity fund expense	37.61	-	30.86	-
32	Timken India Superannuation Fund	Trust managed by the Company	Superannuation fund expense	6.05	-	15.63	-
33	ABC Bearings Employees Gratuity Fund	Trust managed by the Company	Gratuity fund expense	0.01	-	0.01	-
34	Asia Law Offices LLP	Firm where a director is a partner	Expense Paid	0.53	-	0.69	-
35	P S Dasgupta	Non-executive director	Sitting fees paid	0.57	-	0.54	-
36	Bushen Lal Raina	Non-executive director	Sitting fees paid	0.25	-	0.71	-
37	N S Rama	Non-executive director	Sitting fees paid	0.70	-	0.63	-
38	George J Ollapally	Non-executive director	Sitting fees paid	0.47	-	-	-
39	Veerappan V	Non-executive director	Sitting fees paid	0.53	-	-	-
40	Sanjay Koul Avishrant Keshava Mandar Vasmatkar	Key management personnel	Short-term employee benefits	69.45	-	47.36	-
			Post-employment benefits	1.64	-	1.46	-
			Other long-term benefits	1.31	-	1.16	-

₹ in million

Total of payments made to key managerial personnel	Nature of transactions	Transaction Amount for the year ended	Outstanding as at	Transaction Amount for the year ended	Outstanding as at
		March 31, 2023		March 31, 2022	
	Sitting fees paid	2.52	-	1.88	-
	Short-term employee benefits	69.45	-	47.36	-
	Post-employment benefits	1.64	-	1.46	-
	Other long-term benefits	1.31	-	1.16	-
Total		74.92	-	51.86	-

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 38 : CATEGORIES OF FINANCIAL INSTRUMENTS

Refer Note 2.7.9 for accounting policy on Financial instruments

₹ in million

	As at March 31, 2023	As at March 31, 2022
Financial Assets		
Break up of financial assets carried at amortised cost		
Loans - non-current (refer Note 10 A)	0.82	23.00
Trade receivables-current (refer Note 14)	5,757.35	5,387.55
Cash and bank balances (refer Note 15 A & 15 B)	1,617.11	181.90
Loans - current (refer Note 10 B)	38.93	31.15
Other non-current financial assets (refer Note 11 A)	104.71	80.95
Other current financial assets (refer Note 11 B)	74.37	89.35
Total financial assets carried at amortised cost	7,593.29	5,793.90
Break up of financial assets at fair value through profit or loss		
Investments (refer Note 9 A & 9 B)		
Non-current	0.30	0.30
Current	2,358.93	989.59
Total financial assets carried at fair value through profit or loss	2,359.23	989.89
Financial Liabilities		
Break up of financial liabilities carried at amortised cost		
Non-current lease liabilities (refer Note 18)	6.32	9.54
Other non-current financial liabilities (refer Note 24 A)	2.40	2.40
Short term borrowings (refer Note 22)	294.40	297.77
Trade payables-current (refer Note 23)	3,444.19	3,285.39
Current lease liabilities (refer Note 18)	4.74	10.02
Other current financial liabilities (refer Note 24 B)	129.99	124.22
Total financial liabilities carried at amortised cost	3,882.04	3,729.34

The management has assessed that the carrying values of the Financial Assets and Liabilities at amortised cost approximate their fair value largely due to the short-term maturities of these instruments.

NOTE 39A : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial assets include trade & other receivables and cash & cash equivalents that derives directly from its operations. The Company's principal financial liabilities comprise trade & other payables and short term borrowings. The main purpose of majority of these financial liabilities is to manage working capital of the Company.

The Company is exposed to credit risk, market risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's financial risk activities are governed by appropriate policies and procedures and financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The below note explains the sources of risk which the Company is exposed to and how the entity manage the risk :

Risk	Exposure arising from	Measurement	Risk Management
1. Credit Risk	Trade Receivable, Cash and cash equivalents, other financial assets, loans & deposits	Ageing Analysis Financial Analysis Credit information on need basis	1. Review of credit limits and credit lock, secured mode of payments 2. Diversification of Short term investments
2. Market Risk			
i. Commodity risk	Movement in prices of commodities mainly steel	Sensitivity Analysis	1. Price negotiation and productivity improvement, expanding vendor base 2. Negotiation with customers for significant changes
ii. Foreign currency risk	Financial assets and liabilities denominated in other than functional currency	Sensitivity Analysis	1. Periodical review of exposure limits 2. Natural hedging
iii. Interest rate risk	Security deposit from distributors	Sensitivity Analysis	Periodical reset of interest linked to market
3. Liquidity Risk	Trade Payable, Security deposits from distributors and other financial liabilities	Maturity date analysis Rolling cash flow forecasts	1. Preparing and monitoring forecast of cash flows 2. Maintaining optimum cash and cash equivalents 3. Availability of sanctioned credit lines and borrowing facilities

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 39A : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

1. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, primarily cash & cash equivalents.

i. Trade receivables

Customer credit risk is managed in accordance with the Company's established policy, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored through credit lock and release effectively managing the exposure.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of the financial assets disclosed in Note 14. The Company does not hold any collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as most of its external customers (other than related party customers) are established players in their industry or are distributors/ dealers against which the Company holds security deposit as its policy and operate in largely independent markets. All the related party receivables are from various Timken group companies where there is a minimal default risk.

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered related credit information for its customer, that's available in public domain to estimate the probability of default in future.

ii. Cash & Cash equivalents and Other financial assets

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made for deposit with banks and short-term liquid funds of rated mutual funds. Investments and Bank deposits are reviewed by the Board of Directors on a quarterly basis.

Credit risk arising from short term liquid fund investments, cash & cash equivalents and other balances with banks is limited and no collaterals are held against these because the counterparties are banks and recognised financial institutions. None of the financial instruments of the Company result in material exposure of credit risk as at March 31, 2023.

Other financial assets mainly include, loans and security deposits given, other receivables. There are no indications that defaults in payment obligations would occur in respect of these financial assets.

2. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to different types of market risks. For the Company, the market risk is the possibility of changes in foreign currency exchange rates and commodity prices which may affect the value of the Company's financial assets, liabilities or expected future cash flows.

i. Commodity Risk

Commodity risk for the Company is mainly related to fluctuations in steel prices which drives the prices of steel bars, tubes and wire rods. Since, steel is the primary input materials for making of rings, rollers and cages, which are used in manufacturing the final products, any fluctuation in steel prices can lead to drop in operating margin. Most of these input materials are procured from approved vendors and subject to price negotiations. In order to mitigate the risk associated with raw material and components prices, the Company manages its procurement through productivity improvements, expanding vendor base and constant pricing negotiation with vendors. The Company renegotiates the prices with its customers in case there is more than normal deviation in the prices of its major raw materials. Additionally, the processes and policies related to such risks are reviewed and controlled by senior management team.

ii. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The risk of fluctuations in foreign currency exchange rates on its financial liabilities including trade and other payables etc., which are mainly in US Dollars are mitigated through the natural hedge alignment, as Company's export sales are predominantly in US dollars and such economic exposure through trade and other receivables in US dollars provide natural alignment. Hence, a reasonable variation in the Foreign exchange rate would not have much impact on the profit or loss/equity of the Company. Net foreign currency exposure also reviewed by the Board of Directors on a quarterly basis.

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 39A : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Foreign currency sensitivity analysis

The Company is exposed to the currencies USD, EURO, GBP and JPY on account of outstanding receivables(+) and payables(-). The Company's net exposure to foreign currency risk at the end of the reporting period expressed in respective currencies given below.

₹ in million

Currency	As at March 31, 2023	As at March 31, 2022
USD	4.92	17.25
EURO	(0.05)	(0.30)
GBP	(0.01)	(0.00)
JPY	(3.07)	(0.29)

The following table details the Company's sensitivity to a 10% increase and decrease in INR against the USD, EURO, GBP and JPY. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A negative number below indicates a decrease in profit or equity where the INR weakens 10% against the relevant currency. For a 10% strengthening of the INR against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be positive.

₹ in million

Particulars	As at March 31, 2023		As at March 31, 2022	
	Profit & Loss	Equity	Profit & Loss	Equity
USD	41.07	41.07	132.78	132.78
EURO	(0.48)	(0.48)	(2.59)	(2.59)
GBP	(0.06)	(0.06)	(0.04)	(0.04)
JPY	(0.19)	(0.19)	(0.02)	(0.02)
Total	40.34	40.34	130.13	130.13

iii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risks arises primarily from security deposits from distributors. The Company has taken interest earning security deposits from the distributors as disclosed in note No.24. An increase / decrease of 1% of interest rate, the profit for the year ended March 31,2023 would decrease / increase by ₹ 0.29 million (Year ending March 31,2022 ₹ 0.31 million)

3. Liquidity risk

Liquidity risk is defined as a risk that the Company will not be able to meet its obligations on time or at a reasonable price. An effective liquidity risk management takes into consideration in maintaining optimum level of cash and cash equivalents and the availability of funding through credit facilities at a reasonable cost to meet the obligation when due. The Company's treasury department drives the liquidity, funding as well as settlement management. Additionally, the processes and policies related to such risks are reviewed and controlled by senior management team. Management continuously reviews the actual cash flows and forecasts the expected cash flows to monitor the liquidity position. The Company has large investments and deposits either in short term liquid funds or in bank deposits, which can be converted to cash at a very short notice and hence carry negligible liquidity risk. All the current financial liabilities of the Company are due to be paid within twelve months from the Balance sheet date. All non-current financial liabilities are due to be paid in more than twelve months from the Balance sheet date. However the interest component of all the non-current financial liabilities if any will be payable as and when due, which may be within twelve months from the date of Balance sheet date.

Fair values

₹ in million

(i) Class wise fair value of the Company's financial instruments:	As at March 31, 2023	As at March 31, 2022
Investments (unquoted) in Equity shares	0.30	0.30
Investments (unquoted) in mutual funds	2,358.93	989.59

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 39A: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

(ii) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets

₹ in million

	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2023:			
Assets measured at fair value:			
Investments in mutual funds	2,358.93	-	-
Investment in equity shares	-	-	0.30
Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2022:			
Assets measured at fair value:			
Investments in mutual funds	989.59	-	-
Investment in equity shares	-	-	0.30

- a) The Fair value for investments in mutual funds have been determined based on the NAV of the respective funds as on balance sheet date.
b) The Company has determined the carrying value of the investment as its fair value in the absence of any available fair value for its non-current investment which is carried at cost.

NOTE 39B: CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to maximise the shareholder value. For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The Company's objective when managing capital are to:

- (i) Safeguard their ability to continue as a going concern, so that the Company maximise shareholder value and provide benefits for other stakeholders and
(ii) Maintain an optimal capital structure to reduce the weighted average cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares or sell non-core assets to reduce debts.

The Company is not subject to any externally imposed capital requirements. The Company is a Zero debt Company with no long-term borrowings. The debt as shown in the financial statements as defined in note no. 22 is on account of bills discounted with bank.

₹ in million

	Note Reference Number	As at March 31, 2023	As at March 31, 2022
Total Debt	22	294.40	297.77
Total Equity	16 and 17	20,371.72	16,569.42
Debt to Equity %		1.45%	1.80%

Total amount of Debt ₹ 294.40 million (Previous year ₹ 297.77 million) represents bills discounted with banks and there are no covenants attached to the facility.

NOTE 40: GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

Refer Note 2.7.11 for accounting policy on Employee benefits

The Company has a defined benefit gratuity plan (funded). Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. Certain employees who has completed more than 30 years of service gets one month salary for every completed year of service in excess of 30 years.

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

Entire fund managed by Timken India Provident Fund Trust was transferred to EPFO by July 15, 2022. Effective this date the entire Provident Fund management shall be with EPFO. Prior to this date, for certain employees, the Company had a separate Provident Fund Trust (funded) whereby, the employees were entitled to benefits as per Provident Fund Act / Trust Deed. Any shortfall for the Trust was borne by the Company, hence the same was treated as a defined benefit scheme. The actuary had provided a valuation and determined the fund assets and obligations as at March 31, 2022. The corresponding disclosures mentioned below were to the extent of the shortfall in the interest guaranteed on the provident fund vis-a-vis the interest rate notified by the Government.

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 40 : GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (Contd.)

The disclosures of Employee Benefits as defined in Ind AS 19 are given below:

Profit and Loss account :

Net employee benefit expense (recognised in Employee Cost)

₹ in million

	Gratuity fund		Employee Death Benefit scheme		Provident fund	
	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
I) Expenses recognised in the Statement of Profit & Loss						
1) Current service cost	25.82	24.45	0.37	0.42	-	-
2) Interest cost	1.42	0.84	1.43	1.46	-	2.71
3) Expected return on plan assets	-	-	-	-	-	-
4) Immediate recognition of (gains)/losses other long term employee benefits plans	-	-	-	-	-	-
5) Total Expenses (disclosed part of Contribution to provident and other funds in note 29)	27.24	25.29	1.80	1.88	-	2.71
Expense recognised in OCI						
6) Net remeasurement (gain) / loss recognised in the year	(14.78)	12.23	1.60	4.25	-	15.30
7) Total Expense	12.46	37.52	3.40	6.13	-	18.01
II) Net Asset/ (Liability) recognised in the Balance Sheet						
1) Present Values of Defined Benefit Obligation	478.09	460.11	23.14	26.92	-	26.88
2) Fair value of Plan Assets	467.57	424.44	-	-	-	-
3) Net Asset/ (Liability)	(10.52)	(35.67)	(23.14)	(26.92)	-	(26.88)
III) Change in Obligation during the year						
1) Present Value of Defined Benefit Obligation at the beginning of the year	460.11	436.21	26.92	27.38	26.88	8.87
2) Current service cost/ Plan amendments	25.82	24.45	0.37	0.42	2.61	-
3) Acquisitions (Credits)/cost	4.52	-	-	-	-	-
4) Interest Cost	28.54	25.89	1.43	1.46	-	2.71
5) Benefit Paid	(28.32)	(33.62)	(7.18)	(6.58)	(20.80)	-
6) Net changes to other reported provisions	-	-	-	-	(8.69)	-
7) Remeasurement (Gain)/ Losses						
Arising from the change in experience	3.86	15.23	2.01	4.48	-	15.30
Arising from the change in financial assumptions	(16.43)	(8.05)	(0.41)	(0.24)	-	-
Total	(12.57)	7.18	1.60	4.24	-	15.30
8) Present Values of Defined Benefit Obligation at the end of the year (disclosed in Provisions in note 19)	478.10	460.11	23.14	26.92	-	26.88
IV) Change in the Fair Value of Plan Assets						
1) Plan assets at the beginning of the year	424.44	418.18	-	-	-	-
2) Expected return on plan assets	27.11	25.06	-	-	-	-
3) Contribution by employer	37.61	30.87	-	-	-	-
4) Actual benefit paid	(28.32)	(33.62)	-	-	-	-
5) Return of Plan Assets greater/ (lesser) than discount rate	2.21	(5.05)	-	-	-	-
6) Remeasurement (Gain)/ Losses	-	-	-	-	-	-
7) Acquisition adjustments	4.52	(11.00)	-	-	-	-
8) Plan Asset at the end of the year	467.57	424.44	-	-	-	-

V) In FY 2023-24, the Company expects to contribute ₹ 12 million (FY 2022-23: ₹ 37.60 million) to gratuity fund.

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 40 : GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (Contd.)

VI) Actuarial Assumptions

	Gratuity fund		Employee Death Benefit scheme		Provident fund	
	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
1) Discount Rate	7.10% to 7.20%	6.40% to 6.90%	7.10%	6.40%	NA	6.40%
2) Expected rate of return on plan asset	NA	NA	NA	NA	NA	8.20%
3) Mortality	IALM (2006-2008) (modified) Ult	IALM (2006-2008) (modified) Ult	IALM (2006-2008) (modified) Ult	IALM (2006-2008) (modified) Ult	NA	NA
4) Average attained age (years)	40	40	54	53	NA	NA
5) Average past service (years)	13	13	29	28	NA	NA
6) Employee Turnover Rate	0.10% - 10.00%	0.10% - 10.00%	0.1% - 0.5%	0.1% - 0.5%	NA	NA
7) Rate of escalation in salary (per annum)	8.00%	8.00%	8.00%	8.00%		

Actuarial Assumptions for compensated absences

	Compensated absences	
	For the year ended March 31, 2023	For the year ended March 31, 2022
1) Discount Rate	7.10% to 7.20%	6.40% to 6.90%
2) Rate of escalation in salary (per annum)	8.00%	8.00%
3) Mortality	IALM (2006-2008) (modified) Ult	IALM (2006-2008) (modified) Ult
4) Withdrawal rate	Bharuch: 3% Officers: 10% Non-officers: Ages : Rate 20 - 25 : 0.50%, 26 - 30 : 0.30%, 31 - 35 : 0.20%, 36 - 50 : 0.10%, 51 - 55 : 0.20%, 56 - 60 : 0.30%,	Bharuch: 3% Officers: 10% Non-officers: Ages : Rate 20 - 25 : 0.50%, 26 - 30 : 0.30%, 31 - 35 : 0.20%, 36 - 50 : 0.10%, 51 - 55 : 0.20%, 56 - 60 : 0.30%,

VII) Maturity Profile of the defined benefit obligation

	Gratuity fund		Employee Death Benefit scheme		Provident fund	
	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
Weighted average duration of the defined benefit obligation	7 years	7 years	5 years	6 years	NA	7 years
Not later than 1 year (₹ in million)	39.68	35.25	8.99	9.10	NA	NA
Later than 1 year and not later than 5 years (₹ in million)	277.77	246.69	6.44	26.31	NA	NA
More than 5 years (₹ in million)	349.84	337.54	3.88	14.17	NA	NA

The estimates of rate of escalation in salary considered in actuarial valuation taken into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

Each year, the Board of Trustees reviews the level of funding in the Gratuity plan. Such a review includes the asset-liability matching strategy and investment risk management policy.

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 40 : GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (Contd.)

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

(₹ in million)

	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
1. Gratuity					
Defined Benefit Obligation	478.09	460.11	436.21	413.44	361.44
Plan Assets	467.57	424.44	418.18	378.89	338.15
Surplus/ (Deficit)	(10.52)	(35.67)	(18.03)	(34.55)	(23.29)
Experience (Gain)/ loss adjustment on plan liabilities	3.86	15.23	(0.68)	(1.20)	(4.44)
Experience (Gain)/ loss adjustment on plan assets	-	-	-	-	-

The Board of Trustees of Timken India Limited Provident Fund have decided to shift the management of Provident Fund to Employees Provident Fund Organisation managed by its Regional office at Jamshedpur with effect from April 1, 2018. Consequently, the Company deposits provident fund dues to the Regional Provident Fund Commissioner, Jamshedpur, Jharkhand.

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

a) Gratuity (Funded)

₹ in million

	March 31, 2023		March 31, 2022	
	Discount rate		Discount rate	
	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation (Increase/ (decrease))	(23.49)	25.94	(25.12)	27.86

₹ in million

	March 31, 2023		March 31, 2022	
	Salary Growth		Salary Growth	
	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation (Increase/ (decrease))	23.96	(22.12)	25.77	(23.70)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

b) Employee Death Benefit Scheme (Unfunded)

₹ in million

	March 31, 2023		March 31, 2022	
	Discount rate		Discount rate	
	1% increase	1% decrease	1% increase	1% decrease
Impact on employee death benefits obligation (Increase/ (decrease))	(0.56)	0.46	(0.64)	0.22

₹ in million

	March 31, 2023		March 31, 2022	
	Salary Growth		Salary Growth	
	1% increase	1% decrease	1% increase	1% decrease
Impact on employee death benefits obligation (Increase/ (decrease))	0.25	(0.24)	0.34	(0.32)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 40 : GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (Contd.)

c) Provident fund (Funded)

₹ in million

	March 31, 2023		March 31, 2022	
	Expected return on plan assets		Expected return on plan assets	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefits obligation (Increase/ (decrease))	-	-	(29.63)	48.15

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

NOTE 41 : FINANCIAL RATIOS

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

₹ in million

Ratios / measures

Current Assets (A)
 Current Liabilities (B)

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

% Change from previous year

As at March 31, 2023	As at March 31, 2022
16,116.87	12,599.76
4,273.26	4,357.74
3.77	2.89
30%	

The ratio has increased from 2.89 in March 2022 to 3.77 in March 2023 mainly due to changes in the working capital on account of increased business volume.

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

₹ in million

Ratios / measures

Borrowings (A)
 Shareholder's equity (B)

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

% Change from previous year

As at March 31, 2023	As at March 31, 2022
294.40	297.77
20,371.72	16,569.42
0.01	0.02
-50%	

The ratio has decreased from 0.02 in March 2022 to 0.01 in March 2023 mainly due to increase in the shareholder's equity.

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 41 : FINANCIAL RATIOS (Contd.)

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

₹ in million

Ratios / measures

Profit after tax for the year (A)

Add: Non cash operating expenses and finance cost

Depreciation and Amortisation expenses (B)

Finance costs (C)

Loss on sale of PPE (D)

Provision for doubtful debts, deposits & advance (E)

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

Finance costs (G)

Borrowings (H)

Lease liabilities (I)

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

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

% Change from previous year

	As at March 31, 2023	As at March 31, 2022
Profit after tax for the year (A)	3,907.45	3,271.05
Add: Non cash operating expenses and finance cost		
Depreciation and Amortisation expenses (B)	871.99	843.37
Finance costs (C)	28.13	24.47
Loss on sale of PPE (D)	-	1.72
Provision for doubtful debts, deposits & advance (E)	10.04	7.29
Earnings available for debt services (F) = (A)+(B)+(C)+(D)+(E)	4,817.61	4,147.90
Finance costs (G)	28.13	24.47
Borrowings (H)	294.40	297.77
Lease liabilities (I)	11.06	19.56
Debt service (J) = (G) + (H) + (I)	333.59	341.80
Debt service coverage ratio (K) = (F) / (J)	14.44	12.14
% Change from previous year	19%	

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

₹ in million

Ratios / measures

Profit after tax for the year (A)

Closing shareholder's equity (B)

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

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

% Change from previous year

	As at March 31, 2023	As at March 31, 2022
Profit after tax for the year (A)	3,907.45	3,271.05
Closing shareholder's equity (B)	20,371.72	16,569.42
Average shareholder's equity [(opening + closing) / 2] (C)	18,470.57	15,002.27
Return on equity [%] (D) = (A)/(C) *100	21.16%	21.80%
% Change from previous year	-3%	

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 41 : FINANCIAL RATIOS (Contd.)

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

₹ in million

Ratios / measures

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

As at March 31, 2023	As at March 31, 2022
16,597.79	11,940.54
5,694.90	5,584.85
5,639.88	4,635.99
2.94	2.58
14%	

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

% Change from previous year

* Cost of goods sold represents the aggregate of cost of materials consumed, purchase of stock-in-trade and changes in inventory of stock-in-trade.

- f. **Ratio** Trade receivables turnover ratio
Numerator Revenue from operations
Denominator Average trade receivables

₹ in million

Ratios / measures

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

As at March 31, 2023	As at March 31, 2022
28,066.10	22,032.44
5,757.35	5,387.55
5,572.45	4,550.42
5.04	4.84
4%	

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

% Change from previous year

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

₹ in million

Ratios / measures

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

As at March 31, 2023	As at March 31, 2022
20,871.63	15,520.06
3,444.19	3,285.39
3,364.79	3,319.96
6.20	4.67
33%	

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

% Change from previous year

* Total purchases represents purchase of goods and services which is the aggregate of cost of materials consumed, purchase of stock-in-trade, changes in Inventories of finished goods, work-in-progress and stock-in-trade and other expenses.

The ratio has increased from 4.67 in March 2022 to 6.20 in March 2023 mainly due to increase in purchases on account of increased business volume.

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 41 : FINANCIAL RATIOS (Contd.)

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

₹ in million

Ratios / measures

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

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

% Change from previous year

As at March 31, 2023	As at March 31, 2022
28,066.10	22,032.44
11,843.61	8,242.02
2.37	2.67
-11%	

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

₹ in million

Ratios / measures

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

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

% Change from previous year

As at March 31, 2023	As at March 31, 2022
3,907.45	3,271.05
28,066.10	22,032.44
13.92%	14.85%
-6%	

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

₹ in million

Ratios / measures

Profit after tax for the year (A)
Adjustments
 Add: Total tax expenses (B)
 Add: Finance costs (C)
Earnings before interest and tax (D) = (A) + (B) + (C)
 Total equity (E)
 Borrowings (F)
 Current and Non-current lease liabilities (G)
 Deferred tax liabilities (net) (H)

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

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

% Change from previous year

As at March 31, 2023	As at March 31, 2022
3,907.45	3,271.05
1,327.76	1,110.79
28.13	24.47
5,263.34	4,406.31
20,371.72	16,569.42
294.40	297.77
11.06	19.56
263.86	280.06
20,941.04	17,166.81
25.13%	25.67%
-2%	

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 41 : FINANCIAL RATIOS (Contd.)

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

₹ in million

Ratios / measures

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

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

% Change from previous year

As at March 31, 2023	As at March 31, 2022
104.48	10.49
2,359.23	989.89
1,674.56	495.10
6.24%	2.12%
194%	

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

NOTE 42 : ADDITIONAL REGULATORY INFORMATION NOT DISCLOSED ELSEWHERE IN THE FINANCIAL STATEMENTS

- There are no properties / assets which are not held or registered in the name of the Company (benami property), other than those disclosed in these standalone financial statements.
- Transactions and balances with companies which have been removed from register of Companies [struck off companies] as at the above reporting periods is Nil.
- The Company has not traded / invested in Crypto currency.
- The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
 - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- The Company is not a declared willful defaulter by any bank or financial Institution or other lender.

NOTE 43 : Pursuant to the amendments in Rule 3(5) of the Companies (Accounts) Rules, 2014 from August 5, 2022, back-up of the books of account and other books and papers of the Company maintained in electronic mode, including at a place outside India, if any, shall be kept in servers physically located in India on a 'daily' basis. The Company plans to meet this requirement during the financial year 2023-24.

Notes to financial statements as at and for the year ended March 31, 2023

NOTE 44 : PREVIOUS PERIOD COMPARATIVES

Previous year figures have been regrouped or reclassified wherever necessary to conform to current year's grouping or classification.

Signatures to Note 1-44 of the financial statements

As per our report of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm's Registration No. 117366W/W – 100018)

Sd/-

Sathya P. Koushik

Partner
Membership No. 206920
Mumbai, May 17, 2023

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

Sd/-

Sanjay Koul

Chairman & Managing Director
DIN: 05159352

Sd/-

Avishrant Keshava

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

Sd/-

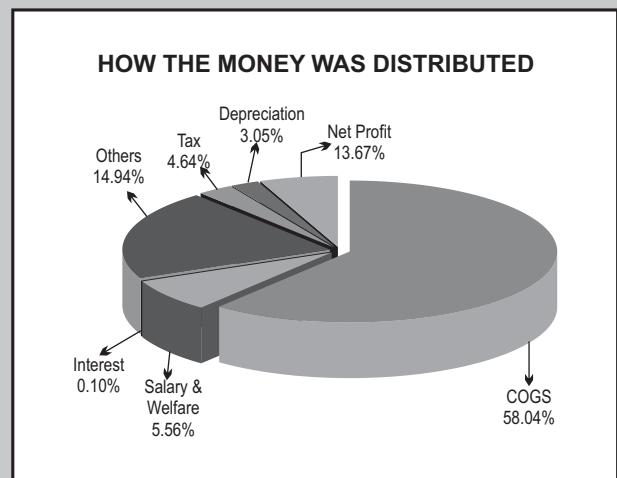
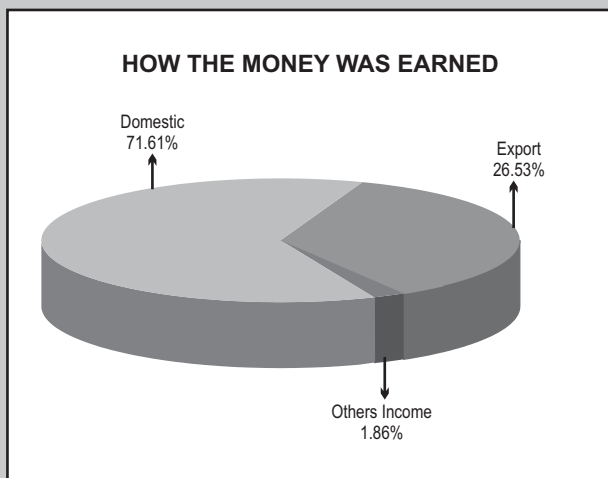
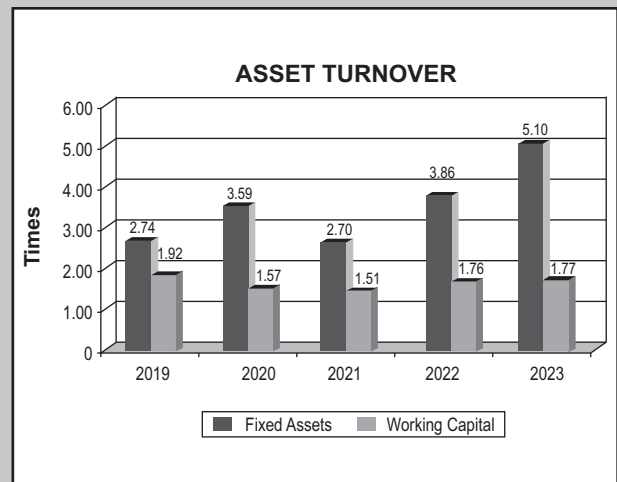
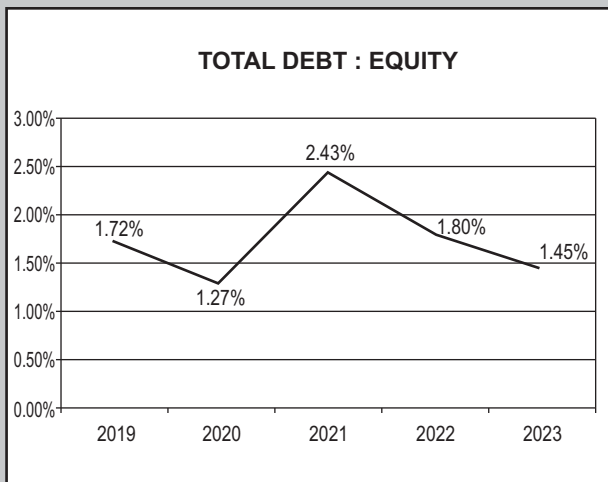
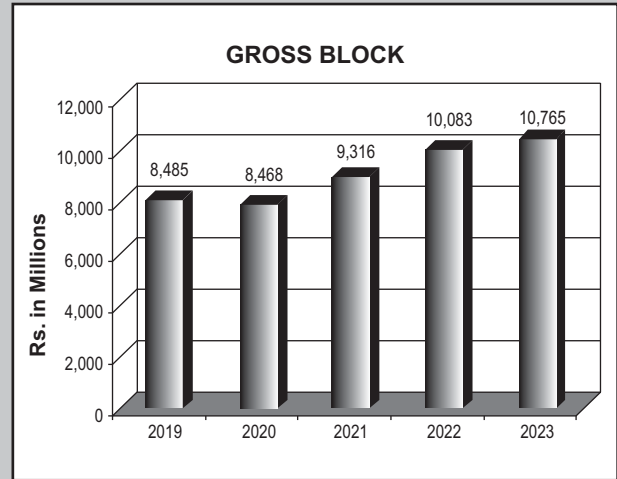
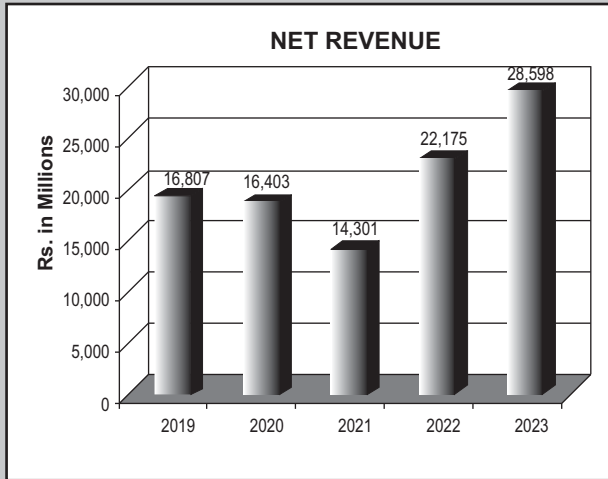
Mandar Vasmatkar

Company Secretary & Chief - Compliance
Mumbai, May 17, 2023

FIVE YEARS AT A GLANCE

	Year Ended 31.03.2023	Year Ended 31.03.2022	Year Ended 31.03.2021	Year Ended 31.03.2020	Year Ended 31.03.2019
Rs/millions					
Profit & Loss Account					
(i) Net Income (includes other Income)					
(a) Domestic	21,010	15,668	10,857	12,381	12,879
(b) Export	7,588	6,508	3,444	4,022	3,928
Total (a+b)	28,598	22,175	14,301	16,403	16,807
(ii) EBITDA	6,135	5,250	2,714	3,860	3,049
(iii) Profit after Exceptional items before Tax	5,235	4,382	1,951	3,064	2,238
(iv) Profit After Tax	3,907	3,271	1,432	2,461	1,486
Balance Sheet					
(i) Gross Block (includes CWIP)	10,765	10,083	9,316	8,468	8,485
(ii) Net Block	5,604	5,748	5,304	4,575	6,133
(iii) Net Current Asset	11,844	8,242	5,077	7,555	5,658
(iv) Capital Employed	21,292	17,580	14,512	16,918	14,654
(v) Beginning Invested Capital (BIC)	17,217	14,112	16,399	14,296	7,262
(vi) Total Debt	294	298	327	200	231
(vii) Equity	20,372	16,569	13,435	15,767	13,407
Other Comparative Data					
(i) PAT to Net Sales (%)	14%	15%	10%	15%	9%
(ii) EBIT / BIC (%)	36%	37%	17%	27%	42%
(iii) Return on Net Worth (%)	19%	20%	11%	16%	11%
(iv) E.P.S (Rs)	51.95	43.49	19.03	32.72	19.92
(v) Total Debt to Total Equity (%)	1.45%	1.80%	2.43%	1.27%	1.72%
(vi) Total Debt to Total Capital (%)	1.38%	1.69%	2.25%	1.18%	1.58%
(vii) Fixed Asset Turnover (times)	5.10	3.86	2.70	3.59	2.74
(viii) Working Capital Turnover (times)	2.41	2.69	2.82	2.17	2.97
(ix) Current Ratio (times)	3.77	2.89	2.16	3.62	2.83
(x) Interest Cover (times)	187	180	136	112	128
(xi) Net sales/Employee (Rs/millions)	21	17	11	13	14

- 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) Fixed Asset Turnover is net sales divided by net fixed assets as at the end of the year.
- (iv) Working Capital Turnover is net sales divided by net current asset as at the end of the year.
- (v) Current ratio is current assets divided by current liabilities including current portion of long term loans, if any, repayable within one year.
- (vi) Interest Cover is profit before interest and taxation divided by net interest expenses.



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