

Date:21/03/22

Timken India Ltd is engaged in the manufacturing, distribution and sale of anti-friction bearings, components, accessories and mechanical power transmission products for the customer base across different sectors. It also provided maintenance contracts and refurbishment services and industrial services. It was incorporated in 1987 and is a part of the global Timken Group.

KEY POINTS

Product/ Services Offerings

The company's products include a wide range of engineered bearings and power transmission products in its portfolio.

It also offers a wide range of industrial and overhaul services for bearing and power systems.

Revenue Breakup

During FY20, bearings accounted for 63% of revenues, followed by components (30%), maintenance and refurbishment services (4%) and bearing accessories (3%).

Geographical Revenue Breakup

In FY20, India accounted for ~75% revenues, followed by USA (13%) and others (12%).

Customers

The products are sold mostly to the automotive industry and Indian Railways. It works with 50+ Industrial and 100+ Automotive channel partners.

The revenues from its largest customers accounted for ~25% of total revenues in FY20.

Manufacturing Capabilities

The Co. has tapered roller bearing manufacturing plants in Jamshedpur and Bharuch in Gujarat. Bharuch also has a manufacturing footprint for Cylindrical Roller Bearings, Spherical Roller Bearings and Slewing Bearings.

Over the years, the company have doubled capacity at the plant in Jamshedpur.

R&D Support from Parent Company

The Timken Company is a global manufacturer of bearings and power transmission products. Timken operates in 42 countries across the globe. It derives benefits from the developments made by the R&D team at The Timken Company(US).

The Timken Technology Centre in Bangalore, one of four such centres in the world, provides customers access to the global pool of engineering expertise and the latest technological advancements.

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Royalty Expenses

The company pays royalty expenses to The Timken Company, USA and had paid 29 crores of royalty in FY20 as compared to ~31 crores of royalty in FY19.

Merger of ABC Bearings Limited

In 2017, The co. entered into a definitive agreement to acquire ABC Bearings Ltd, a manufacturer of tapered and cylindrical roller bearings and industrial bearings including spherical roller bearings and slewing rings. ABC Bearings Limited with manufacturing facilities at Bharuch and Dehradun merged with Timken India Limited.

Pursuant to the Scheme, the Company allotted ~72 Lakh equity shares to the shareholders of ABC Bearings Ltd in the ratio of 5 equity shares of ₹ 10/- each of the Company for every 8 shares of ₹ 10/- each held in ABC Bearings.

History

Timken India Limited was incorporated in 1987 as Tata Timken Limited, a JV between Tata Iron and Steel Company and The Timken Company. It commenced commercial production at its Jamshedpur plant in March 1992. TISCO and TIMKEN each held a 40% equity stake in the company and the public held the rest. In 1999, Timken acquired from Tata Steel its 40% stake in Tata Timken Limited. The name of the Company was changed to Timken India Limited on July 2, 1999.



Technical View: **Timken**, recently had a classical Ascending Triangle pattern breakout with strong Bullish candle, RSI trading at overbought zone, MACD crossover support the positive trend. Overall structure looks positive.

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Volume analysis: - 1 Day Delivery volume Increase by 715.79% over 5 day average, However; 1 Month: Delivery volume increase by 47.78% , Generation of positive volumes and recent brekout indicate buying prospect for the stock, hence; We recommend BUY signal for this share . As stock may retest the Breakout level which is at 2114 , Therefore; Keeping in Mind Profit and loss ratio ,We recomand to Buy this stock at 2110-2120 zone for Target 2300, Target 2400,Use Strickt stop loss 2090 .

Moving Averages: -Timken India Ltd. is trading higher than 5 day, 20 day, 50 day, 100 day and 200 day moving averages

5 Day 2,002.29

1,756.21

50 Day 1,994.89

200 Day

20 Day 1,982.81

100 Day 1,944.99

Shareholding pattern:-

	Mar 2019	Jun 2019	Sep 2019	Dec 2019	Mar 2020	Jun 2020	Sep 2020	Dec 2020	Mar 2021	Jun 2021	Sep 2021	Dec 2021
Promoters +	67.80	67.80	67.80	67.80	67.80	67.80	67.80	67.80	67.80	67.80	67.80	67.80
Flls +	2.35	2.33	2.21	2.33	2.20	2.10	2.31	3.13	2.93	2.80	2.80	2.66
Dlls +	7.63	8.37	8.67	9.04	9.57	10.70	10.76	10.20	11.42	12.73	13.57	13.86
Public +	22.22	21.50	21.32	20.83	20.43	19.40	19.13	18.86	17.85	16.67	15.82	15.68

The Promoter holdings 67.80% %. No change in Promoter holdings. No change in Promoter pledged shares.

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P/E Ratio

82.54

1-Yr Return

38.10

(Best) P/E Ratio

0.00

30 DA Vol (m)

0.01

(Best) PEG Ratio

0.00

EPS (Rs.)

19.03

Shares Outstanding (cr)

75.22

Best EPS Curr (Rs.)

0.00

Price/Book Ratio

8.79

Dividend

0.10

Price/Sales Ratio

8.38

Last Dividend

0.00