

Date: 17th July 2024

National Stock Exchange of India Limited, Exchange Plaza, 5 th Floor, Plot No. C-1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai – 400051, Maharashtra, India NSE Scrip Code – SKFINDIA	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai – 400001, Maharashtra, India BSE Scrip Code -500472
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Subject: Annual Report for the Financial Year 2023-24 along with Notice of 63rd Annual General Meeting.

Dear Sir/Mam,

This is in Continuation to our intimation dated 08th May 2024 and 20th June 2024, we would like to inform that the 63rd Annual General Meeting (“AGM”) of the members of the Company is scheduled to be held on **Tuesday, 13th August 2024, at 3:00 P.M. (IST)** through Video Conferencing / Other Audio Visual Means in compliance with the applicable provisions of the Companies Act, 2013 read with Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (“SEBI LODR”) read with General Circulars issued by the Ministry of Corporate Affairs (‘MCA’) and SEBI from time to time.

Pursuant to Regulation 30 & 34(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the Financial Year 2023-24 which has been sent through electronic mode to the members whose email addresses are registered with the Company’s Registrar and Share Transfer Agent / Depositories. It is also available on the website of the Company at below-mentioned link:

https://cdn.skfmediahub.skf.com/api/public/0944b981df7cecfdf/pdf_preview_medium/0944b981df7cecfdf_pdf_preview_medium.pdf

Pursuant to Regulation 42 of the SEBI LODR, the Company has fixed the **Record Date** as **Thursday, 04th July 2024**, for determining eligibility/entitlement of members to receive the final dividend for the Financial Year 2023-24, if declared and approved by the shareholders at the ensuing 63rd Annual General Meeting of the Company.

The members of the Company, holding shares as on **Tuesday, 06th August 2024 i.e.** cut-off date, either in physical form or in dematerialised form are eligible/entitled to vote on the resolutions proposed in the Notice of AGM. The remote e-voting commences on **Friday, 09th August 2024 (9:00 a.m. IST)** and ends on **Monday, 12th August 2024 (5:00 p.m. IST)**.

SKF India Limited

Registered Office: Chinchwad, Pune 411 033, Maharashtra, India

Tel: +91 (20) 6611 2500., Fax no: +91(20) 66112396 , Web: www.skf.com, www.skfindia.com email id: investors@skf.com

CIN: L29130PN1961PLC213113



The details such as (i) registering/updating email address (ii) casting vote through evoting facility and (iii) attending the AGM through VC/ OAVM are set out in the Notice of AGM.

Enclosed herewith please find Annual Report FY 2023-24.

We request you to take the above information on record and disseminate the same on your respective websites.

Thanking you,

Yours faithfully,

For SKF India Limited

Ranjan Kumar

Company Secretary & Compliance Officer

SKF India Limited

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SKF®

**Life with
less friction.**

Annual Report 2023-24

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Disclaimer

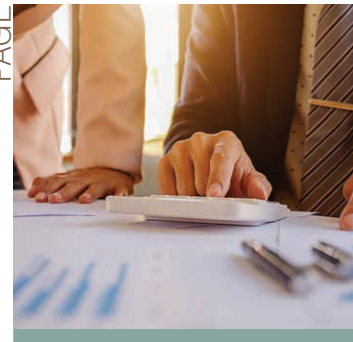
This document contains statements about expected future events and financials of SKF India Limited ('The Company'), which are forward looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.



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MD's message

PAGE 22



A frictionless financial performance

PAGE 28



A frictionless and strategic framework

For more investor-related information, please visit <https://www.skf.com/in/investors/financial-results>



Or simply scan to view the online version of the Report

INVESTOR INFORMATION

Market Cap	₹ 34,291.16 Cr
CIN	L29130PN1961PLC213113
BSE	500472
ISIN No.	INE640A01023
Bloomberg code	SKF:IN
Rate of Dividend	*1300%
AGM date	13 th August 2024
AGM mode	Video Conferencing (VC) Other Audio-Visual Means (OAVM)

*Subject to shareholders' approval at the ensuing AGM.

The SKF Purpose

For over 116 years, we at SKF have been perfecting our craft. Time and again, through the continuous advancement of our products and solutions, we have contributed to improved energy efficiency and greater value for our customers' operations. Along the way, we have always been mindful of how to safeguard our ethical standards, take care of our employees, and how our operations affect the environment.

Today, our solutions play a key role in reducing CO₂ emissions across a range of industrial applications. Through our innovation partnerships in clean technologies, we help accelerate progress in electrification and renewable energies. We are also committed to decarbonising our entire production by 2030 and having net-zero GHG emissions in our full value chain by 2050.

But our purpose demands we go even further, beyond rotation as we've known it for the last century.

Together, we re-imagine rotation for a better tomorrow

By creating intelligent and clean solutions for people and the planet

SKF is made up of brilliant minds with the capability and passion to always be asking what's next. We take accountability for our contribution to the industries we serve, the society we're a part of and the planet we live on, and we deliver on the promises we make to each other, our customers, and our shareholders.

But imagine if we challenged the norms and set new standards for circularity and remanufacturing across industries. If we continuously pushed innovation to develop new ways to conserve the earth's resources. And if we achieved this as a community, connected by the same common goal. Together with society, new and emerging disrupters, and our customers?

Our pursuit of a circular society is never ending. But our purpose leads us on the way with .



Values and Culture

Our evolved Values

During 2023 we launched our purpose “*Together, we re-imagine rotation for a better tomorrow*”. In the purpose co-creation process, we heard that there was an appetite for evolving our values and using them to drive action and contribute to a better tomorrow.

Our evolved values make up a way of working and should guide our company culture, and they provide us with a moral compass to use in decision-making.

We are who you are

These are the SKF values. Based on your input. Based on who we are, and who we want to be.

The value of values - 4 Cs for impact

Use our values to guide you in your everyday work, in decision-making, and in doing business.

We work this way to positively impact our customers, our teams, and our communities.

What do they mean?

To understand what our values mean, we need to interpret them with our Purpose.

Together we...



Collaboration: the essence of **effective and human teamwork** - a bond that enables the SKF Community, no matter where we come from, to achieve progress together.

..... *re-imagine*



Courage: this is the tenacious mindset that enables us to **step up, dare to win without fear of failure,** and drive action for the greater good of SKF, our customers, the world around us, and ultimately a **better tomorrow.**

.... *for a better tomorrow.*



Curiosity: is the entrepreneurial spirit that keeps us open-minded, asking questions and making us eager to learn. It is vital to **re-imagine rotation** and **create the intelligent and clean solutions the world needs.**

... and we **can re-imagine rotation** for the world...



Care: this value represents the **warmth, passion, and commitment** that differentiates SKF from others in the industry. Empathy, reliability, and ethical practice that is rooted in doing what is right for people and the planet. It highlights the increasing importance of personal and emotional aspects of organizational life, and it ties in with existing SKF initiatives (**SKF Care**).



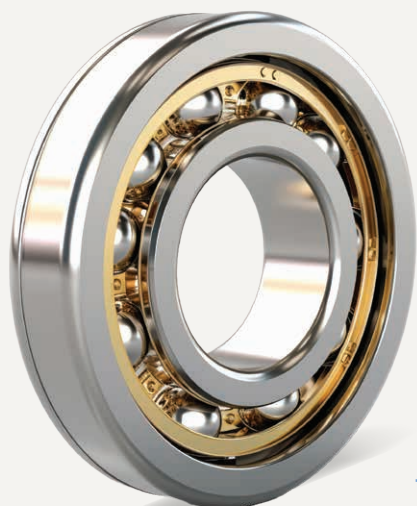
How do Purpose, Strategy, and Culture connect?

Our **Purpose** defines and guides **WHY** we are doing what we do.

The **Strategy** and **Leadership Expectations** are **WHAT** we do to lead the business, ourselves, and others.

Our **Values** and **Leadership** describe **HOW** we will act and show up when we do things. This drives our SKF culture towards becoming a purpose-driven organization.

To help us embed our Purpose and create awareness of our evolved values we are implementing the **SKF Culture Wheel**.



SKF Culture Wheel

Culture is beyond just our values. It encompasses many aspects such as our ability to learn, transformation capabilities, and embedding our purpose and values.

The SKF Culture Wheel is an important part of the Purpose activation and overall drive to transform SKF's culture towards being a purpose-driven organisation.

In SKF we believe that we are all leaders, and leaders are responsible for Purpose and Culture.

Our culture is underpinned by our Values and therefore the Culture Wheel will each quarter focus on a specific part of the Purpose statement linked to an underpinning Value.

The Culture Wheel should assist leaders in driving Purpose and Culture and should be '... a model for inspiration and ease of replication' ~ Aline Novaes, Purpose Director.

The Culture Wheel acts as a guide and aims to provide inspiration and a toolbox for PX and managers, but Regions can of course implement their own activities and



About SKF

SKF India Limited (also referred to as 'SKF India', 'We' or 'The Company') is a prominent supplier of innovative solutions for rotating equipment within the automotive and industrial sectors. Our journey commenced in 1961 as a ball-bearing manufacturing company. Over the years, we have evolved as India's premier technology and solutions provider for bearings and services in both the industrial and automotive domains.

Our expertise lies in the development of cutting-edge technologies that result in reduced friction, enhanced energy efficiency, and extended equipment longevity and reliability. We continually leverage these technologies to create value-added solutions that empower our customers to gain a competitive edge while aligning with our commitment to a sustainable future. At the core of our strategy for responsible growth and value creation are deeply ingrained values, a seasoned leadership team, dedicated employees, and robust processes.

What we offer

Innovative solutions to reduce friction, improve productivity, achieve energy efficiency, increase equipment longevity and reliability across industries.

What we are focussed on

Delivering responsible growth by aligning with customer needs and transforming business landscape.

What we believe in

Engaging meaningfully with our stakeholders to enable inclusive growth for all.

What drives our journey

Our vision

A world of sustainable rotation.

Key Facts



3

State-of-the-art
manufacturing
facilities



4

Offices



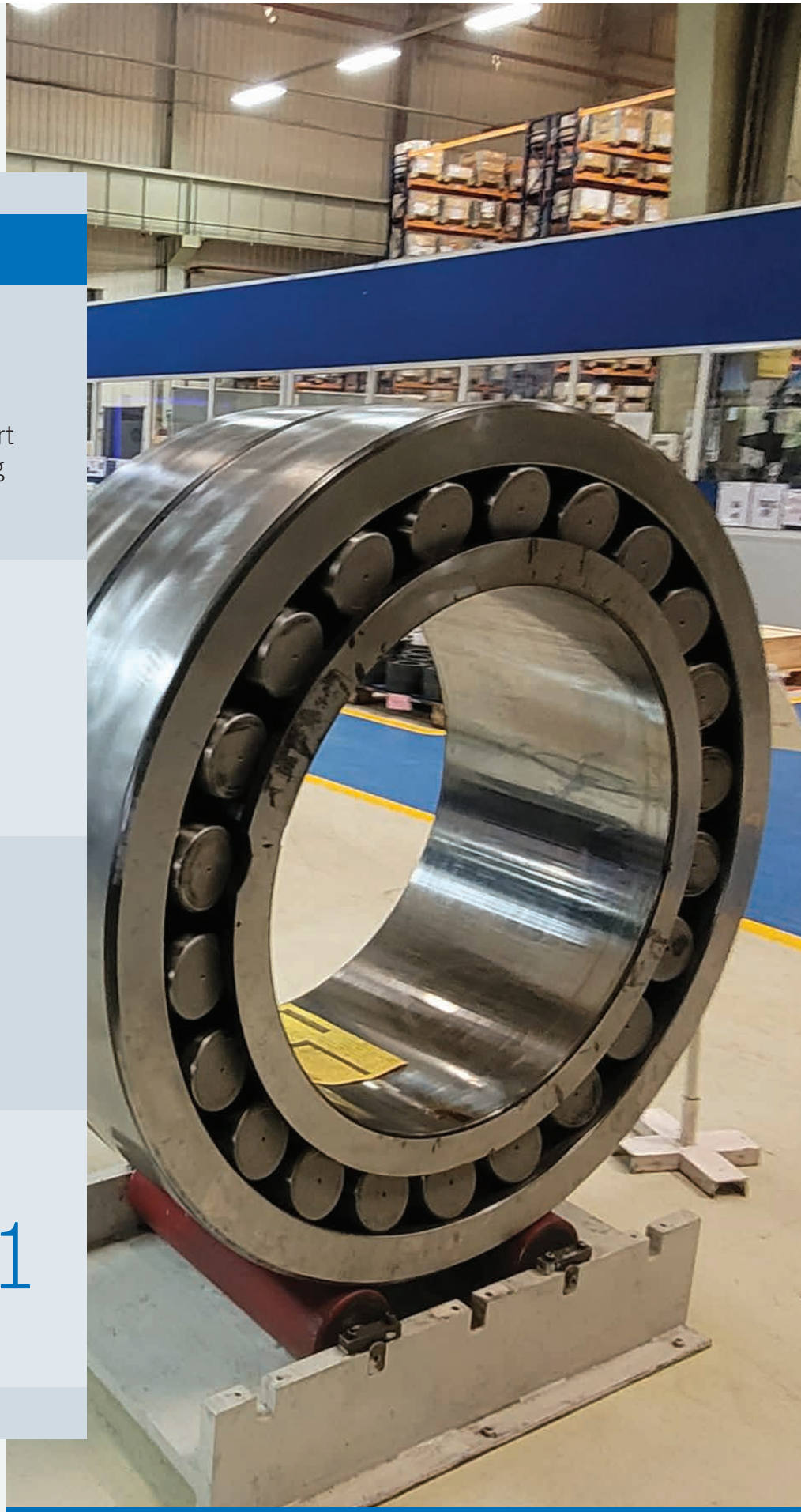
570

Distributors



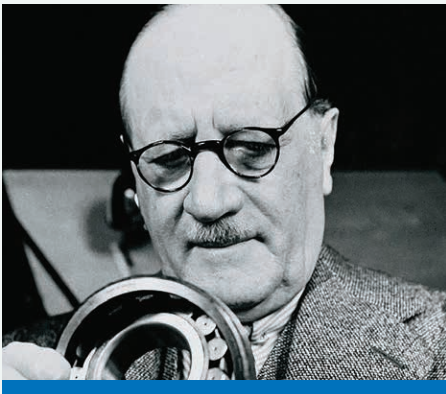
1,701

Employees



Journey of SKF Group in India

Milestones depicting precision, a strong track record, excellence, and customer centricity.



1907

Originally founded by Sven Wingquist following his invention of the self-aligning ball bearing



1923

Started trading operations in Calcutta

1961

Incorporated the 'Associated Bearing Company'



1964

Started the first factory in Pune for the manufacturing of rolling bearings



1989

Started the second factory in Bengaluru to meet the needs of customers in India and abroad

2022

Installed state-of-art facilities for Truck Hub Unit (THU) at the Pune plant



2023

- Pune and Bengaluru factories certified for SPS Phase 2
- Installation of new DGBB channel at the Pune factory



2024

Installation of new HUB1 channel in the Pune factory



2021

Inaugurated a Remanufacturing Centre in the Ahmedabad factory to contribute to sustainability and circularity goals



2012

Established Seals factory in Mysuru to serve customers within the automotive, railway, and industrial application segments



2011

Opened a Global Technical Centre in Bengaluru for end-to-end engineering and technology solutions



2004

Inaugurated an Application Development Centre in Bengaluru to support local customer needs



2010

Opened two new factories in Haridwar and Ahmedabad to meet the growing demand in India across automotive and industrial segments

Industrial and Automotive business

Industrial



SKF's offering

- Serving over 40 industries globally; in India, we have a network of more than 140 distributors
- Offering a diverse product range of bearings, seals, and lubrication systems
- Rotating shaft services and solutions for machine health assessment, reliability engineering, and remanufacturing



SKF's position

- Leading position in industries such as railways, heavy industries and industrial distribution market, and a prominent position in other industries



Market drivers

- Reliable rotation is critical for many industries to function optimally
- Climate change and sustainability are key drivers that significantly impact the industries we serve
- Other drivers vary from application to application - low friction and energy consumption, maintenance-free solutions, and total cost of ownership
- Digitalisation enables monitoring and predictive maintenance throughout the product life cycle

Automotive



SKF's offering

- Providing customised bearings, seals, and related products for e-powertrain, wheel-end, driveline, engine, suspension, and steering applications to manufacturers of electrical vehicles, cars, light and heavy trucks, trailers, buses, and two-wheelers
- Supplying the vehicle aftermarket with spare parts, both directly and indirectly through a network of more than 430 distributors



SKF's position

- Among the leading developers of components for automotive electrification and wheel-end solutions
- Strong position in application-driven powertrain solutions
- Strong position in the aftermarket with an extensive distribution network



Market drivers

- The light vehicle market: electrification, energy efficiency, and emission reduction
- The truck market: total cost of ownership, connectivity, and integrated systems
- The aftermarket: changing buying patterns, new channels, product performance, and cost optimisation

Board of Directors



Gopal Subramanyam

Chairman & Non-Executive Independent Director (Re-appointed w.e.f. 16th May 2024)



Gopal Subramanyam has more than four decades of experience in the manufacturing sector business, ranging from high-precision components to heavy machinery. He has served Larsen & Toubro Ltd for more than three decades. At L&T, he donned leadership roles as a CEO of their Joint Venture companies, namely Hydraulic components, Construction & Mining Equipment, Thermal Power plant Equipment, and machinery for the Tire plants.

His past and current engagements include shepherding the 'Skill India' movement through his deep association with the National Skill Development Corporation (NSDC), L&T Skill Development Mission, and Nettur Technical Training Foundation (NTTF). He is a jury member for the CII-EXIM Award (based on the EFQM model). He also assists the CII Institute of Quality in its various Business Excellence initiatives.

QUALIFICATION

Gopal holds a Mechanical Engineering degree from the University of Madras.

SKILLS AND COMPETENCE



AGE

68

DIRECTOR SINCE

16th May 2019

TENURE ON BOARD

5 Years

DIN NO.

06684319



Audit



Corporate Social Responsibility



Stakeholders' Relationship



Mukund Vasudevan

Managing Director
(w.e.f. from 8th April, 2024)



An entrepreneurial and results-oriented executive, Mukund possesses over 25 years of experience across diverse markets like India, the Middle East, and USA. His expertise spans P&L management, strategy development, sales, and mergers & acquisitions. This comprehensive background equips him with strong commercial and operational acumen.

Mukund's strategic vision is complemented by his exceptional collaborative leadership. He builds high-performing teams through strong relationships and inspires his colleagues, driving SKF's success in the ISEA region.

QUALIFICATION

Bachelor of Technology from the Indian Institute of Technology, Mumbai, and an MBA in Finance and Strategy from the University of Chicago.

SKILLS AND COMPETENCE



AGE

55

DIRECTOR SINCE

1 month as of 8th May 2024

TENURE ON BOARD

DIN NO

05146681



Anu Wakhlu

*Non-Executive Independent Director
(Re-appointed w.e.f 16th May 2024)*



Anu Wakhlu is the Executive Director and Chairperson of Pragati Leadership Institute (P) Ltd., one of India’s leading companies in the space of Leadership Transformation. She is also the Executive Director of Pragati Foundation, an NGO working for the sustainable employment of women and youth. As an MCC certified coach, Anu’s forte is executive and C-suite coaching. She serves as an HR mentor for several organisations.

Anu has over 31 years of experience in human resources and leadership development as a consultant and has worked with multiple organisations across engineering, automobile, chemicals, IT, BFSI, and services sectors. She is deeply involved in mentoring and coaching women leaders across sectors and volunteers with several non-profit organisations across the country to develop women leaders.

QUALIFICATION

Anu holds a Diploma in Strategic Management, is a Gold Medallist in MSc and holds an ICC Coach Accreditation (MCC).

SKILLS AND COMPETENCE



AGE	66
DIRECTOR SINCE	16 th May 2019
TENURE ON BOARD	5 Years
DIN NO	00122052



Shailesh Sharma

Whole-Time Director (*Resigned w.e.f 8th April 2024)



Shailesh Sharma leads manufacturing, sourcing, and logistics at SKF in India and Southeast Asia and provides oversight for the robust performance of the operational processes. With over 31 years of experience in precision engineering industries in the fields of manufacturing, engineering, product development, project management, and operations, he provides strategic and tactical leadership at SKF.

Before his current role, he managed the Bengaluru and Pune factories with overall responsibility for plant operations.

QUALIFICATION

Shailesh holds a Mechanical Engineering degree from Government Engineering College, Jabalpur, and an MBA from Symbiosis International University, Pune.

SKILLS AND COMPETENCE



AGE	55
DIRECTOR SINCE	10 th February 2022
TENURE ON BOARD	2.4 years
DIN NO	09493881

***Note:** Resigned from his position of Whole-time Director & the Board w.e.f. 8th April 2024, but continues to lead the Operations (manufacturing, procurement & logistics) of SKF India and the Southeast Asia Region, as before.



Manish Bhatnagar

Non-Executive Non-Independent Director (w.e.f. from 1st April 2024)



Manish Bhatnagar is a member of the Board of Directors of SKF India. He is currently President, Industrial Region - Americas, and based in the US. He provides strategic direction and operational rigour to the SKF companies across North and South America.

Prior to SKF, Manish has held various leadership roles with increasing responsibilities at Unilever, GE, and Danaher. His business interests include industrial technologies and solutions, adding size and scale to start-up operations, and building high-impact multi-cultural organisation. Having lived and worked in Asia, Europe, and the US, he brings a unique mix of global and local perspectives to business.

QUALIFICATION

Manish completed his BE (Electrical/Electronics) from BITS, Pilani, and his MBA from IIM, Calcutta.

SKILLS AND COMPETENCE



AGE	55
DIRECTOR SINCE	16 th August 2018
TENURE ON BOARD	5.9 years
DIN NO	08148320



David Johansson

Non-Executive Non-Independent Director

David is the President of the Industrial Region EMEA and a part of Group Management at SKF Group. He is an appreciated leader with over 18 years of experience in various positions and divisions within the company. He thrives in a complex global environment and has over the years worked across various industries such as automotive, railway, maritime and aerospace.

His broad experience of leading roles within SKF has given him valuable insights into the full value chain of sales, engineering, and manufacturing on a global scale.

QUALIFICATION

David holds a Master’s degree in Science, Industrial Marketing, and Electrical Engineering from Chalmers University of Technology, Gothenburg.

SKILLS AND COMPETENCE



AGE	42
DIRECTOR SINCE	28 th June 2022
TENURE ON BOARD	1.11 years
DIN NO	09651955



Joakim Landholm

Non-Executive Non-Independent Director

Joakim Landholm is Senior Vice President - Group Operations and Chief Sustainability Officer at SKF, supporting the business across four global geographical regions and two global business areas. He oversees manufacturing development, supply chain, quality, EHS, sustainability, IT and Group strategy.

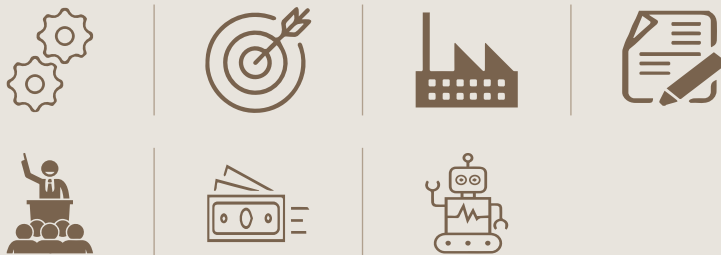
He has previously served as CEO for Hector Rail (a leading European rail freight provider), as Chief Commercial Officer at Scandinavian Airlines and in leadership positions at RSA and GE Capital.

Throughout his career, he has worked extensively on driving large-scale and transformative change in multiple industries, including airlines, logistics, healthcare, financial services, and automotive.

QUALIFICATION

Joakim is a Swedish Navy Staff College graduate with a Master's degree in Economics and Business Administration from the Stockholm School of Economics.

SKILLS AND COMPETENCE



AGE	54
DIRECTOR SINCE	28 th June 2022
TENURE ON BOARD	1.11 years
DIN NO	09651911

*Skills/expertise/competency matrix in detail are mentioned in the CG Report



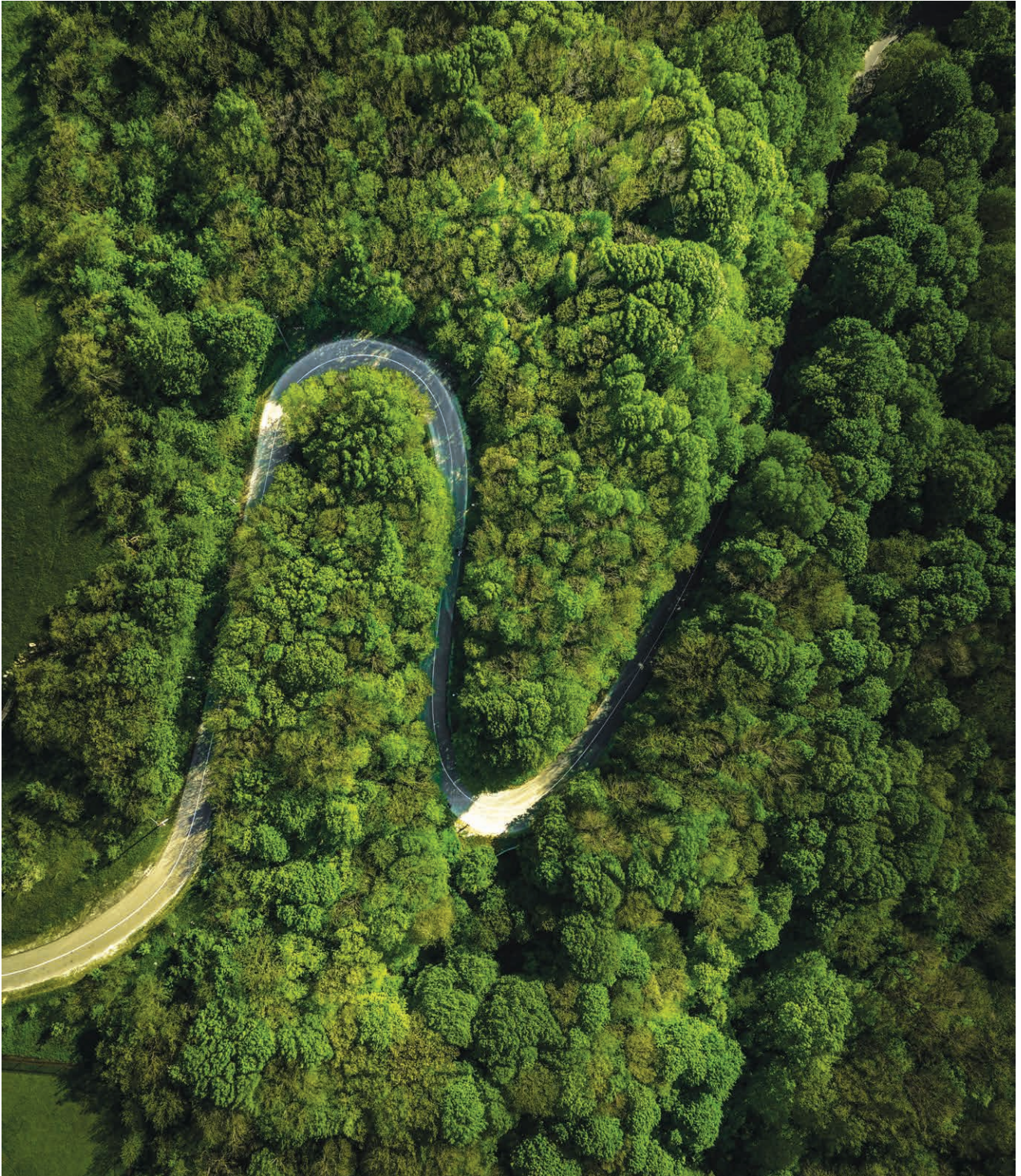
Audit



Corporate Social Responsibility



Stakeholders' Relationship



MD's Message



Mukund Vasudevan
Managing Director



Even when the world was slowing down, India kept progressing. And we played our role as catalysts to support this progress, propelling industries forward with innovative and sustainable solutions.

Dear Stakeholders,

It gives me immense pleasure to address you all for the first time through SKF India's Annual Report for FY 2023-24. The Company's journey during the year under review was marked by remarkable achieving, including navigating challenging business environments with agility and resilience. I am proud to report that despite the obstacles, our business has not only survived but also thrived. The resilience and dedication of our team, coupled with our firm commitment to innovation and excellence, have propelled us forward even in the face of uncertainty.

Strong as before

After the post-pandemic rapid growth years of 2021 and 2022, 2023 presented unique challenges. The second half of the year saw a settling of the pandemic-induced chip shortages, enabling automotive manufacturers to meet the high demand for vehicles, especially SUVs. This led to a strong turnaround in the automotive segment. Both our automotive technologies and aftermarket businesses experienced 5.0% year-on-year revenue growth.

In the industrial segment, we witnessed sustainable growth of 4.8%, supported by the revival of key sectors and government policies favouring infrastructure development.

Even when the world was slowing down, India kept progressing. And we played our role as catalysts to support this progress, propelling industries forward with innovative and sustainable solutions. Beyond

numbers, our story is one of agility. Our net profit before tax reached INR 735.8 Crores with revenue hitting INR 4,570.1 Crores marking a significant increase of 0.4% and 6.2%, respectively, over FY 2022-23. These results highlight our ability to effectively manage our portfolio by focussing on high-growth segments, implementing disciplined cost control and pricing strategies, and maintaining organic sales growth to expand our margins. This success showcases our commitment to executing an intelligent and sustainable growth strategy, further made possible by the support of our stakeholders.

In FY 2023-24, our businesses not only performed well but also focussed on creating exceptional value for our customers in the industrial and automotive segments. To drive growth, we prioritised high-growth segments within our industrial business. We offered innovative solutions in areas like renewable energy, which we believe holds significant growth potential. Additionally, we reinforced our position in strategic sectors such as cement and mining, leveraging our existing strong market presence. We also recognised the growth potential in the electric vehicle (EV) sector and expanded our presence as the preferred partner for meeting mobility needs.

Operational efficiency

In FY 2023-24, we have intensified our efforts to drive disciplined cost management, enhance productivity, and improve operational efficiencies across all levels to fuel our growth. As part of our strategy, we increased the localisation of direct materials to 85%, reducing costs and lead times.

We also made significant strides in upskilling our employees, particularly in strengthening our frontline sales and leadership teams. This initiative aimed to enhance our understanding of evolving customer needs, improve our efficiency, and create greater value for all stakeholders. Additionally, we continued to invest in the ongoing development of our employees to ensure they can deliver technologically advanced products and solutions that meet customer demands.



We continue to invest in talent development, nurturing a diverse and inclusive workforce, ready to lead us into the future. We championed gender equality, exceeding set targets and setting a benchmark for others to follow.

Our focus has always been on developing strong leaders, providing meaningful work opportunities, and ensuring continuous learning and development for our employees. As a global company, we value

the diverse views, thinking, and backgrounds that our people bring to the workplace. We continue to invest in talent development, nurturing a diverse and inclusive workforce, ready to lead us into the future. We championed gender equality, exceeding set targets and setting a benchmark for others to follow. Moving forward, we remain committed to strengthening our capabilities, enhancing productivity and efficiencies, investing in our employees, and advancing our sustainability goals.

Preserving the environment

Sustainability remains at the heart of every action at SKF. We continued to work on reducing our environmental footprint throughout the year, inching further towards becoming a carbon-neutral company. We are focussed on integrating sustainability into our organisational culture and have implemented ESG targets in our performance measures. We understand that sustainability goals can be achieved with a strong ecosystem. We continue to prioritise sustainability in all aspects of our operations and strive for even greater successes in the future.

We have made significant strides in advancing our science-based net-zero targets. In FY 2023-24, we successfully completed renewable energy purchase agreements for Bengaluru and Pune sites, increasing renewable energy sourcing to 43% of our total requirement. This is a big step forward in our decarbonisation target of 2030.

To accelerate our progress in all ESG areas, we have established key performance indicators (KPIs)

INR 735.8 Crores
PBT

INR 4,570.1 Crores
Revenue

and are actively working towards our net-zero supply chain target by 2050. This involves building competencies and capabilities through partnerships across the entire value chain to address significant challenges. Our supplier sustainability programme with our top 55 suppliers in the country, along with a clear roadmap for the short and medium terms, highlights our dedication to sustainable business practices.

We are focussed on enhancing the energy efficiency of our facilities, increasing our use of renewable energy, and reducing waste in our operations. Additionally, we collaborate closely with our customers to develop new products that align with their environmental stewardship goals. These initiatives, among others, are propelling us towards achieving our net-zero emissions goals.

Fostering an inclusive culture

Our success can be attributed to our talented, skilled, and collaborative teams, who are empowered by a culture of equity and inclusion. In FY 2023-24, we continued to invest in our people, providing them

with opportunities to acquire new competencies and skills. One such initiative is LeadX, which aims to broaden employees' cross-cultural, cross-functional, and multi-industry experiences. Additionally, our iAspire programme empowers our sales leaders to develop best-in-class go-to-market (GTM) and leadership capabilities.

We also focus on equipping our people managers with the necessary training and tools to enhance their skills and capabilities. This enables them to support their teams in developing technical, business, and people skills. Our overarching goal is to cultivate strong leaders, offer



We are focussed on integrating sustainability into our organisational culture and have implemented ESG targets in our performance measures. We understand that sustainability goals can be achieved with a strong ecosystem. We continue to prioritise sustainability in all aspects of our operations and strive for even greater successes in the future.

meaningful work opportunities, and ensure continuous learning and development for our employees.

Safety is of paramount importance in our operations, and we continued to instill safe work behaviour across our factories in FY 2023-24. This helped us maintain a record of zero fatalities as we strive to prevent and

reduce injuries. Our commitment to creating a workplace that supports the safety, health, and well-being of all our employees remains unparalleled.

Making a positive impact on society

As a committed partner in nation-building, it is our duty to contribute towards addressing societal and environmental challenges. We actively collaborate with non-profits to create a meaningful impact and improve the lives of beneficiaries in the communities where we operate.

Our range of long-term sustainable programmes focusses on building partnerships, maximising impact,

and enhancing capacities among all stakeholders, aligning with the United Nations' Sustainable Development Goals (SDGs). These initiatives include providing financial aid for higher education and addressing environmental needs.

In FY 2023-24, our CSR programmes positively impacted approximately

67,779 individuals, with a strong emphasis on inclusivity, as 44% of beneficiaries were women. As part of our ongoing commitment to our communities, we aim to directly benefit 2,00,000 lives by 2025, reflecting our values and dedication to addressing significant societal challenges.

Our purpose

Globally, we have now revealed SKF's purpose as *Together, we re-imagine rotation for a better tomorrow*. This was a result of a company-wide co-creation exercise by many SKF employees around the world.

The Company's purpose is at the core of our existence, driving us to create positive change in the world. It revolves around serving society, fostering innovation, promoting environmental well-being, and providing economic opportunities. We are committed to this purpose and will align our plans and actions accordingly.

Despite several transformations in the Company, our purpose remains constant, serving as a unifying force that propels us forward. It shapes our culture and guides our strategies, ensuring that we are on the right path. This guiding principle

will continue to steer our business and help us determine how we can best contribute to making a positive impact on the world.

Looking forward

I am incredibly proud of our achievements in FY 2023-24 and excited about the momentum we are building. With a new purpose, an ambitious strategy, and an empowered workforce, we are well-positioned for success. Embracing our culture of continuous improvement, we will focus on creating a safe and empowering work environment, enhancing the consistency of our performance, and meeting the evolving needs of our customers.

While we anticipate challenges in FY 2024-25, our goal remains unchanged—to make further progress against our strategy and achieve profitable growth. I am confident that we have all the necessary components—exceptional people, world-class manufacturing, strong partnerships, and unparalleled capabilities—to navigate a changing competitive landscape and seize key growth opportunities. We will continue to invest in innovation, leveraging

emerging technologies to drive efficiency, enhance customer experiences, and unlock new growth avenues. As we look ahead, the horizon pulsates with the promise of even greater strides. We stay focussed on our strategic priorities and continue to invest in R&D, digitalisation, and strategic partnerships, fuelling innovation and solidifying our position as a leading motion technology company.

Our strategic priorities are aligned to drive profitable growth and accelerate our momentum, delivering sustainable growth and value for our shareholders. On behalf of our leadership team, I extend my heartfelt thanks to our employees, suppliers, and partners for their dedication and outstanding contributions. I also express my gratitude to our customers and shareholders for their continued trust and confidence in the Company.

Warm regards,

Mukund Vasudevan

Managing Director

A frictionless financial performance

During FY 2023-24, we delivered exceptional financial results, marked by substantial gains in our market share, a strong bottom line, and a notable increase in cash flow. These achievements have significantly enhanced the value we offer to our shareholders. Our robust financial performance is a direct reflection of the relentless commitment and expertise of our highly skilled workforce. It is also an outcome of the trust and confidence instilled in us by our various stakeholders, including our customers, shareholders, partners, and the communities we engage with.

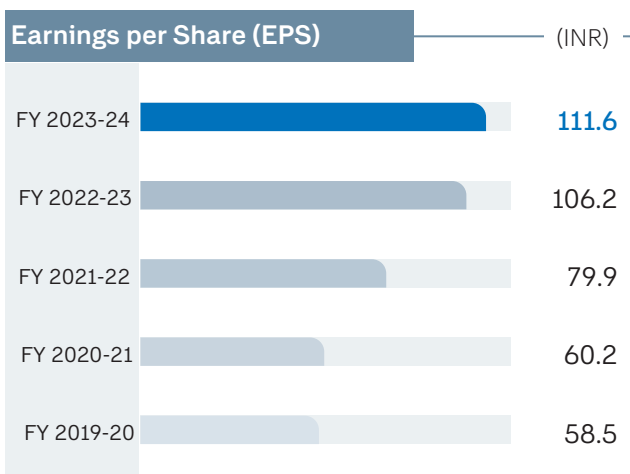
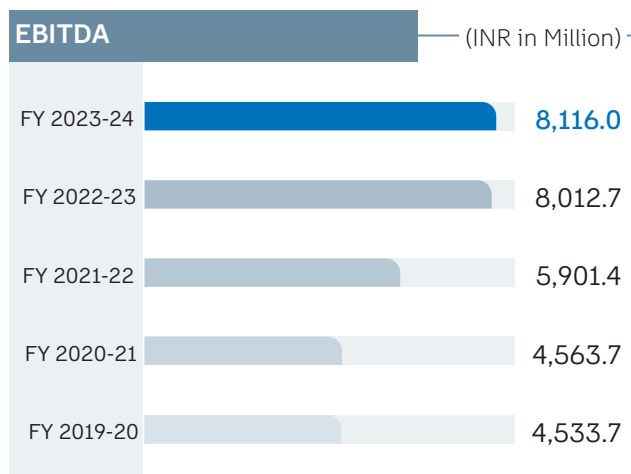
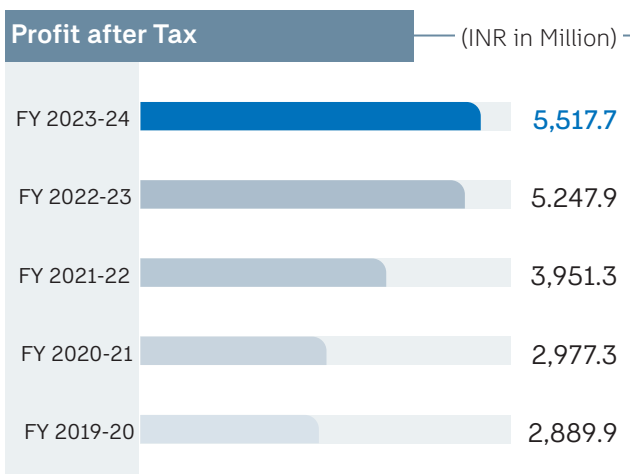
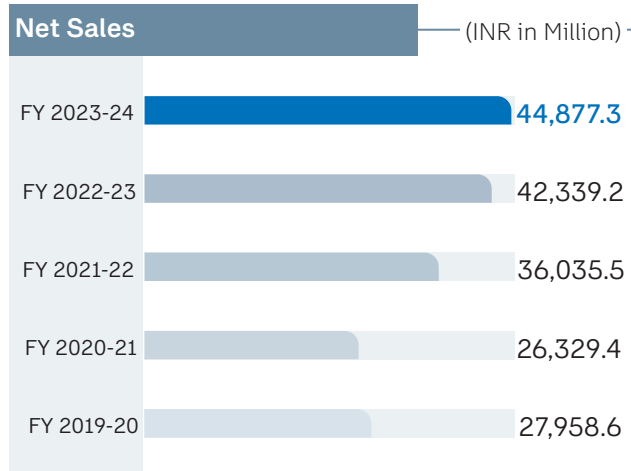
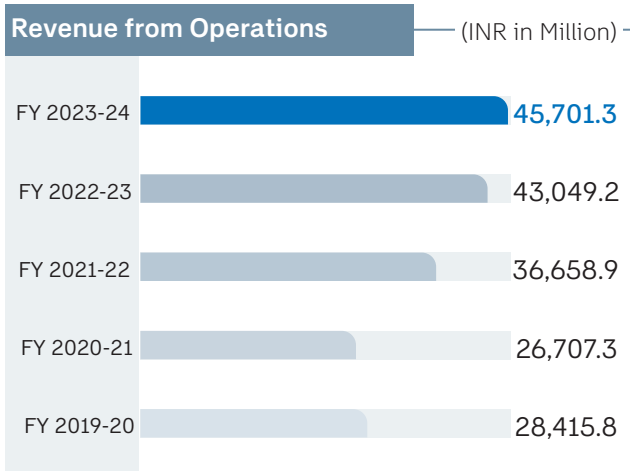


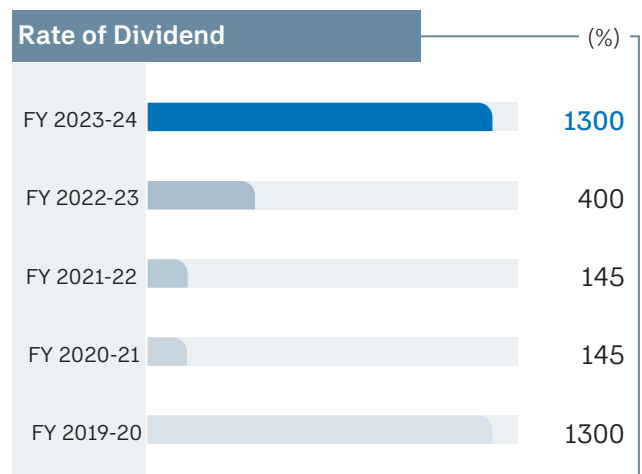
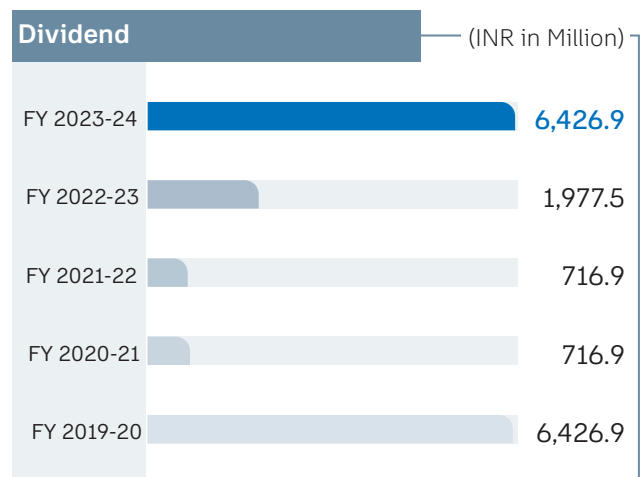
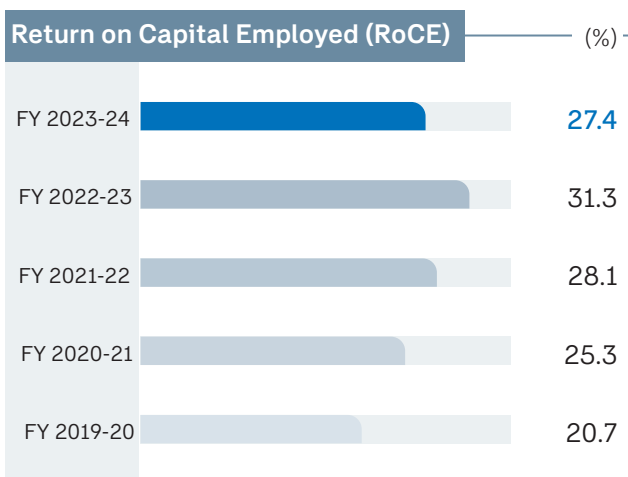
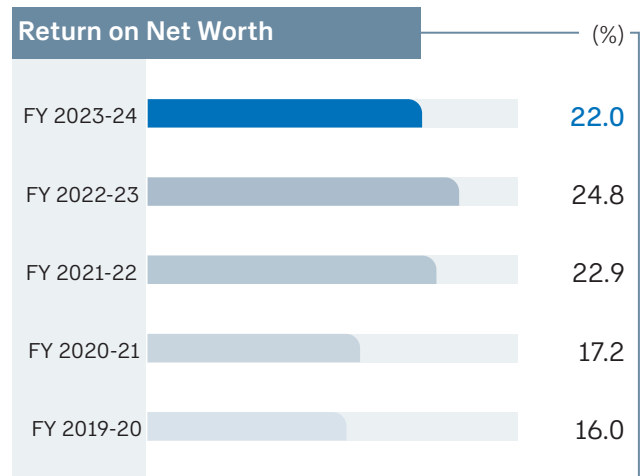
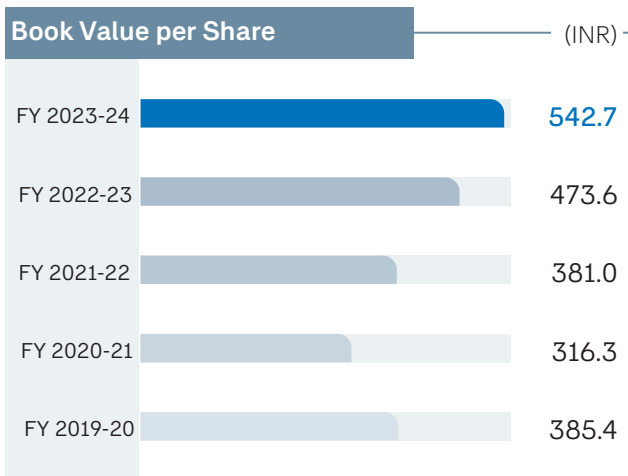
	As per Ind AS								As per Indian-GAAP (INR in Million)	
	31 st March 2024	31 st March 2023	31 st March 2022	31 st March 2021	31 st March 2020	31 st March 2019	31 st March 2018	31 st March 2017	15 months ended on 31 st March 2016	31 st December 2014
Net sales	44,877	42,339	36,036	26,329	27,959	29,960	27,686*	28,047*	31,848*	23,726
Profit before tax	7,358	7,329	5,310	3,963	3,868	5,242	4,555	3,756	3,945	3,062
Profit after tax	5,518	5,248	3,951	2,977	2,890	3,358	2,959	2,439	2,559	2,028
Cash earnings per share (INR)	127	120	91	72	70	75	66	55	62	49
Rate of dividend (%)	1,300#	400	145	145	1,300^	120	120	100	150	100**
Gross block	15,424	14,317	13,557	12,586	12,146	11,234	11,021	10,657	10,315	10,315
Net block	4,379	3,878	3,650	3,141	3,146	2,671	2,753	2,806	2,980	3,654
Total borrowings	-	-	-	-	-	900	850	340	650	-
Share capital	494	494	494.4	494.4	494.4	494.4	513.4	527.0	527.0	527.0
Reserves and surplus	26,334	22,920	18,363	15,144	18,558	16,475	17,860	17,585	16,119	13,635
Book value per share (INR)	543	473.6	381.0	316.3	385.4	331.9	355.7	343.5	315.7	268.6
Shareholders (nos.)	45,970	43,098	41,009	32,425	23,636	23,505	23,549	24,653	24,635	24,353
Employees (nos.)	1,701	1,662	1,681	1,762	1,716	1,759	1,779	1,789	1,824	1,962

* Net sales for Q1 of FY 2017-18, year ended 31st March 2017 and 15 months ended on 31st March 2016 includes excise duty as per Ind AS, whereas 2014 and the prior period are excluding excise duty as per Indian-GAAP. In accordance with Ind AS 18- Revenue, GST (Goods and Services Tax) is not included in Net Sales w.e.f. from 1st July 2017

** Dividend of 100% includes an interim dividend of 75%

^,# Special dividend of 1300%





Trends and opportunities for a friction-free tomorrow

At SKF, we continually align our business model and growth strategy with the ever-evolving market and customer requirements. By harnessing our profound understanding of industry trends and the changing expectations of today's consumers, we are well-equipped to cater to their demands effectively. Our primary focus remains on synchronising our business model and growth strategy with the dynamic market environment and the evolving needs of our customers. This enables us to make the most of emerging prospects through timely and proficient actions.



Sustainability

The urgent climate change crisis necessitates industries to embrace innovative and resource-efficient business models that minimise reliance on physical resources. SKF plays a pivotal role in assisting customers in transitioning towards a circular economy by offering a range of products and solutions. These include condition monitoring, rotation as a service, and remanufacturing services. Additionally, we are actively working to decrease CO₂e emissions originating from our factories and supply chain, underscoring our commitment to environmental sustainability.



Digitalisation

Digital transformation is a pervasive force impacting every facet of the value chain. It is also bringing in benefits such as reduced lead times, accelerated development cycles, minimised inventories, and substantial opportunities for enhanced resource efficiency. At SKF, we are committed to this evolution by investing in connecting our value chain. This initiative aims to streamline and enhance the ease of doing business with us while also fostering more intelligent decision-making in our operations.



Electrification

Electrification stands out as a prominent trend across various industries, with a particularly significant impact on the automotive sector. The adoption of EVs has numerous societal advantages, including enhanced energy security, improved urban air quality, reduced greenhouse gas emissions, and noise mitigation. SKF is actively contributing to this transition with a portfolio of innovative solutions designed to facilitate robust and efficient e-powertrain drives, recognising the crucial role that bearings play in ensuring the effectiveness of these systems.



Regionalisation

In the face of mounting pressures on global trade, the rise in connectivity and information flows, and an ongoing shift in economic dynamics, there is a need for a region-specific approach. This involves strategically placing manufacturing, sales, and technical knowledge in proximity to customers. Recognising this need, SKF is focussed on investing in automation, regionalisation of our manufacturing footprint and product development. These efforts are geared towards enhancing our competitiveness and fortifying our ability to seize opportunities for profitable growth in a dynamically changing global landscape.

Poised for growth

India is the third-most sought-after manufacturing destination in the world and has the potential to export goods worth USD 1 Trillion by 2030. The Indian Government's push for domestic manufacturing through initiatives and infrastructure development creates a ripple effect, thereby fostering innovation, employment, and export competitiveness. Investing in industrial corridors and better connectivity strengthens this ecosystem, propelling the manufacturing sector to new heights.

Increasing support from Government

The Indian Government has introduced several initiatives like 'Aatmanirbhar Bharat' and 'Make in India'. It has also introduced sector-specific PLIs, to enhance the country's manufacturing capabilities and boost exports across various industries.

Additionally, to drive infrastructure development, the Government has launched favourable schemes such as the National Infrastructure Pipeline (NIP), National Monetisation Pipeline (NMP), and Bharatmala. These efforts are aimed at promoting self-reliance and domestic production and reducing dependency on imports. They are expected to provide significant incentives and opportunities for growth.



Importance of sustainability in business models

The world is undergoing rapid change, and addressing environmental and climate change issues is crucial for the planet's long-term survival. Consequently, there is an increasing need for sustainable solutions across all industries. This transition to sustainability has led to a demand for environment-friendly, energy efficient, and socially responsible products and services. Companies in various sectors are embracing sustainable practices, such as promoting renewable energy sources, minimising waste and emissions, and integrating eco-friendly materials into their operations.

Future-readiness

New technologies are rapidly changing the dynamics of the modern workplace. At SKF, we see this as a chance to reinforce elements of our culture that prioritise the safety, well-being, and sense of belonging for all our employees. We have initiated several pioneering programmes to cultivate a culture of lifelong learning, innovation, and continual enhancement, positioning ourselves for success in the future.

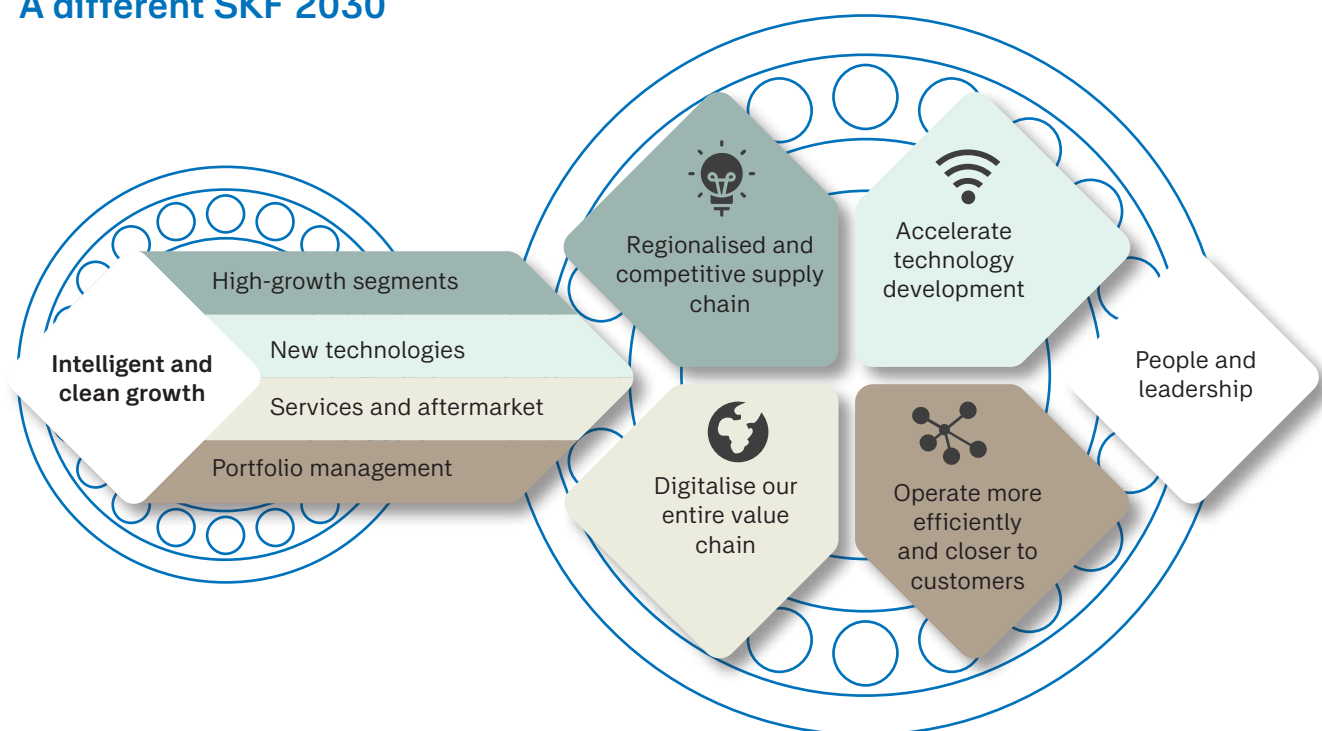


A frictionless and strategic framework

Our growth strategy revolves around four key focus areas. Firstly, we aim to capitalise on growth in segments with high potential, leveraging SKF’s already strong position in these areas. Secondly, we continually review and optimise our portfolio to ensure alignment with market dynamics. Thirdly, we actively develop offerings tailored for emerging industries, incorporating new technologies to stay at the forefront of innovation. Lastly, we prioritise the refocussing of our service business to better meet the evolving needs of our customers and enhance overall business sustainability.

We aim to capture growth by focussing on four main areas: segments with high growth potential, where SKF has a strong position; reviewing our portfolio; developing offers for emerging industries with new technologies; and refocusing our service business.

A different SKF 2030





The progress...

At SKF, our primary focus is on continuously enhancing our innovation, growth, and profitability in the industrial sector. We are entering a new phase of our journey, which involves accelerating our profitable growth by targeting specific segments and products where we can offer significant value to our customers. Our goal is to transform SKF India into a fundamentally different entity by effectively executing our long-term strategy. By 2030, we aim to double our business at improved margins by being more focussed, efficient, and sustainable. We aspire to become the preferred technical partner for our customers and lead the development of innovative solutions that drive sustainable progress.

A Different SKF 2030

- Double the business at improved margins
- More focussed and efficient
- Technical partner of choice among customers
- Leading the development of sustainable solutions



A Different SKF 2030

Growth areas

- High-growth segments
- New technologies
- Services and aftermarket
- Portfolio management



A Different SKF 2030

Prioritised growth areas where we add significantly

SKF's ability to master the complexity of meeting customer needs across a wide range of industries and numerous geographies is our greatest strength and key to our success.

Our broad business reach gives us a platform to drive profitable growth, allowing us to target the most attractive opportunities continuously.



A Different SKF 2030

Growth enablers

- Accelerate technology development

Focus on developing technologies and solutions that help our customers improve their operations and reduce emissions.

- Digitalise the full value chain

Invest in connecting the value chain to improve the ease of doing business with us.

- Regionalised and competitive supply chain

Continue to increase our investments in property, plant, and equipment, supporting our growth ambitions.

- Operate more efficiently – closer to customers

Place end-to-end operational and financial accountability as close to our customers as possible, through our new operating model and organisational structure.



- Four industrial regions
- One global automotive business
- Six independent and emerging businesses
- A lean central function providing global support

Our value-creation model*

RESOURCES WE DEPLOY ➤ VALUE-CREATION APPROACH



FINANCIAL

- Equity: **INR 26,828.4 Million**
- Assets (PPE & CWIP): **INR 5,264.4 Million**



MANUFACTURED

- Manufacturing units: **3**
- Warehouses/distribution centres: **8**
- Solution factories: **4**
- Total capacity: **190 mn bearings**



INTELLECTUAL

- Patents in process: **0**



HUMAN

- Employees: **1,701**
- Training hours per employee: **18.4**
- Employee benefit expenses: **INR 3,433.70 mn**



SOCIAL AND RELATIONSHIP

- Suppliers: **1,900+**
- Supplier initiatives launched (ongoing): **3**
- Certified maintenance practitioner training: **4**
- CSR spend in FY 2023-24: **INR 110.9 mn**
- Employee volunteering hours: **1,746**
- YES training centres: **7**
- Waste management centres: **1**
- STEM schools: **53**
- Locations for girl education scholarships: **6**

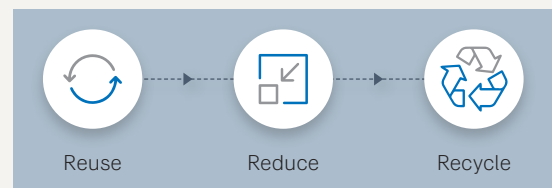
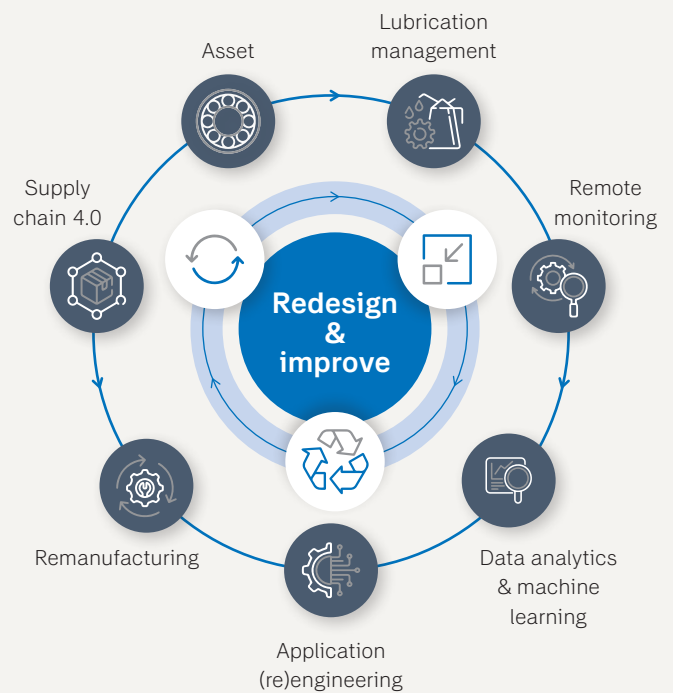


NATURAL

- Total energy use: **70,460 MWH**
- Projects for green manufacturing: **53**

VALUE-CREATION APPROACH

SKF's business model and strategy are designed to maximise value creation for our stakeholders. Our strength lies in our ability to keep developing new



*Standalone financial numbers

VALUE WE GENERATE

technologies used to create value-adding solutions offering competitive advantages to customers while contributing to a sustainable global society.

STRATEGY

Intelligent and clean growth

- Double the business at improved margins
- More focussed and efficient
- Technical partner of choice among customers
- Leading development of sustainable solutions



STRONG CUSTOMER OFFERING

Right product, right cost, right time

The product proposition meets performance requirements on specific parameters such as speed, load, noise, or physical environment.



TOTAL COST OF OWNERSHIP

The rotating equipment performance proposition meets the needs of customers who operate critical machinery, by maximising performance.



FINANCIAL

- Revenue: **INR 45,701.3 Million**
- EBITDA: **INR 8,116.0 Million**
- Profit before tax (PBT): **INR 7,357.9 Million**
- Profit after tax (PAT): **INR 5,517.7 Million**
- RoCE: **27.4%**
- Net cash flow (operations): **INR 6,238.7 Million**

MANUFACTURED

- Bearings produced in FY 2023-24: **160 Million**
- New products in pipeline: **30**
- Customer delivery lead time for stock item: **124 days**
- Refurbished/remanufactured bearing for customers: **24,189**

INTELLECTUAL

- Patents filed: **0**

HUMAN

- Gender diversity ratio: **11.9%**
- Recordable accidents: **3**
- Employees covered under the Code of Conduct: **80%**

SOCIAL AND RELATIONSHIP

- Suppliers covered under the Code of Conduct: **100%**
- Certified maintenance practitioners: **35**
- Unique machines served by SKF practitioners: **11,936**
- No. of direct beneficiaries through CSR initiatives: **67,779**
- Automotive business start-ups through YES: **35**
- Skilled workforce created through YES: **1,773**
- STEM girls/scholarship girls supported: **236**
- Families benefitted through waste management initiatives: **10,721**
- Water saved outside the fence: **1,50,000 CuM**
- Trees planted outside the fence: **100**

NATURAL

- Scope 1 and 2 emissions: **28,981 tCO₂**
- Renewable energy generated: **30,280 MWh**



Ensuring seamless stakeholder engagement

At SKF, we consider our stakeholders as vital partners in our ongoing journey to deliver lasting value. Our commitment involves harmonising the needs, interests, and expectations of stakeholders with our business objectives through an integrated and inclusive process. Effective stakeholder engagement is also pivotal to achieving our strategic goals.

Guided by the principles of inclusivity, materiality, and responsiveness, our approach and engagement initiatives yield actionable insights that directly contribute to shaping our strategies.

To ensure robust engagement, we have identified key internal and external groups and implemented a systematic process for gathering their feedback and insights. This stakeholder engagement plan enables us to identify and address material issues crucial to our sustainability performance while fostering trust with all those invested in our success.

Furthermore, we have established a well-defined process to identify and prioritise major stakeholders based on their involvement with and significance to the Company. This structured approach ensures that our engagement efforts are targeted and meaningful, aligning with our commitment to transparency and responsible business practices.

We had the following engagement with our key stakeholder groups:

Shareholders, Investors and Analysts		
Relevance to SKF India	Engagement topics	Communication forum
SKF's overall financial objective is to create value for our shareholders	<ul style="list-style-type: none"> Appraise the Company's periodic results and disclosures Improve their understanding of SKF's ESG commitments and performance Climate change physical and transition risks, and financial impact Social and environmental concerns in the supply/value chain Competitiveness 	<ul style="list-style-type: none"> AGM Analyst meets Investor calls Public disclosures and reports, including AR, QR and BRSR Transcripts/recordings of investor calls Media releases and websites Social media information



Customers, Dealers and Distributors

Relevance to SKF India

Developing new technologies to create value-adding solutions that offer competitive advantages to customers, while contributing to a sustainable global society

Engagement topics

- Develop/strengthen relations with customers to improve customer experience
- Anticipate short to long-term needs and expectations
- Communicate policy and processes
- Understanding market conditions and requirements
- Environmental compliance
- New business models, enabling cleantech growth
- Environmental and social compliance as per customer requirements, includes human rights and corruption

Communication forum

- One-to-one interactions
- Meets/conferences (physical/virtual)
- Surveys and assessments
- Exhibitions and trade shows
- Customer care calls and emails
- Audits by customers to SKF
- Training
- On-site visits



Suppliers & Vendors

Relevance to SKF India	Engagement topics	Communication forum
<p>Ensuring a sustainable supply chain for our customers with active participation by our value chain partner in ESG risk mitigation and improvement</p>	<ul style="list-style-type: none"> ⦿ Implementation of CoC ⦿ Mutual sharing of needs and expectations ⦿ Quality, cost, and delivery improvement ⦿ Share knowledge and best practices and vendor recognition ⦿ Strategic partnerships and value creation ⦿ Responsible sourcing actions such as social and environmental compliance with laws and SKF's requirements ⦿ Product material compliances as per customers' needs ⦿ Energy reduction, waste reduction and recycle material 	<ul style="list-style-type: none"> ⦿ Interactions meets/conferences ⦿ Leaders' meetings ⦿ Joint improvement projects and quality contests ⦿ Audits ⦿ Training



Community & NGOs

Relevance to SKF India	Engagement topics	Communication forum
<p>Creating a positive impact in the community where we operate</p>	<ul style="list-style-type: none"> ⦿ Enable employability and entrepreneurship among youth (skilling) ⦿ Support the completion of higher education for girl students (scholarships) ⦿ Develop analytical skills among school children (STEM education) ⦿ To reduce the environmental and health hazards from indiscriminate dumping of domestic waste to pollute natural resources like land and air 	<ul style="list-style-type: none"> ⦿ Meets/conferences/interaction with community/NGOs? ⦿ CSR committee meetings and CSR surveys ⦿ Emails, feedback forms, phone calls, physical visits and meetings



Employees & Unions

Relevance to SKF India

Relaying annual business priorities along with employees

Drive continuous improvement in the working climate

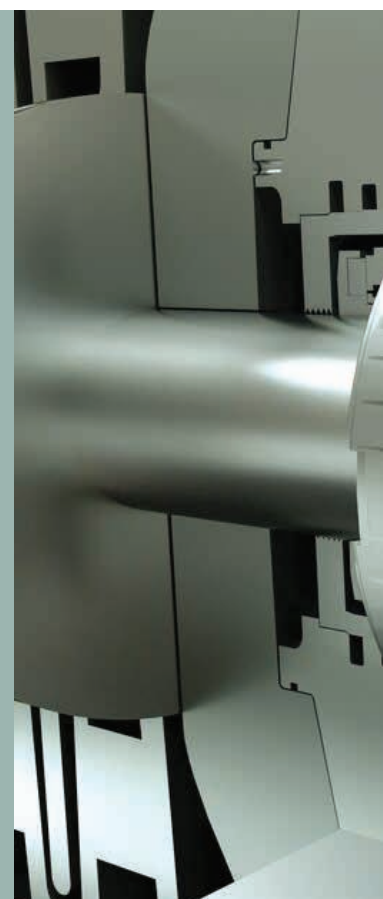
Engagement topics

- Relay annual business priorities
- Drive continuous improvement on working climate
- Ensure environment, health, and safety
- Develop employment and competency
- Ensure diversity in the working climate?
- Manage leadership and change

Communication forum












- Townhalls conferences
- Feedback/satisfaction survey

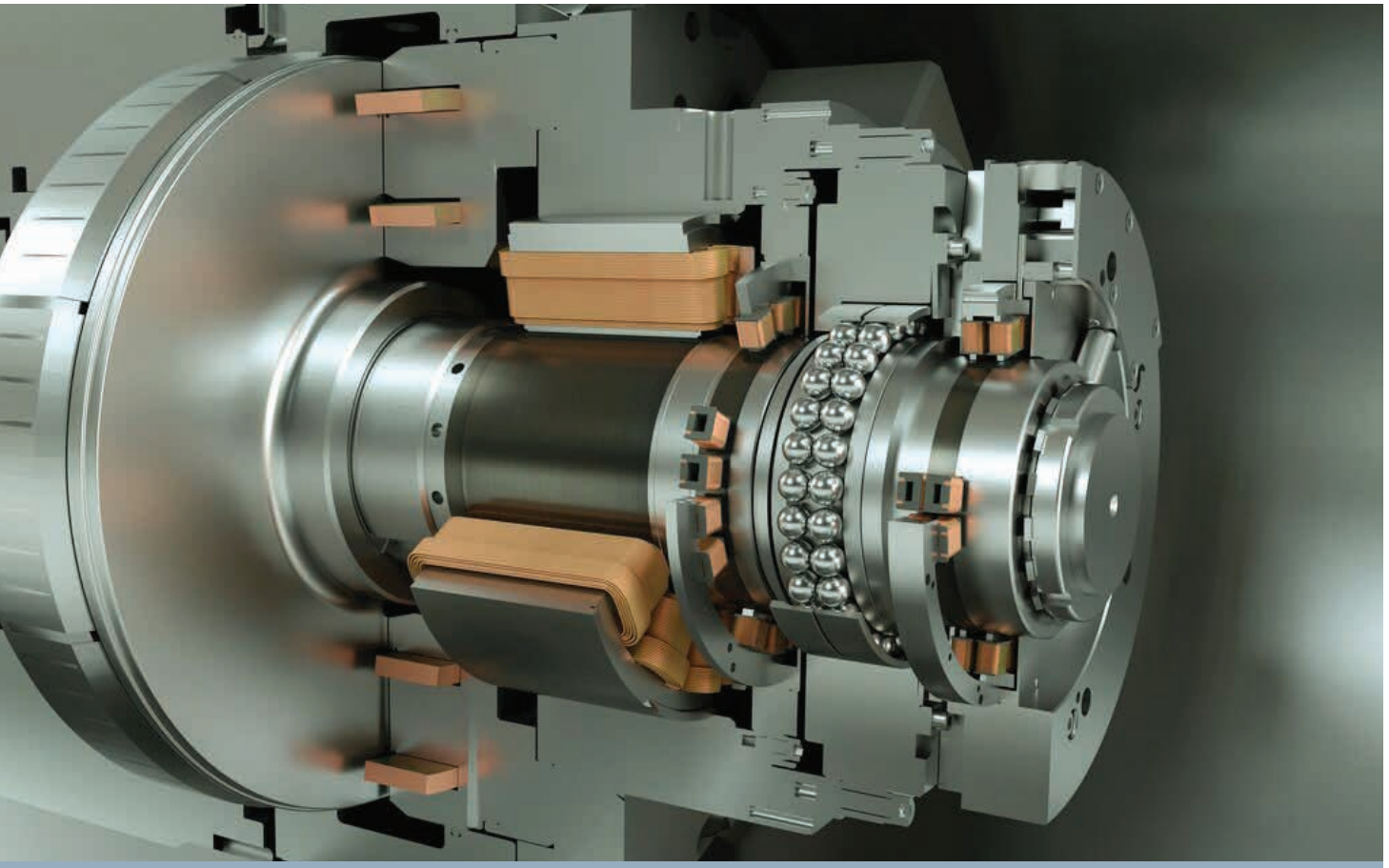




Undertaking materiality assessment

We focus on identifying key environmental, social, and governance (ESG) issues to create value for all our stakeholders. This strategic focus is crucial for promoting the long-term success of the Company while simultaneously safeguarding the well-being of those impacted by our operations. Through this intentional and informed approach, we aim to contribute positively to both our business objectives and the broader societal and environmental landscape.

 <p>Customer performance Enhance customer satisfaction</p>	<ul style="list-style-type: none"> Achieving customer satisfaction with various survey ratings by customers 100% reporting of customers' sustainability requirements 	
 <p>Economic performance Economic value creation and distribution</p>	<ul style="list-style-type: none"> Business growth as per the strategy 	
 <p>Anti-corruption Awareness about anti-corruption</p>	<ul style="list-style-type: none"> Training to employees and stakeholders 	 
 <p>Energy and energy management Energy saving emission reduction</p>	<ul style="list-style-type: none"> 6.3% energy savings for the baseline FY 2023-24 Renewable energy sourcing by 43% baseline FY 2023-24 GHG emission reduction by 3.7% from the FY 2022-23 baseline 	  



Water

Responsible water usage and water usage reduction

- Water consumption reduction by 7.8% from the FY 2022-23 baseline



Waste

Waste recycling

- 57% of waste to be recycled from the FY 2022-23 baseline



Occupational health and safety

Number of accidents

- Zero accidents



Supplier ESG performance

Supplier ESG and performance improvement

- Supplier ESG assessment for critical suppliers
- Reporting of Scope 3 emissions for 50% critical supplier
- Critical supplier training on ESG parameters



Driving growth through consistent innovation

SKF has a rich history of innovation, dating back to 1907, when Sven Wingquist revolutionised the industry with the invention of the double-row self-aligning ball bearing. This pioneering spirit continues to drive us today, as we focus on pushing the boundaries of research and innovation.

Throughout our journey, product and technology innovation have been central to SKF. Simultaneously, we have consistently expanded our focus to innovate in adjacencies, facilitating faster adoption and effective visualisation of value propositions. An illustrative example of this is providing customers with the right simulation tools, demonstrating our dedication to innovation that extends beyond product development.





Innovations in the rail industry

▶ Powering Vande Bharat Express - India's first semi-high-speed trains

The Vande Bharat Express trains stand as a testament to India's prowess. They are locally manufactured, high-speed, and offer enhanced passenger comfort and experiences. Our railway segment played a crucial role in this initiative by supplying technically proven bearings tailored for trainset applications. Collaborating with major private OEMs, Indian Railways, and the Research Design and Standards Organisation (RDSO), our team supported the design of propulsion and bogie systems for 70 rakes of Vande Bharat-type train sets.

Our commitment extended beyond the design phase. We worked closely with private OEMs to establish standard operating procedures and provided technical guidance at every stage. This included obtaining approvals and advising on bearing mounting, dismantling, and maintenance, thereby ensuring that our support extended into the aftermarket phase. This has resulted in a 60% share of business in SOB for wheelset TBUs and a 100% share of business in bearings for Drive Systems and Anti-Roll Bar Bearings.

▶ Ushering Green Railways

Indian Railways is making significant strides towards becoming a global leader in sustainable rail transport, with a goal to achieve net zero carbon emissions by 2030. One of the key challenges faced by them was extended lead times due to imports, leading to operational delays and increased costs. To address this, SKF's team collaborated with the customer to localise production at our Ahmedabad facility, resulting in reduced lead times.

We are the first to provide localised bearings to Indian Railways and

OEMs. By actively participating in the design and approval processes, our team not only secured a substantial 60% share of business for the Vande Bharat Trainset but also contributed to the growth of local industries.



Driving growth through manufacturing excellence

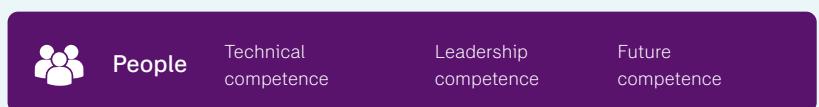
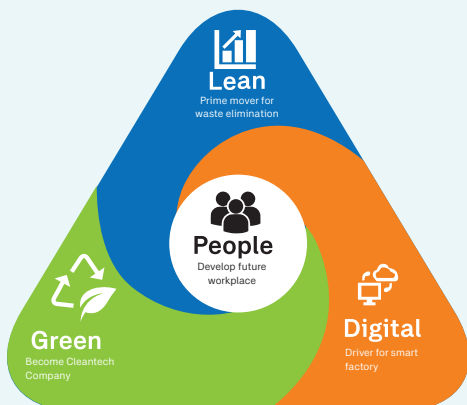
We strive for industry leadership by maintaining high standards of cleanliness, intelligence, safety, efficiency, and flexibility in our operations. We strategically position our facilities near our customers, ensuring shortened lead times and streamlined transportation processes. By embodying these principles, we aim to surpass stakeholder expectations, solidifying our position as one of the leaders in the industry.



Building a lean, green, digital factory

We have adopted a 'Lean, Green, Digital' factory strategy to achieve world-class manufacturing standards. This strategy is focussed on transforming the Company into a safer, more digitised, innovative, sustainable, and customer-centric entity.

Manufacturing strategy



Lean

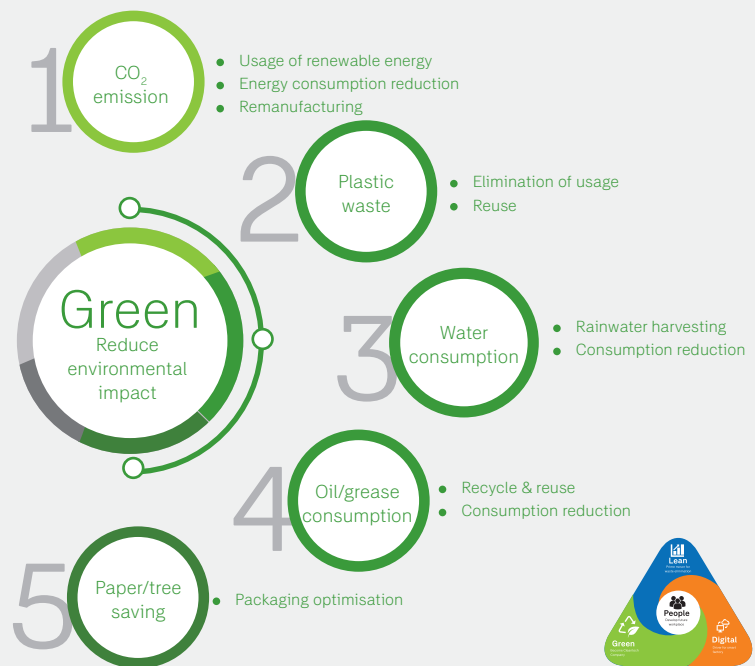
The Lean factory has a process which eliminates waste in its entire supply chain. It further adds value as per customers' requirements.



Manufacturing strategy

Green

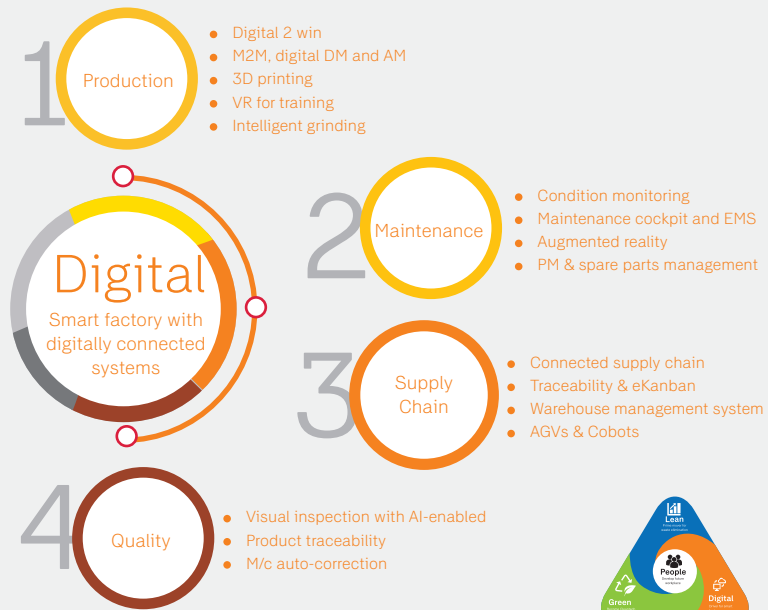
All activities within the factory of the future will be balanced with respect to environmental impact and efficiency.



Manufacturing strategy

Digital

Digital technologies enable efficient management of processes and people











Manufacturing strategy

Talent

Enhance and build people's ability to adapt, reskill, develop future competencies and step into new roles



Manufacturing strategy

Category	Performance indicator	Unit of measurement	Tool and methods
 Customer value	ASO projects completed/year	Nos.	Problem solving, ETO
 Synchronised flow and pull	Throughput time	Days	VSM and lean material flow, channel concept
	Factory lead time	Days	VSM and lean material flow, channel concept
	DIOD	Days	VSM and lean material flow, resetting excellence
 Built-in quality	BIQ Score	%	Built-in quality (BIQ) Level 1-5
 Waste elimination & add value	OEE	%	VSM and lean material flow, stability tools, including problem solving
	Productivity	%	VSM and lean material flow, stability tools, including problem solving
	Cost level - Total and variable (VA cost level)	%	VSM and lean material flow, stability tools, including problem solving
 Flexibility and adaptability	Resetting time/no. of resets	Hours/Nos.	Resetting excellence, maintenance excellence
 Worker-driven CI	Improvements/person/year	Nos.	All tools and methods
 Green	Energy consumption	kWh/VA	Stability tools, problem solving
	CO ₂ emission	Tonnes	Stability tools, problem solving
	Oil consumption	Litres	5S, problem solving, Maintenance excellence
	Water consumption	Litres	5S, Problem solving
	Plastic waste	Kgs	Problem solving
	Tree saving (paper reduction included)	Nos.	Problem solving
 Digital	OEE improvement through digitisation	%	Digitalisation projects
	Shop supplies cost saving due to 3D printing	INR Million	Digitalisation projects

Green manufacturing initiatives

Addressing climate change is a critical concern in today's world. At SKF India, we are dedicated to minimising our environmental footprint through ongoing operational enhancements. Our green manufacturing strategy revolves around cutting GHG emissions, preserving natural resources, and minimising hazardous waste.

As part of this initiative, we have implemented various projects to mitigate the environmental impact of our manufacturing processes, products, and services. Our goal is to significantly reduce any adverse effects on the environment.

Water conservation

The manufacturing facilities of SKF India are dedicated to conserving water resources. We achieve zero water discharge by treating used water through effluent treatment plants (ETPs) and sewage treatment plants (STPs), repurposing it for gardening and personal hygiene. Additionally, all our factories are equipped with rainwater harvesting systems and water storage facilities, reducing our reliance on fresh water sources. In the past year, SKF India sites have successfully decreased their water consumption by 7.8%, showcasing our commitment to sustainable water management practices.

7.8%

Decrease in water consumption over last year



Oil and chemical consumption reduction

SKF India is actively engaged in a programme aimed at reducing the consumption of oil and chemicals, while also minimising waste and spillage. For the past four years, all SKF India sites have been free of volatile organic compounds (VOCs). Additionally, our sites utilise sludge compacting machines to recycle coolant, thus preventing soil pollution during sludge transport. Both the SKF Bengaluru and Haridwar plants recycle grinding dust, avoiding the need for landfilling or incineration. These initiatives highlight our commitment to sustainable practices and environmental stewardship.

All SKF India sites have been VOC-free for the past

4 years



Waste elimination and saving trees

SKF India sites are actively engaged in reducing their paper and plastic consumption through collaborative projects with suppliers and customers aimed at optimising packaging. One significant initiative involved segregating plastic and paper waste at all manufacturing locations and offices to enhance waste recycling efforts. The reduction in paper consumption is particularly impactful, leading to savings equivalent to approximately 302 trees last year alone. These efforts reflect our commitment to sustainable practices and environmental conservation.

302

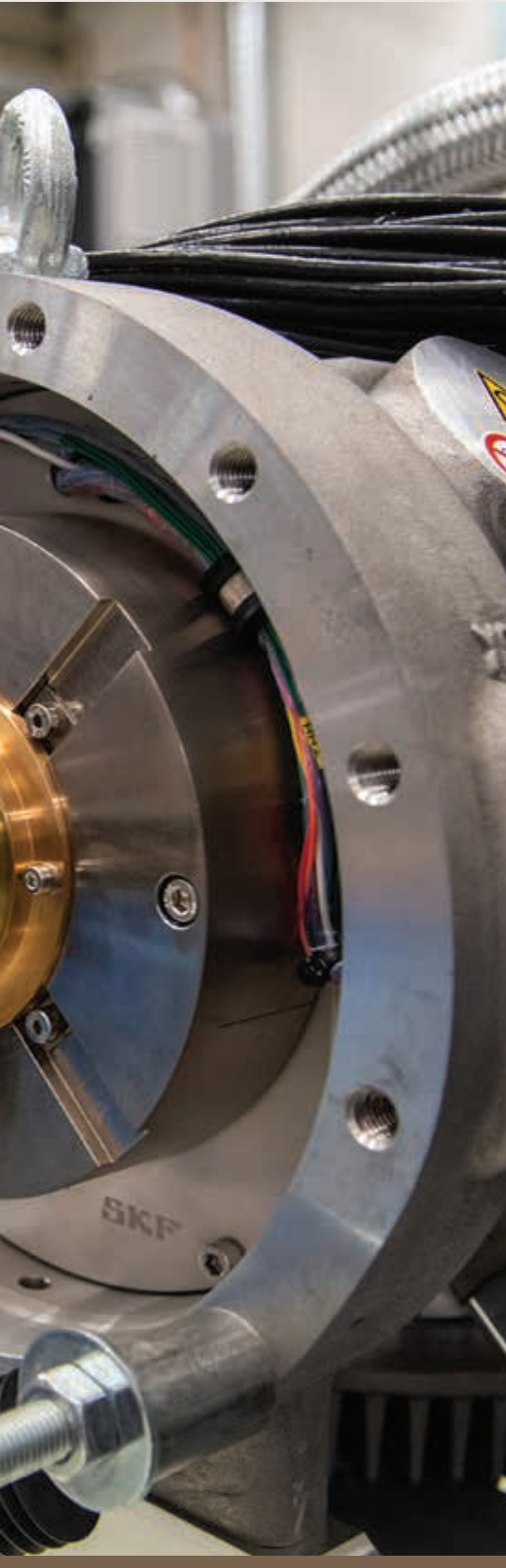
Trees saved

Driving growth by enhancing customer experience

We put our customers at the heart of everything we do, dedicated to delivering tangible value through strategic initiatives. Collaborating with our clients throughout the value chain, we tap into our expertise to drive environmental efficiency, boost productivity, and enhance financial performance.

By delving deep into customer insights, we create innovative solutions geared towards fostering sustained growth and providing a competitive edge. This has fostered strong partnerships within the automotive and industrial sectors, enabling them to achieve growth rooted in sustainability. Through efficiency improvements, quality advancements, smarter raw material utilisation, and decreased environmental impact, we empower our partners to thrive.





Value for SKF



Income generated by providing products; the opportunity to grow captive market share by capitalising on long-standing relationships with customers; leveraging digital technology to improve and develop new products

Value for customers



Access to innovative, cost-effective, tailor-made products that are delivered through efficient operational infrastructure driven by technology, to protect the financial well-being of individuals and empower businesses to grow sustainably with an ethical and responsible approach to doing business

Value shared



- 40 products created
- 3 manufacturing units for products

Passenger and small commercial vehicles wheel end bearing

At SKF, our extensive experience involves collaborating closely with customers to deliver top-notch products that meet their high-performance demands while aligning with sustainability goals, especially across various fuel powertrains. Our commitment to advancing rotation for a brighter future is evident in how SKF's engineering excellence drives innovative partnerships for sustainable mobility in passenger and small commercial vehicles. We are proud to partner with industry-leading OEMs, offering unique value propositions in wheel hub bearings.

SKF's distinctive offerings—low friction, high stiffness, and low weight—have played a pivotal role in creating solutions that not only meet but exceed expectations. By engaging with customers early in the vehicle design phase, we ensure that our solutions are designed to seamlessly integrate with the overall vehicle system requirements. This proactive approach has led to improvements in key performance areas such as fuel efficiency, extended range, superior handling, all-terrain capabilities, and increased vehicle uptime for small commercial vehicles.

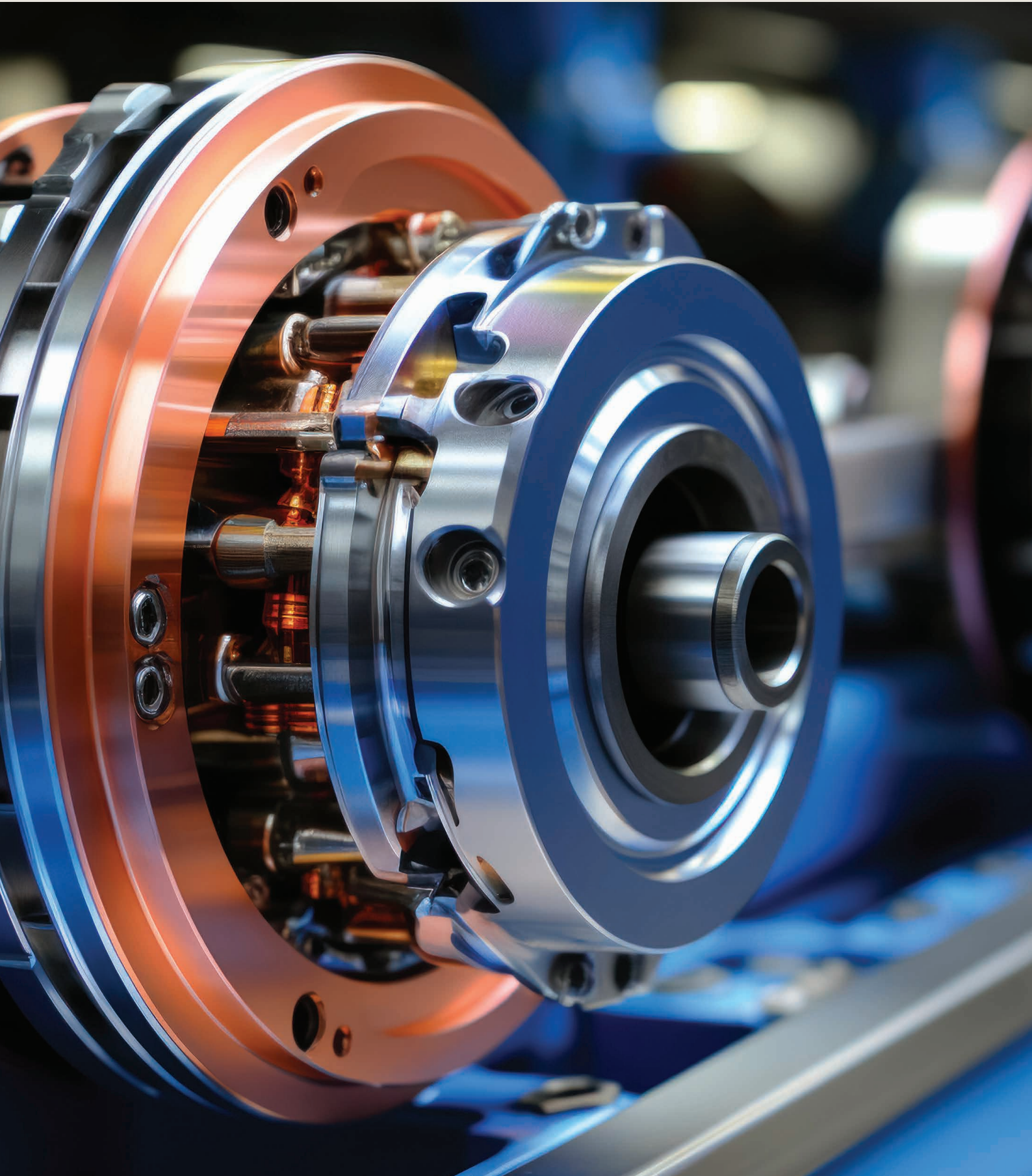


Passenger vehicle drive shaft bearing

The rise of SUVs has placed greater emphasis on the performance of all-terrain vehicles. This is particularly true in drive shaft applications, where bearing performance specifications regarding contaminant ingress resistance are crucial for vehicle durability. One common industry challenge is the ingress of mud into bearings during off-road vehicle use, which often results in premature failure.

To address this issue, SKF has developed a patented labyrinth seal design using advanced dynamic simulation tools. This design strikes a balance between superior sealing performance under demanding all-terrain conditions, including high temperatures and misalignment, while meeting high-performance requirements. The result is high-performance bearings that are well protected against contaminant ingress. This leads to lower power loss, reduced friction, and high performance across a wider speed range. Moreover, this new seal design has the potential to enhance sealing performance and reduce friction in similar automotive applications.





Driving growth by adding value for our employees

Our success rests on the shoulders of our incredible team, and we prioritise nurturing an engaged, purposeful, and motivated workforce. Through targeted initiatives, we create an environment where every employee feels empowered to work with a clear sense of purpose and where their skills and potential are maximised. We are dedicated to making substantial strides in enhancing gender diversity within our workforce while also fostering a culture of success and high performance.





Value for SKF

A workforce that is aligned with Group and divisional strategies and embraces SKF's entrepreneurial spirit, performance-driven culture, and inclusive culture, effectively deliver market-leading value propositions to customers

Value for customers

Fair remuneration and benefits including access to wellness and support services, career progression opportunities; a positive and inspiring work environment, including safe working conditions

Value shared

- INR 3,433.70 Billion monetary benefits
- 91 trainings conducted
- Over 50% employees involved in social responsibility initiatives
- 8% women and 92% men

People experience, vision, and strategy



Our 'people and leadership' pillar plays a pivotal role in our 'intelligent and clean' strategy.' We have reimagined our approach to people management through collaborative efforts to unlock new opportunities.

The vision of People Experience at SKF India is **'To be among the top 25 best places to work by 2025'**, which puts our employees at the centre of everything we do. Our strategic priorities are **leadership, succession, diversity, and culture.**

Our objective is to cultivate an exceptional employee experience by offering diverse learning avenues, meaningful career paths, and a purpose-driven culture. We strive to create an inclusive atmosphere that nurtures a sense of belonging and empowers individuals to achieve their full potential.

As a manufacturing entity, SKF's sustainable value creation is grounded in transparent information sharing, dialogue, and a robust culture built on trust and loyalty between management and the union.

At SKF, we are shaping a people-centric approach to culture and leadership. To achieve this, we are investing in our workforce, providing them with future-ready skills, and offering a unique and comprehensive employee journey. We are also committed to fostering a high-performance culture and promoting inclusive leadership, where individuals are encouraged to bring their authentic selves to work and are supported in realising their maximum potential.

Our leadership model at SKF India is centred on three pillars: develop yourself, develop others, and develop the business. During FY 2023-24, we introduced new programmes to help our leaders advance in their leadership journey. These initiatives have equipped our senior leaders with highly effective training, enabling them to enhance self-awareness, listen attentively to the needs of others, and create a safe environment for feedback.

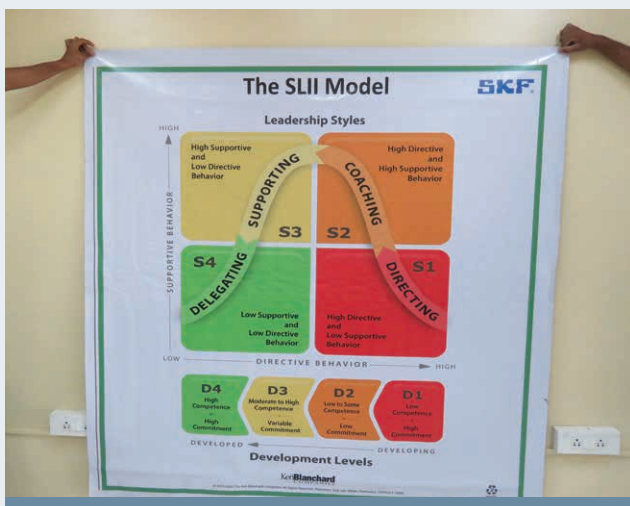
At SKF India, leadership is not confined to people managers; every employee is considered a leader. All employees are expected to demonstrate leadership by excelling in their respective fields and aligning with SKF India's leadership expectations. Strong leaders at SKF India can effectively balance leading themselves, leading others, and leading the business. This model, emphasised in FY 2023-24, now serves as the cornerstone for leadership assessments and the performance development process.

Here are examples of some of the activities and initiatives we defined for each strategic area to ensure progress:

My manager cares (MMC)

Fostering an agile, high-performing and psychologically safe workplace

MMC is a holistic initiative aimed at empowering leaders to become adaptive and effective in their roles. It is an umbrella initiative with basic advanced, and certificate programmes. It provides leaders with simple yet powerful frameworks to establish deeper connections with their teams, making every day more inspiring, motivating, and meaningful. This initiative not only enhances leadership skillsets but also nurtures the right mindset and emotional intelligence necessary for effective leadership in any circumstance. Together, these programmes of MMC reinforce our commitment to nurturing adaptive leadership and fostering a positive organisational culture at SKF.



Living blue

Creating psychological safety and promoting well-being in the post-pandemic workplace

This unique programme aims to educate people managers on their crucial role in fostering a psychologically safe workplace where employees feel comfortable communicating openly and are treated with empathy. It emphasises the responsibility of managers to nurture a fearless and transparent team environment, which is essential for building a winning culture. The one-day workshop offers valuable insights through leadership talks, role plays, discussions, and exercises. It gives managers the opportunity to reflect on how they can promote fearlessness and empathy in their daily interactions.



Transcend

Improving foundational strength and building on skills

TRANSCEND is a signature learning programme tailored for key leaders, designed to tackle our challenges, ensure business continuity, and offer a unique learning experience for both individuals and groups. The programme aims to enhance individual capabilities to drive growth now and, in the future, helping participants understand their foundational strengths and equipping them with the skills needed to transition from managing others to managing managers. Through this programme, leaders will practice applying their learnings to navigate complex business challenges and lead their teams effectively.

Lead-X

Enhancing long-term excellence in leadership and succession planning

In the modern business landscape, effective leadership demands authenticity, influence, and a diverse range of experiences to drive organisational success. Developing into a multi-dimensional leader entails acquiring experience across different regions, industries, and business functions. To address these requirements, our LeadX programme offers a flexible and empowering platform for individuals to enhance their skills and meet customer demands more effectively.

LeadX is a comprehensive leadership initiative designed to enable individuals to make informed career decisions and broaden their leadership competencies. It provides three pathways for developing multi-dimensional expertise: cross-cultural exposure (short-/medium-/long-term assignments in different countries or roles), cross-functional exposure (undertaking a dual role

or transitioning to a different function), and cross-industry exposure through externships. This innovative programme allows employees to temporarily work at other organisations to stay abreast of industry trends, learn best practices, and cultivate an external perspective.

With LeadX, employees have meaningful opportunities to enhance their expertise and expand their leadership capabilities.

Power the future

This programme offers participating leaders, opportunities for growth and self-reflection, allowing them to gain a deeper understanding of their strengths and areas for improvement. It aims to enhance self-awareness, improve team leadership effectiveness, and help achieve organisational goals. By providing a curated learning experience, the programme also seeks to develop a robust leadership pipeline for ISEA leadership roles.

She leads

The Women's Leadership Programme is designed to help participants reflect on their strengths and areas for improvement, creating a high-impact development plan. It equips them with skills and tools to increase their influence and impact, such as negotiation skills, influencing, and change management. The programme also aims to help participants understand organisational dynamics and navigate them effectively. Participants learn from their peers' experiences and have access to external resources, including coaches, facilitators, and learning materials, to enhance their learning agility and overall experience. Eligibility is a minimum of one year at SKF with consistent performance ratings.

iAspire

Enhancing GTM effectiveness and empowering sales leaders for customised development

The iAspire programme was launched to cultivate sales leaders with exceptional GTM and leadership skills, tailored to address evolving market dynamics and changing customer service needs. The initiative began with a comprehensive assessment of the competencies needed for each sales role, followed by the establishment of an in-house development centre to enhance GTM capabilities.

The programme was implemented across nine development centres, featuring a range of activities including case studies, role plays, group discussions, and simulations. It engaged over 88 participants, 39 assessors, and 15 coordinators across three cities, ensuring a robust and impactful learning experience.



Fostering growth

Building skills and cultivating a culture of learning

As part of our commitment to employee experience, we aim to provide vibrant career paths, meaningful growth opportunities, and continuous learning. In FY 2023-24, we enhanced our focus on lifelong learning, empowering individuals to future-proof themselves and the Company. Globally, a new learning management system (LMS) was implemented, enabling employees to access e-learning and formal programmes.

91

Number of classroom/ virtual workshops

18.4 hours

Total number of employee hours spent in classroom training

91

Number of classroom/ virtual training offered

1,120

employees Attended training

Peakon survey

Our quarterly Peakon surveys help us closely monitor employee motivation and well-being. This enables us to pinpoint areas for improvement at both individual and team levels. These help form a solid foundation for nurturing a truly inclusive workplace.

Our outstanding performance in the Peakon survey, scoring above the true benchmark for all parameters, reflects SKF's steadfast commitment to fostering a positive work environment. This success in engagement, freedom of opinion, goal setting, growth, meaningful work, peer relationships, recognition, workload, autonomy, and strategy is the result of various initiatives. All of these are aimed at creating a more inclusive workplace for our employees.



Peakon – Pulse survey



The scores in FY 2023-24 are above the true benchmark.

Promoting diversity and inclusion

Fostering an inclusive environment for all

As an employer, SKF is committed to building a diverse and skilled workforce to enhance competitiveness and achieve organisational goals. In FY 2023-24, we made significant progress in promoting gender diversity and inclusion. We increased gender diversity by an impressive 5.1 percentage points, achieving a 31% gender diversity rate in leadership roles.

The Women’s Network initiative, a key programme aimed at recognising and addressing gender-related challenges within the Company, played a pivotal role in this achievement. By focussing on women’s development, enhancing the work environment, and boosting the confidence of female employees, SKF has fostered a more inclusive and supportive workplace culture.

These efforts not only empower employees but also position SKF as a leader in the industry, laying a strong foundation for future success. Our commitment to diversity and inclusion ensures that all employees feel valued and have equal opportunities for growth and advancement. We are proud of the progress made in this area and remain dedicated to furthering these initiatives.



Health and safety

At SKF, ensuring the health and safety of our employees is of paramount importance. We are dedicated to ensuring ‘zero harm to our employees and society,’ firmly believing that all work-related accidents can be prevented. In blue-collar roles, our focus is primarily on physical health and safety, a principle that also extends to our suppliers as part of our responsible sourcing approach. Safety always comes first, and we are committed to maintaining a workplace where everyone can perform their duties without compromising on their well-being.



Prioritising safety

At SKF, health and safety management remain our foremost priority and are deeply embedded in our strategy. We are committed to providing a safe and healthy environment, free from accidents, injuries, and occupational health hazards. To achieve this, we have adopted a structured approach to implementing safety policies and programmes, integrating safety with our business processes to continuously improve safety performance.

In all our business decisions, we adopt a safety-first approach. We have nominated EHS coordinators who provide expertise, guidance, and support to our sites. Our employees are key stakeholders in occupational health and safety. We also have health and safety committees on all certified sites as part of our governance structure.

Additionally, we are proud to be ISO 45001-certified. This ensures that we meet and exceed the standards for health and safety management.

Building safety leadership capability at all levels to achieve zero harm

At SKF, we are dedicated to setting standards above and beyond certified management systems to improve safety. We actively share our safety standards and experiences with operators, contractors, and professional organisations to help enhance safety across industries. Our approach to managing safety risks involves using standards, controls, and compliance systems, with a strong focus on eliminating unsafe acts. Training and awareness

are core components of our safety strategy.

We have initiated efforts to map the safety competency of our employees and have planned actions to enhance their skills and knowledge through our training centre, KUSHAL.

Collaboration with contractors and suppliers is essential to ensure their understanding of our safety requirements. We mark National Safety Day by celebrating Safety Month and participating in World Environment Day, engaging all stakeholders in promoting safety and environmental awareness.

Safety results

Parameter	FY 2023-24	FY 2022-23	FY 2021-22
Work-related fatalities	0	0	0
Serious recordable accidents	1	0	0
Recordable accidents	2	5	5
First aid accidents	15	9	4
Near-miss	63	59	51
Unsafe conditions/acts	9,920	5,962	6,838

Driving growth by preserving our environment

We are deeply committed to tackling one of the most pressing global issues today: climate change. Our approach revolves around sustainability, with a strong emphasis on promoting a circular economy.

This ambitious goal hinges on the collective efforts of every team member, rallying behind the Company's climate action initiatives. We are fully committed to decarbonisation goals, energy-saving measures, and comprehensive waste and water management programmes. Our commitment is not just about safeguarding the environment; it is also about securing the long-term success of our business while fulfilling our responsibility towards the planet.





Reaching net zero

We have been working on the climate issue for many years. Our proven track record makes us confident of reaching our climate goals.

- By 2030, all our production facilities globally will have net zero GHG emissions.
- By 2050, our full supply chain, from materials to the delivery of our products and solutions, will be net zero.

Reaching these goals requires major focus and commitment from people within our operations and from those working at our suppliers throughout the full value chain – and we are off to a good start.

Our approach

At SKF, our plan to achieve the 2030 goal is based on continued measures in two main areas.

Driving growth by caring for our communities

At SKF, our core belief is that our role extends beyond just running a business; we exist to serve society. Our primary objective is to run our operations in a way that ensures long-term success and sustainability, all while contributing positively to society. Our CSR strategy is built on the principle of shared value creation, aiming to continuously engage with communities. We address various issues, including education and skill development, as part of our ongoing effort to make a meaningful impact.



At SKF, we believe that our business exists for the society, by the society, and of the society, not the other way around. Our objective is to drive the business for this very purpose, ensuring natural longevity and continuity. Our CSR strategy is deeply aligned with our core values of COLLABORATION, CARE, CURIOSITY, and COURAGE. It reflects a shared value approach that aims to create long-lasting added value for the Company, society, and the planet. We are transforming CSR from a duty to a core part of everything we do.

We understand the importance of responding to community challenges and enabling communities and economies to support sustainable and inclusive growth. Accordingly, SKF and our employees are actively engaged in undertaking activities through our flagship programmes in education, skilling, and environment. This is our way of making a positive and lasting impact on marginalised communities and doing our bit for the environment. Our positive contributions include projects that support underprivileged communities through education, vocational training, and environmental rejuvenation. We also participate in voluntary work like blood donation camps and tree planting.

As SKF is positioned for the next 100 years in India, we envision forging partnerships and collaborations, and scaling impact for a high social return on investment. We aim to meet and exceed our commitment to communities for today, tomorrow, and beyond. SKF's 'Community Care' Model is in accordance with UN SDGs and aims to directly and indirectly touch 0.4 million lives by 2025. Together, we aim to work towards building a better future for all, characterised by equality, opportunity, and environmental stewardship.



Value for SKF

Good standing in the community enhances brand reputation and the opportunity to form value-adding partnerships to help resolve social and environmental issues

Value for communities

Better quality of life for vulnerable members of society, environmental protection and preservation, improvement in the country's socio-economic indicators, including health, education, and vocational skills and sustainable development for small business entities through supplier development programmes

Value Shared

- INR 110.9 Million CSR expenditure
- 5 CSR programmes
- 67,779 Beneficiaries

WeGyaan: STEM Education

STEM, which stands for science, technology, engineering, and mathematics, represents more than just these subjects. It embodies a unique approach to teaching and learning that revolves around individual students' learning styles and interests. At SKF, we are committed to developing analytical skills through unique learning experiences.

Our STEM Education Programme, WeGyaan, aims to unleash the transformative power of education among a wider section of students from marginalised communities. We believe that progress thrives on the nourishment of creative minds. With a target of reaching 48,000 beneficiaries by 2025 through STEM labs, innovative learning tools, and science kits, we are enhancing children's interest and participation in STEM education and STEM-centric career opportunities. This initiative contributes to building India's talent pipeline of scientists

<h1>12</h1> <p>Locations</p>	<h1>37,311</h1> <p>Beneficiaries (students)</p>	<h1>89</h1> <p>Schools</p>
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and engineers who will drive innovation, progress, and economic growth. The programme includes setting up science labs in schools, teacher training, mental well-being workshops, and career counselling sessions.



Success stories

Madhavi, a ninth-grade student at GHPS Mayasandra School, is a shining example of dedication and enthusiasm for STEM education. Her passion for science and mathematics has not only propelled her academic success, increasing her grades by 20%, but has also inspired her peers. Madhavi credits the STEM lab in her school for helping her gain clarity in her concepts through experiential learning. She is determined to pursue her higher studies in engineering, thanks to the impactful STEM education she has received.

Falguni, with a background in M.Sc. and B.Ed., specialising in mathematics and science, began her teaching journey in 2016 at a government primary school in her village. Her passion for teaching led her to join Model School Sanand, where she was introduced to STEM intervention. This introduction revolutionised her teaching approach for 9th and 10th-grade students. Falguni's dedication and innovative teaching methods earned her recognition as one of the most exemplary teachers in the STEM Teachers Award 2022. She attributes her success to the STEM labs, which have enabled her to deliver quality sessions on related subjects. Falguni sees her teaching journey as a continuous learning process and is grateful for the resources that have helped her enhance the learning experience for her students.



Udaan: Girls' education scholarship

The higher education of girls from economically weaker sections of society has been a concern in India, primarily due to financial constraints. SKF's commitment to inclusivity and diversity in all aspects of conducting business drives our belief that empowering girls begins with education and access to information.

Through our girls' education scholarship programme - Udaan - we aim to promote education and gender equality by supporting deserving girls to pursue higher education from a recognised college or university in India. This programme not only provides financial assistance but also offers holistic coaching, mentoring, and improvements in employability in fields such as engineering, medicine, and teaching, among others. Our goal is to positively impact the lives of 665 girl students by 2025.



Success stories

Pranjali, a determined young girl from the drought-prone village of Kalam in Maharashtra, faced significant financial challenges that threatened her dream of becoming a doctor. Her parents, who work as labourers in the fields, struggled to support her aspirations. However, with the support of the SKF scholarship, Pranjali was able to achieve an impressive 84.77% in her 12th grade exams and a stellar NEET score of 453. Buoyed by this success, she pursued her studies in MBBS at a government college in Dhule. Pranjali's story is a heartwarming example of how care and collaboration can transform lives, breaking down barriers and enabling individuals to reach their full potential.

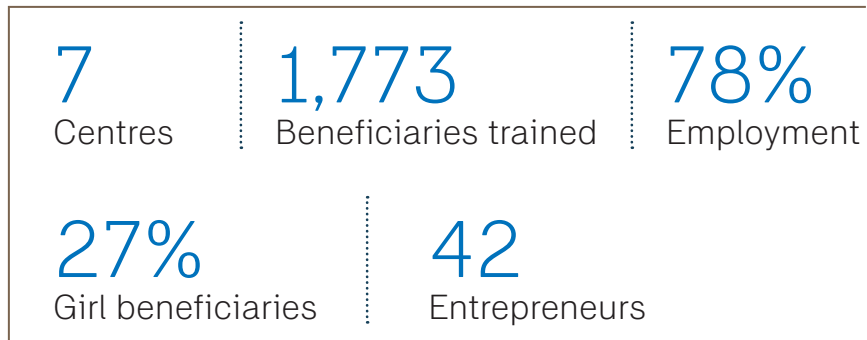
Mohini's inspiring journey began in the village of Sonari, Osmanabad, where education beyond the 10th grade was unheard of. Despite facing challenges such as drought and financial struggles, she remained steadfast in her pursuit of education. As the first girl in her village to complete her higher education, she became a beacon of inspiration for others. What truly sets Mohini apart is her resilience. Despite the lack of network connectivity in her village, she persevered, never losing sight of her dreams. With the financial support of the SKF scholarship, Mohini excelled in her engineering studies, achieving an impressive score of 9.71. Her hard work paid off when she secured a job at Capgemini with an annual package of INR 4.5 Lakh. Mohini's story is a testament to the power of determination and the transformative impact of education. She has not only defied the odds but has also paved the way for others in her community to dream big and achieve their goals.



YES - Youth empowerment at SKF (Skill development)

India's emergence as a growing economy is accompanied by a booming manufacturing sector, with over 65% of the population below the age of 25. However, a major challenge lies in providing these youths with adequate skills to make them employable. The Indian automobile industry, in particular, has witnessed significant growth, leading to a high demand for skilled garage mechanics. Unfortunately, the current pool of untrained mechanics lacks formal professional training, highlighting the need for intervention.

In response to this need, SKF launched the YES programme, which provides vocational skill training in automobile maintenance through the establishment of skilling centres. The programme aims to equip 6,300 youths for the automobile industry by 2025, focussing on technical, entrepreneurial, and lateral competencies such as basic computer knowledge and soft skills. These YES centres are emerging as creators of a trained workforce for various automotive areas, supporting the automotive ecosystem and promoting sustainable business practices.



The training programmes at YES centres combine theory with hands-on training in two- and four-wheeler repair and maintenance services. Additionally, they offer skilling programmes for roles like sales executives and customer



care, with a focus on empowering women. Through initiatives like the YES programme, SKF is not only addressing the skill gap in the automobile industry but also contributing to the empowerment and employability of Indian youths.

Success stories

Gaurav, a learner from Killewadi, Koregaon, Satara, comes from a family of six, including his grandparents, parents, and a sibling. His parents work as farmers. Despite his background, Gaurav has shown determination and a thirst for learning. He expresses his gratitude to SKF and TATA Strive for providing him with the opportunity to learn technical skills and customer handling skills. After completing his three-month on-the-job training (OJT) at a Tata Motors dealership in Pune, Gaurav went on to join Ashok Leyland in Hadapsar, Pune, as an electrician in automobiles. Gaurav's journey is a testament to his hard work and the impact of programmes like the one offered by SKF and TATA Strive in providing valuable learning opportunities and enabling individuals to pursue their career aspirations.

Nikhil's father sells coconuts for a living, and his mother is a housewife. Despite his family background, Nikhil was determined to create a better future for himself. He learned about the YES Centre through his friends and decided to apply for the course. After completing the course, Nikhil gained valuable skills and started working in a local garage. However, he soon realised that he wanted to do more and decided to start his own garage. Along with two partners he met at the YES Centre, Nikhil applied for a seed fund and successfully started a garage in Bengaluru. The garage offers a range of services, including mechanical repairs, denting, painting, washing, electrical work, vehicle modification, and used vehicle sales. Nikhil's hard work and determination paid off, as he successfully repaid the seed funding of INR 3.75 lakh and now runs a successful business without any bank loans. His story is a testament to the transformative power of skill development programmes like the one offered by the YES Centre.

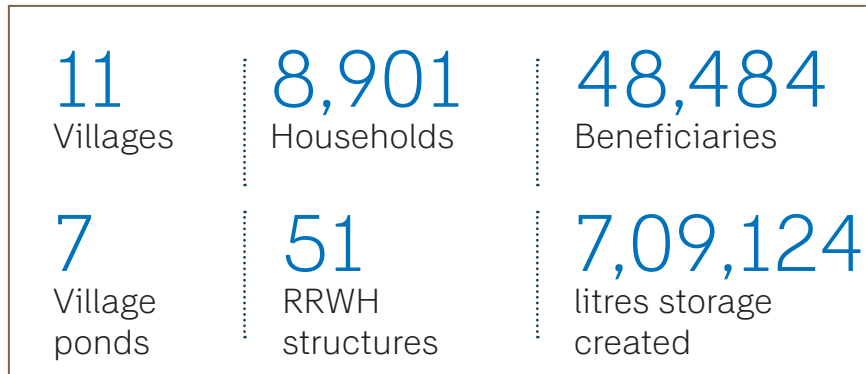
Water sustainability

SKF recognises the urgent need to address water challenges, particularly in India's arid and semi-arid regions where erratic rainfall, prolonged droughts, and rising temperatures have intensified water stress. In response, we have strategically focussed our CSR efforts on water sustainability, aiming to make a tangible difference in the lives of affected communities.

Our water sustainability initiative is more than just a project; it is a beacon of hope for regions grappling with water scarcity. Implemented across 11 villages in Gujarat, Uttarakhand, and Rajasthan, this initiative is poised to revolutionise the water landscape in these states.

Through a comprehensive strategy centred on active community participation and collaboration, we focus on rejuvenating traditional village water bodies and constructing roof rainwater harvesting structures (RRWHs) and soak pits. By harnessing nature's bounty and preserving age-old water management practices, we aim to empower communities and safeguard their fundamental right to clean, potable water.

At SKF, we believe that everyone should play a part in building sustainable and liveable



communities. Our environmental sustainability initiatives extend beyond water conservation to include increasing green cover through sapling and tree plantations, preserving biodiversity, and developing cleaner communities through community-based solid waste management practices. We support households in waste segregation, reducing, repurposing, and recycling waste, thereby

significantly reducing landfill contributions.

In regions where water scarcity poses a significant challenge to daily life, SKF's water sustainability initiative stands as a testament to our commitment to environmental stewardship and community well-being. Together, we are ushering in a new era of sustainability and resilience.

Success stories

Bundaki, a woman farmer, lives in the village of Khejadla with her husband Kanaram, their daughter, and son. Coming from a marginalised community, Kanaram worked as a daily wage labourer, while Bundaki managed the household, tended to their animals, cooked, and took care of the farm.

Their biggest challenge was access to water. Obtaining clean water for drinking and household chores was a daily struggle. The village's primary water source, a ground level reservoir (GLR), was often unreliable, and the water quality was unsuitable for drinking. Like many women in the village, Bundaki bore the brunt of this scarcity, spending 2-3 hours every day fetching water and making 7-8 trips just to meet the family's basic needs. The physical toll was immense, and the constant worry about water quality cast a shadow over their lives.

With the installation of the RRWHS, life has changed significantly for Bundaki and her family. The benefits extend far beyond mere convenience. They now have access to clean water for drinking and household needs, improving hygiene and sanitation. The RRWHS has relieved Bundaki of her daily struggle, allowing her more time to tend to other household responsibilities and engage in farming. The family is now enjoying better health and a higher quality of life, thanks to the RRWHS.

Bundaki's story is a powerful testament to the transformative impact of sustainable water solutions on marginalised communities.

Driving growth by engaging with suppliers

At SKF, our foremost aim is to support our customers in improving the performance and reliability of their rotating equipment. We are dedicated to promoting sustainability by actively reducing emissions and waste throughout our operations. We highly value our suppliers and subcontractors, recognising their integral role in our supply chain. Their commitment aligns with ours as we strive to deliver top-tier products and services of unparalleled quality.



As an organisation with manufacturing and sales operations across India, our engagement with suppliers is focussed on delivering high-quality products and exceptional value to our customers. We prioritise establishing long-lasting partnerships with suppliers that enable us to unlock value, differentiation, and innovation for our customers while minimising our supply chains' environmental impact. Over the past two years, we have intensified our collaborative efforts with suppliers, leveraging our partnerships and capabilities to ensure availability and provide value for our customers.

Localisation is a key objective for SKF India, offering not just cost and lead time benefits but also contributing to our sustainability goals by reducing our carbon footprint. In FY 2023-24, localisation reached 81% for direct materials (components used in bearings), with the THU product line achieving 100% localisation at the start of its SOP.

Through our net-zero strategy, we aim to collaborate closely with our suppliers to minimise their environmental impact. Our teams actively engage with supplier partners through regular training and seminars to align them with our sustainability journey. More information on this can be found in the environment section on pages 50-59.

At SKF, we are renowned for our quality standards. To maintain this reputation, we implement focussed supplier development (FSD) and Lead Supplier Quality (LSQ) programmes with our suppliers. These initiatives have helped reduce SKF India's supplier quality issues by 24% in previous years, ensuring that our customers receive the highest quality products.

As part of our responsible sourcing efforts, we focus on enhancing suppliers' understanding of compliance requirements. Our responsible sourcing programme ensures the effective implementation of the SKF code of conduct for suppliers and subcontractors. This programme is integrated into our supplier development efforts, covering delivery, quality, product compliance, and adherence to our code of conduct. We conduct regular audits to ensure that our suppliers comply with the code, adhering to ethical and legal guidelines.

Highlights of FY 2023-24

In March 2024, we conducted a comprehensive supplier meet to discuss key initiatives and future plans. During this event, we launched the Supplier Sustainability Policy (ISEA) to ensure that all our suppliers align with our environmental and ethical standards. Inspired by the Kaizen Competition from MU, ISEA, we introduced the Poke Yoke competition, which received 30 nominations and awarded the best 2 entries for their innovative solutions.

We also held a Reflection Workshop to emphasise the importance of our decarbonisation goals, focussing on the future value chain (FVC) 2050 targets. As a mandate, all new major suppliers are required to comply with our code of conduct. We periodically review existing suppliers, with an annual target of 50 audits. Our purchasing KPI is designed to upgrade suppliers to the next level, achieving 20 supplier upgrades in 2023 and targeting 30 upgrades in 2024. Overall, all our direct material suppliers are covered under the code, with Integrated Direct Material Suppliers (IDMS) prioritised based on business criticality.

Ensuring frictionless governance mechanisms

At SKF India, integrity forms the foundation of our operations. We conduct our business with a strong sense of economic, social, and ethical responsibility. Our actions and practices are guided by the principles of good governance, ethical standards, and robust control and accountability measures.





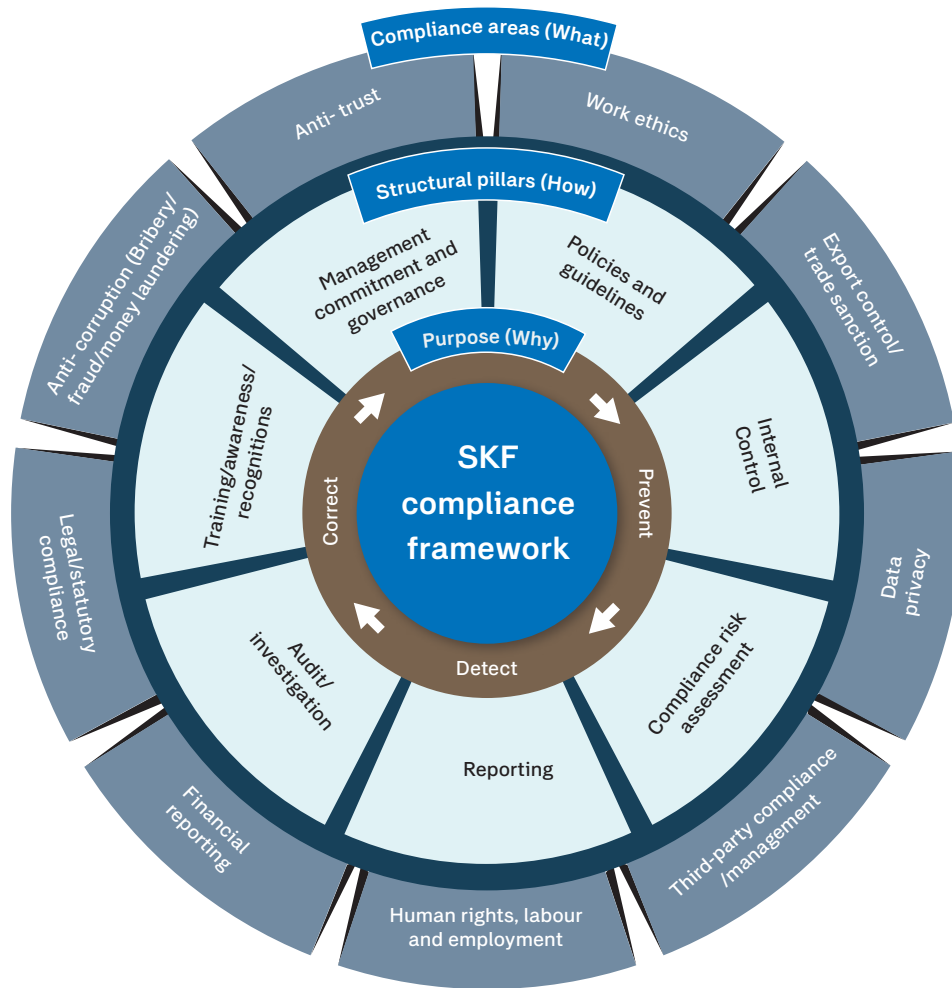
We hold our team to the highest standard of integrity, expecting full ownership and a commitment to ethical conduct. Continuously striving for improvement, we seek opportunities to enhance transparency in our business practices. Our goal is to ensure that every individual comprehends and fulfils their responsibilities with clarity and dedication.

Our reputation for ethical conduct and integrity relies on the daily actions and decisions made throughout the Company. We have empowered and equipped our employees with a structured compliance framework to help them meet these expectations.

In FY 2023-24, we conducted various awareness programmes to enhance a culture of fearlessness and openness. We provided numerous compliance trainings and programmes through various methods, including online, face-to-face, and train-the-trainer sessions. These programmes covered critical areas outlined in our compliance framework, with a special emphasis on key risk areas identified through our compliance risk assessment.

To enhance ownership and promote an ethical workplace, SKF India annually celebrates 'Compliance Week.' The goal of this programme is to foster inclusiveness and ownership, and reinforce our commitment to the SKF code of conduct. This event includes participation from all employees, workers, and contractors across all factories and branch offices. This year, we extended the programme to include our distributors and suppliers as well.

As a global company, we recognise that our strength lies in our people's ability to conduct themselves responsibly and ethically. We remain committed to ensuring that our employees uphold the highest standards of integrity.



Compliance week

Our purpose is to reimagine rotation for a better tomorrow. To achieve this, we are committed to nurturing a culture of compliance and integrity. We held a compliance integrity week aimed at raising awareness and reinforcing the values that define the Company. This week-long initiative focussed on embedding our core values into everyday practices, ensuring that every team member understands and upholds the highest standards of ethical behaviour.

The essence of compliance week

Under the theme of 'doing the right thing', compliance week reinforced the importance of nurturing and maintaining a culture of compliance

and ethical behaviour at every level of the organisation. This initiative was crucial to maintaining the trust and confidence of our stakeholders.



Engaging all stakeholders

What made Compliance Week 2023 stand out was its all-inclusive approach. Activities were designed to engage our entire ecosystem of stakeholders, including distributors and suppliers. This approach emphasised the shared responsibility of always demonstrating the highest ethical standards.

Throughout the week, a variety of engaging activities were organised, ranging from a cake-cutting ceremony and photo booths to exciting games like 'Snakes and Ladders', 'Spin the Wheel', and quizzes. These activities were aimed at drumming up engagement and participation from all stakeholders.

Moreover, each location devised its own unique way of celebrating



Compliance Week. Several key policies, including the Conflict of Interest policy and an updated Code of Conduct eBook, were rolled out to raise awareness and reinforce an ethical culture within the organisation.

The efforts of compliance ambassadors, who played a pivotal role in embedding the culture of compliance and ethics, were acknowledged, and appreciated for their overall support. To further boost engagement and participation, a country-level competition was also held.

Leaders' voice

During Compliance Week, Manish Bhatnagar, President for Industrial Region, ISEA, highlighted the crucial role each individual plays in ensuring a culture of ethics. He emphasised that compliance is the foundation of

how the Company delivers on its purpose.

Global leaders Mathias Lyon, SVP & General Counsel, and Ann-Sofie Zak, SVP, People Experience & Communications, also stressed the importance of upholding high standards of honesty and ethical behaviour in our day-to-day lives. Their insights reinforced the Company's commitment to ethical practices.

Over 3,400 employees across the region actively participated in compliance week, engaging in various activities to explore different aspects of compliance in the business environment. This widespread participation demonstrates the Company's collective dedication to upholding ethical standards and fostering a culture of compliance.

SKF's celebration of Compliance Week 2023 serves as a bridge in a world where trust and integrity matter more than ever. It reminds us that it is possible to embrace compliance and ethics with enthusiasm, engagement, and a sense of togetherness. This celebration signifies that it is not just about one week; rather, it's about the ongoing commitment to do what is often not easy but unquestionably right.



Awards and accolades

Pune

CII 'CII-Bangalore Online' 3M Competition (Muda, Mura, Muri) - **Factory Maintenance** received **Platinum Award.**



CII-Bangalore Online 3M Competition (Muda, Mura, Muri) - **Factory Resetting** **Gold Award.**



CII 'CII-Bangalore Online' CII-SMED-Quick changeover - **Factory Resetting** **Platinum Award.**



QCFI-2023 QCFI Bhosari Safety Kaizen Competition - **Safety Case Study** **ROLLER Gold Award.**



CII National Kai-Zen Competition - **CII Breakthrough** **ROLLER Silver Award.**



International Convention on Quality Control Circles Beijing NCQC - **Resetting Team** **Gold Award.**



QCFI Bhosari Safety Kaizen Competition - **Safety Case Study** **Factory Resetting** **Gold Award.**



Annual Conventional CCQC 2023 Bhosari CCQC - **Factory Maintenance** **Gold Award.**



CII Challengers Trophy 2023 Online POKA YOKE - **Shutdown TRB QA** **Team STAR** **Challenger Award.**



QCFI Bhosari Safety Kaizen Competition - **Safety Slogan** **Factory Maintenance** **Gold Award.**



Annual Conventional CCQC 2023 Bhosari CCQC - **TRB** **Gold Award.**



CII Challengers Trophy 2023 Online POKA YOKE - **Control HUB QA** **Team JURY** **Challenger Award.**



QCFI-2023 QCFI Bhosari Safety Kaizen Competition - **Safety Skit** **Factory Maintenance** **Silver Award.**



Annual Conventional CCQC 2023 Bhosari CCQC - **QA Material Lab** **Gold Award.**



CII Challengers Trophy 2023 Online 3M MURI- Kaizens Category **Resetting Team** **JURY** **Challenger Award.**



CII National Kai-Zen Competition - **CII Renovative Kaizen SHO** **Platinum Award.**



Annual Conventional CCQC 2023 Bhosari - **Poster + Slogan** **Factory Maintenance** **Gold Award.**



CII Challengers Trophy 2023 Online Breakthrough Category **Roller Team** **Satpute** **SUPER** **Challenger Award.**



CII National Kai-Zen Competition - **CII Innovative Kaizen Factory** **Maintenance** **Platinum Award.**



International Convention on Quality Control Circles Beijing NCQC - **HUB** **Team** **Gold Award.**



CII Challengers Trophy 2023 Online MUDA Category **TRB** **Star** **Champion** **Award.**





QCFI Bhosari Safety Kaizen Competition - 2024 TRB (Safety Slogan) Gold Award.



QCFI Bhosari Safety Kaizen Competition - 2024 TRB (Safety Poster) Gold Award.



CII Challengers Trophy 2023 Online Renovative Category SHO Jury Champions Award.



Corporate Excellent Award 2024 SCHMRD Digital Transformation Factory Maintenance.



QCFI Bhosari Safety Kaizen Competition - 2024 Factory Maintenance (Safety Skit) Gold Award.



CII Challengers Trophy 2023 Online Innovative Category Factory Maintenance Star Champion Award.



Corporate Excellent Award 2024 SCHMRD Lean Six Sigma HUB.



QCFI Bhosari Safety Kaizen Competition - 2024 Factory Maintenance (Safety Slogan) Gold Award.



Nagpur NCQC - Factory Quality Par Excellence Award.



BAJA CONVENTION - 2024 Bajaj Auto Platinum Award Quality Platinum Award.



QCFI Bhosari Safety Kaizen Competition - 2024 Factory Maintenance (Safety Poster) Gold Award.



Nagpur NCQC - TRB/Resetting Par Excellence Award.



QCFI Bhosari Safety Kaizen Competition - 2024 Roller (Safety Case Study) Silver Award.



Bengaluru

Nagpur NCQC - Factory Maintenance Excellence Award.



QCFI Bhosari Safety Kaizen Competition - 2024 Factory Resetting (Safety Case Study) Gold Award.



QCFI Bengaluru Best Innovation in Manufacturing - National Awards for Excellence in Manufacturing Resetting National Award.



17th National 3M Kaizen Competition Online 3M Muri TRB Team Platinum Award.



17th National 3M Kaizen Competition Online 3M Muda Engineering & HUB Team Gold Award.



QCFI Bengaluru TQM- India Summit Engineering, Resetting & Maintenance Gold.



CORPORATE INFORMATION

Board of Directors & Key Managerial Persons (KMPs)

Mr. Gopal Subramanyam

Chairman & Independent Director

Ms. Anu Wakhlu

Independent Director

Mr. David Leif Henning Johansson

Non-Executive Non-Independent Director

Mr. Karl Robin Joakim Landholm

Non-Executive Non-Independent Director

Mr. Manish Bhatnagar

Non-Executive Non-Independent Director
w.e.f. 1st April 2024

Mr. Shailesh Sharma

Whole-Time Director & KMP till 8th April 2024

Mr. Ranjan Kumar

Company Secretary & Compliance Officer

Mr. Ashish Saraf

Chief Financial Officer

Committees of Board

Audit Committee

Stakeholders' Relationship Committee

Nomination and Remuneration Committee

Risk Management Committee

Corporate Social Responsibility Committee

Auditors

M/s. Deloitte Haskins & Sells LLP,

Chartered Accountants

Secretarial Auditors for FY 2023-24

M/s Parikh & Associates,

Company Secretaries

Bankers

The Hong Kong Shanghai Banking Corporation Ltd.

HDFC Bank Ltd.

Yes Bank Ltd.

Deutsche Bank

State Bank of India

ICICI Bank

Share Transfer Agent

Link Intime India Private Limited

(TSR Consultants Private Limited has been merged with Link Intime India Private Limited with effect from 22nd December 2023)

Director's Report

Dear Members,

The Board of Directors of your Company are pleased to present the 63rd Annual Report, with audited financial statements (standalone and consolidated) for the Financial Year ended on 31st March 2024.

1. Summary - Financial Results (Standalone and Consolidated):

INR in MINR ("Million")

	Year Ended		Year Ended	
	31 st March 2024 Standalone	31 st March 2023 Standalone	31 st March 2024 Consolidated	31 st March 2023 Consolidated
Revenue from Operations	45,701.3	43,049.2	45,701.3	43,049.2
Other Income	940.1	518.7	940.1	518.7
Total Income	46,641.4	43,567.9	46,641.4	43,567.9
Operating Expenditure	38,537.5	35,570.2	38,537.5	35,570.2
Depreciation	746	668.4	746	668.4
Profit before Tax	7,357.9	7,329.3	7,357.9	7,329.3
Share of Net Profit/(loss) of Associate	-	-	0.3	0.9
Provision for Taxation	1,840.2	2,081.4	1,840.2	2,081.4
Profit after Tax	5,517.7	5,247.9	5,518.0	5,248.8
Other Comprehensive Income	(126.8)	25.0	(126.8)	25.0
Total Comprehensive Income for the Period	5,390.9	5,272.9	5,391.2	5,273.8

2. Operations:

The Standalone Revenue from operations of the Company for the year ended on 31st March 2024 stood at INR 45,701.3 Million compared to INR 43,049.2 Million in the previous year. The Company's Standalone Profit before Tax for the year under review was INR 7,357.9 Million compared to INR 7,329.3 in the previous year.

The Standalone Profit after Tax for this period was INR 5,517.7 Million, compared to INR 5,247.9 Million during the previous year.

The Company incurred a capital expenditure of INR 1,335.2 Million during the year.

3. Standalone and Consolidated Financial Statements:

The standalone and consolidated financial statements of the Company for FY 2023-24 are prepared in compliance with the applicable provisions of the Companies Act, 2013 ('the Act') including Indian Accounting Standards specified under Section 133 of the Act. The audited standalone and consolidated Financial Statements together with the Auditors' Report thereon form parts of the Annual Report of FY 2023-24.

Pursuant to Section 129(3) of the Act, a statement containing the salient features of the Financial Statements of the associate company in the prescribed Form AOC-1 forms a part of the Annual Report as **AOC-1-Annexure E**.

The Financial Statements of the associate company shall be made available to Members on request through email and are also available on the website of the Company, which can be accessed at <https://www.skf.com/in> the 'Investors' section.

4. Material changes and commitments if any, affecting the financial position of the Company:

There have been no material changes and commitments affecting the financial position of the Company that have occurred between the end of the financial year of the Company to which the financial statements relate and up to the date of this report.

There was no change in the nature of the business of the Company.

5. State of Company's Affairs:

The Company empowers global enterprises with its latest technology for the next decade today. The Company's core businesses include manufacturing of bearings and their components in India. SKF India Limited is an affiliate of the Sweden-based SKF Group, which was founded in 1907. SKF Group started its operations in India in 1923 and continues to provide industry-leading automotive and industrial engineered solutions through its five technology-centric platforms: bearings and units, seals, mechatronics, lubrication solutions and services.

Director's Report (contd.)

Over the years, the Company has evolved from being a pioneer ball bearing manufacturing Company to a knowledge-driven engineering Company helping customers achieve sustainable and competitive business excellence.

SKF's solutions provide sustainable ways for companies across the automotive and industrial sectors to achieve breakthroughs in friction reduction, energy efficiency, and equipment longevity and reliability. With a strong commitment to research-based innovation, SKF India offers customised value-added solutions that integrate all its five technology platforms.

The state of affairs of the Company is presented as part of the **Management Discussion and Analysis Report** forming part of this Annual Report as **Annexure - A**.

6. **Transfer to Reserves:**

The Board of Directors decided to retain the entire amount of profit for FY 2023-24 in the profit and loss account. No amount was transferred to the General Reserves of the Company.

7. **Dividend:**

The dividend recommended is in accordance with the Dividend Distribution Policy of the Company. For FY 2023-24, the Company has declared a dividend as the final dividend of INR 130/- per equity share of INR 10/- each to its shareholders.

FY 2023-24 was an exceptional year, with efficient planning and robust operational performance. The Board of Directors at their meeting held on 8th May 2024 has recommended the payment of INR 130/- per equity share of the face value of INR 10/- each as the final dividend for the financial year ended 31st March 2024, compared to INR 40/- per equity share for the preceding financial year ended 31st March 2024. The pay-out is expected to be INR 6,426.9 Million, the payment of the final dividend is subject to the approval of the shareholders of the Company at the ensuing 63rd Annual General Meeting (AGM) of the Company to be held on 13th August 2024.

The record date is Thursday, 4th July 2024, for the purpose of determining the eligibility of the shareholders for payment of the dividend for the financial year ended 31st March 2024.

As per the Income Tax Act, 1961 (the Act), as amended by the Finance Act, 2020, dividends paid or distributed by a Company after 1st April 2020 shall be taxable in the hands of the shareholders.

The Company shall, accordingly, make the payment of the final dividend after deduction of tax at source.

Pursuant to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), the Dividend Distribution Policy approved by the Board is available on the Company's website:

https://www.skf.com/binaries/pub12/Images/0901d196809a6abb-Dividend-Distribution-Policy-SKF-India-Feb-2017_tcm_12-526433.pdf

The policy is also part of the Annual Report as **Annexure - L**.

During this financial year, the unclaimed dividend amount pertaining to the dividend for FY 2015-16 was transferred to the Investor Education and Protection Fund (IEPF).

8. **Share Capital Structure and Listing of Shares:**

The paid-up share capital of the Company as of 31st March 2024, is INR 494.38 Million - divided into 4,94,37,963 equity shares of INR 10/- each. The Company's equity shares are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

During the year under review, there was no change in the share capital of the Company from the last financial year.

The shares are actively traded on the BSE and the NSE and have not been suspended from trading.

The Company has not issued any shares with differential voting rights or sweat equity shares during FY 2023-24. As of 31st March 2023, none of the Directors of the Company hold any instruments convertible into equity shares of the Company.

9. **Awards and Accolades:**

Your Directors are pleased to share that during the year under review, your Company continued its tradition of excellence and was honored with several awards and recognitions, reaffirming its strong foothold in the Indian manufacturing industry. The following are some of the notable achievements:

a) **Pune:**

- CII "CII-Bangalore Online" 3M Competition (Muda, Mura, Muri) - Factory Maintenance received Platinum Award
- CII-Bangalore Online 3M Competition (Muda, Mura, Muri) - Factory Resetting Gold Award

Director's Report (contd.)

- CII "CII-Bangalore Online" CII- SMED-Quick changeover-Factory Resetting Platinum Award
- QCFI-2023 QCFI Bhosari Safety Kaizen Competition - Safety Case Study ROLLER Gold Award
- QCFI Bhosari Safety Kaizen Competition - Safety Case Study Factory Resetting Gold Award
- QCFI Bhosari Safety Kaizen Competition - Safety Slogan Factory Maintenance Gold Award
- QCFI-2023 QCFI Bhosari Safety Kaizen Competition-Safety Skit Factory Maintenance Silver Award
- CII National Kai-Zen Competition-CII Renovative Kaizen SHO Platinum Award
- CII National Kai-Zen Competition - CII Innovative Kaizen Factory Maintenance Platinum Award
- CII National Kai-Zen Competition - CII Breakthrough ROLLER Silver Award.
- Annual Conventional CCQC 2023 Bhosari CCQC - Factory Maintenance Gold Award
- Annual Conventional CCQC 2023 Bhosari CCQC - TRB Gold Award
- Annual Conventional CCQC 2023 Bhosari CCQC - QA Material Lab Gold Award
- Annual Conventional CCQC 2023 Bhosari - Poster + Slogan Factory Maintenance Gold Award
- International Convention on Quality Control Circles Beijing NCQC - HUB Team Gold Award
- International Convention on Quality Control Circles Beijing NCQC - Resetting Team Gold Award
- CII Challengers Trophy 2023 Online POKA YOKE - Shutdown TRB QA Team STAR Challenger award
- CII Challengers Trophy 2023 Online POKA YOKE - Control HUB QA Team JURY Challenger award
- CII Challengers Trophy 2023 Online 3M MURI-Kaizens Category Resetting Team JURY Challenger award
- CII Challengers Trophy 2023 Online Breakthrough Category Roller Team Satpute SUPER Challenger award
- CII Challengers Trophy 2023 Online MUDA Category TRB Star Champion Award
- CII Challengers Trophy 2023 Online Renovative Category SHO Jury Champions Award
- CII Challengers Trophy 2023 Online Innovative Category Factory Maintenance Star Champion Award
- Nagpur NCQC-Factory Quality Par Excellence Award
- Nagpur NCQC-TRB/Resetting Par Excellence Award
- Nagpur NCQC - Factory Maintenance Excellence Award
- 17th National 3M Kaizen Competition Online 3M Muri TRB Team Platinum Award
- 17th National 3M Kaizen Competition Online 3M Muda Engineering & HUB Team Gold Award
- Corporate Excellent Award 2024 SCHMRD Digital Transformation Factory Maintenance
- Corporate Excellent Award 2024 SCHMRD Lean Six Sigma HUB
- BAJA CONVENTION-2024 Bajaj Auto Platinum Award Quality Platinum Award
- QCFI Bhosari Safety Kaizen Competition - 2024 Roller (Safety Case Study) Silver Award
- QCFI Bhosari Safety Kaizen Competition - 2024 Factory Resetting (Safety Case Study) Gold Award
- QCFI Bhosari Safety Kaizen Competition - 2024 TRB (Safety Slogan) Gold Award
- QCFI Bhosari Safety Kaizen Competition - 2024 TRB (Safety Poster) Gold Award
- QCFI Bhosari Safety Kaizen Competition - 2024 Factory Maintenance (Safety Skit) Gold Award
- QCFI Bhosari Safety Kaizen Competition - 2024 Factory Maintenance (Safety Slogan) Gold Award
- QCFI Bhosari Safety Kaizen Competition - 2024 Factory Maintenance (Safety Poster) Gold Award

Director's Report (contd.)

b) Bengaluru:

- QCFI Bengaluru Best Innovation in Manufacturing - National Awards for Excellence in Manufacturing Resetting National Award
- QCFI Bengaluru TQM-India Summit Engineering, Resetting & Maintenance Gold Award.
- CII Online 17th National 3M Kaizen Competition - Maintenance & Channel Gold Award under MUDA
- CII Online 17th National 3M Kaizen Competition - Maintenance & Engg Gold Award under MURA
- CII Online 17th National 3M Kaizen Competition - Maintenance & Resetting Gold Award under MURI
- QCFI (Bangalore Chapter) Bengaluru SMED Competition - Resetting Gold Award.
- CII Online SMED Competition - Resetting Platinum Award.
- CII Online 48th CII National competition - Channel Silver Award.
- CII Online 48th CII National competition - Maintenance Platinum Award.
- CII Online 48th CII National competition - Resetting Gold Award.
- CII Online 48th CII National competition - Maintenance Platinum Award.

c) Haridwar:

- HCCQC-2023 HCCQC-Haridwar 13th Convention on Quality Concepts-HCCQC-2023 TEJAS Gold Award.

10. Management's Discussion and Analysis and Outlook:

The Management's Discussion and Analysis (MDA) Report giving the details on review of operations, performance, opportunities, and outlook of the Company, as required under Corporate Governance guidelines, has also been incorporated as a separate section forming a part of the Annual Report as **Annexure-A**.

11. Corporate Governance:

Our corporate governance practices are a reflection of our value system encompassing our culture, policies and relationships with our stakeholders. Integrity and transparency are key to our corporate governance

practices to ensure that we gain and retain the trust of our stakeholders at all times. Corporate governance is about maximising shareholder value legally, ethically, and sustainably. Our Corporate Governance Report for FY 2023-24 forms part of this Annual Report.

During the year under review, the Company complied with the provisions relating to corporate governance as provided under the SEBI (Listing Obligations Disclosure Requirement) Regulation ("**SEBI LODR**"). The Corporate Governance Report, together with a certificate from the Company's Statutory Auditors confirming the compliance is provided in the Report on Corporate Governance, which forms part of the Annual Report as **Annexure-B**.

At SKF India, the Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures seek to attain the best practices in international corporate governance. Pay-offs from strong governance practices have been in the sphere of valuations, stakeholders' confidence, market capitalisation and recognition from different stakeholders.

12. Directors and Key Managerial Personnel:**a) Changes in Directors:**

During FY 2022-23, based on the recommendation of Nomination and Remuneration Committee ('**NRC**') of the Company, the Board of Directors have appointed Mr. David Leif Henning Johansson (DIN: 09651955) and Mr. Karl Robin Joakim Landholm (DIN: 09651911) as Additional Directors on the Board with effect from 28th June 2022, and shareholders appointed both as Directors at 61st Annual General Meeting held on 27th July 2022, liable to retire by rotation.

Mr. David Leif Henning Johansson and Mr. Karl Robin Joakim Landholm are not debarred or disqualified from holding the office of Director by virtue of any SEBI order or any other statutory authority as required under the Circular dated 20th June 2018, issued by the BSE and NSE.

In the Last AGM Mr. David Leif Henning Johansson was liable to retire by rotation and re-appointed by the shareholder at AGM, according to the provisions of section 152(6) of the Companies Act, 2023, Mr. Karl Robin Joakim Landholm is liable to retire by rotation as he has been the longest in office since his last appointment on 28th June 2022. Mr. Karl Robin Joakim Landholm being eligible has offered

Director's Report (contd.)

himself for re-appointment as a Director of the Company. The resolution for re-appointment of Mr. Karl Robin Joakim Landholm forms the part of notice convening Annual General Meeting.

On recommendations of the Nomination & Remuneration Committee, the Board of Directors approved the re-appointment of Mr. Manish Bhatnagar (DIN: 08148320) as Managing Director of the Company not liable to retire by rotation with effect from 16th August 2023 for a period of five (5) years, shareholders had approved the re-appointment of Mr. Manish Bhatnagar at Last Year's Annual General meeting held on 2nd August 2023. He was appointed as Managing Director of the Company with effect From 16th August 2018.

As informed in the Outcome of Board meeting dated 19th March 2024, due to the change in Role of Mr. Manish Bhatnagar in SKF Group, he resigned from the position of the Managing Director w.e.f 1st April 2024 and on the recommendation of Nomination and Remuneration Committee he was appointed as Non-Executive Non-Independent Director w.e.f 1st April 2024 on the Board, necessary shareholders approval will be obtained by the Company within prescribed timeline as per SEBI LODR. Mr. Manish Bhatnagar is not debarred or disqualified from holding the office of Director by virtue of any order issued by SEBI or any other such authority(ies). Further, he is not related to any of the Directors or Key Managerial Personnel or Promoters of the Company.

Further, in the Board Meeting dated 19th March 2024, due to the Resignation of Mr. Manish Bhatnagar, the Board has appointed Mr. Mukund Vasudevan as an Additional Director of the Company to hold the office till the conclusion of the ensuing Annual General Meeting on the recommendation of Nomination and Remuneration Committee. Necessary shareholders approval will be obtained by the Company within the prescribed timeline as per SEBI LODR. Mr. Mukund Vasudevan is not debarred or disqualified from holding the office of Director by virtue of any order issued by SEBI or any other such authority(ies). Further, he is not related to any of the Directors or Key Managerial Personnel or Promoters of the Company.

Mr. Shailesh Kumar Sharma, a whole-time Director of the Company has resigned from his position as Whole-time Director and Board of the Company

w.e.f 8th April 2024, however, he will continue to lead the Operations (manufacturing, procurement & logistics) of SKF for India & Southeast Asia Region, as before. Considering his vast experience and the value he brings on table, the Board has nominated him as a permanent invitee to the Board meetings of the Company.

b) Changes in Key Managerial Personnel:

As mentioned above, due to the change in Role of Mr. Manish Bhatnagar in SKF Group, he has from the position of the Managing Director w.e.f 1st April 2024, the Board has appointed Mr. Mukund Vasudevan as an Additional Director of the Company to hold the office till the conclusion of the ensuing Annual General Meeting on the recommendation of Nomination and Remuneration Committee. Necessary shareholder approval will be obtained by the Company within the prescribed timeline as per SEBI LODR.

Mr. Shailesh Kumar Sharma, a whole-time Director of the Company has resigned from his position as Whole-time Director and Board of the Company w.e.f 8th April 2024 as mentioned in 12(a).

During the year under review and till the date of this meeting, apart from the above-stated facts, there was no change in the composition of the Board of Directors and Key Managerial Personnel of the Company.

13. Declaration from Independent Directors:

Pursuant to the provisions of Section 149 of the Act, the Independent Directors of the Company, Mr. Gopal Subramanyam (DIN:06684319) and Ms. Anu Wakhlu (DIN:00122052), have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) and 25(8) of the SEBI LODR. They are also in compliance with Rule 6(1) and (2) of the Companies (Appointment & Qualifications of Directors) Rules, 2014. There has been no change in the circumstances affecting their status as an Independent of the Company.

The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act 2013 as well as the Code of Conduct for Directors and Senior Management Personnel.

All other Directors of the Company have also provided declarations on the fact that they are not debarred from holding the office of Director by virtue of any

Director's Report (contd.)

SEBI order or any other statutory authority as required under the Circular dated 20th June 2018, issued by the BSE and NSE.

The Board of Directors of the Company is of the opinion that, the Independent Directors possess a high level of integrity, expertise, and experience, which are beneficial to the Company and its stakeholders.

14. Contribution of Independent Directors to the Growth of the Company:

The Board of Directors of the Company strategically comprises of Independent Directors from different domains which adds value to the Company. Every Independent Director with his/her expertise and integrity has earned a vast experience and reputation in the industry. Our Independent Directors are experts in Industry Experience, Sector Specific knowledge, Finance, Marketing, Strategic Thinking, Regulatory Laws, and Leadership skills as mentioned in Corporate Governance Report. These domains are integral part of every business and therefore the collective expertise of these board members ensures that we are up to the mark with the global leaders in terms of ethics, corporate governance, best industry practices, transparency and technology. The online proficiency self-assessment test of Independent Directors conducted by Indian Institute of Corporate Affairs ensures that the skills and knowledge is appropriate and beneficial to the Company. Both the Independent Directors have successfully passed the test.

15. Key Managerial Personnels:

In terms of Section 203 of the Act, the following are the Key Managerial Personnel (KMPs) of the Company as on 31st March 2024:

- *Mr. Manish Bhatnagar, Managing Director
- **Mr. Shailesh Sharma, Whole-time Director
- Mr. Ashish Saraf, Chief Financial Officer
- Mr. Ranjan Kumar, Company Secretary and Compliance Officer.

Note: *Mr. Manish Bhatnagar has resigned as Managing Director w.e.f 1st April 2024 and Mr. Mukund Vasudevan was appointed as Managing Director w.e.f 08th April 2024.

** Mr. Shailesh Sharma resigned the Board w.e.f 08th April 2024, as mentioned in 12(a).

16. Board and its Committee Meetings:

Regular meetings of the Board and its Committees are held to discuss and decide on various policies,

strategies, financial matters, and other businesses. The schedule of the Board/Committee Meetings to be held in the calendar year 2024 is circulated to the Directors in advance to enable them to plan their schedule for effective participation in the meetings. Due to business exigencies, the Board has also been approving proposals by circulation from time to time.

During FY 2023-2024, 5 (five) meetings of the Board of Directors were held. The details of meetings of the Board and Committees such as the Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Risk Management Committee, and Corporate Social Responsibility Committee, are included in the **Corporate Governance Report**, which is a part of this document as **Annexure -B**.

Details of the latest committee members are also available on website of the Company <https://www.skf.com/in/investors/operating-committees>

17. Board Evaluation:

The Board of Directors has carried out an annual evaluation of its own performance, the Board Committees, and individual directors pursuant to the provisions of the Act and SEBI LODR, as amended from time to time.

The process followed for Board evaluation includes:

- i) Feedback is sought from each Director about their views on the performance of the Board (as a whole) / Committees / Independent Directors / Chairman / self-assessments, covering various relevant criteria such as degree of fulfillment of key responsibilities, effectiveness of Board processes, participation levels, culture, strategy, risk management, Corporate Governance and responsibilities to various Committees, etc.
- ii) The Nomination and Remuneration Committee (NRC) then discusses the above feedback received from various Directors, including the assessment of individual Directors by the Chairman.
- iii) The Independent Directors (post their meeting) share their collective feedback on the performance of the Board with the Board Members.
- iv) Significant highlights, learnings, and action points arising out of the evaluation are presented to the Board and action plans are drawn up wherever required.

The Directors express their satisfaction with the entire evaluation process.

Director's Report (contd.)

18. Familiarisation Programme:

The details of the training and familiarisation programme are provided in the Corporate Governance Report. Further, at the time of the appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities. The format of the letter of appointment is available on our website.

Over the years, the Company has developed a robust familiarisation process for the Independent Directors with respect to their roles and responsibilities, way ahead of the prescription of the regulatory provisions. The process has been aligned with the requirements under the Act and other related regulations. This process inter alia includes providing an overview of the industry, the Company's business model, the risks and opportunities, the new products, innovations, sustainability measures, digitisation measures, etc.

Details of the Familiarisation Programme for Independent Directors are explained in the Corporate Governance Report and is also available on the Company's website at

https://www.skf.com/binaries/pub12/Images/0901d196809a6abc-Familiarisation-Programme-for-IDs_tcm_12-526435.pdf

19. Appointment of Directors and Remuneration Policy:

The Company has in place a policy for the remuneration of Directors, Key Managerial Personnel, and Senior Management Team as well as a well-defined criterion for the selection of candidates for appointment to the said positions. The Policy broadly lays down the guiding principles, philosophy, and the basis for payment of remuneration to the Executive and Non-executive Directors, Key Managerial Personnel, and Senior Management Team.

The Appointment of Directors and Remuneration Policy is available on the Company's website at

https://cdn.skfmediahub.skf.com/api/public/0901d19680cbc6e6/pdf_preview_medium/0901d19680cbc6e6_pdf_preview_medium.pdf

The criteria for the selection of candidates for the above positions cover various factors and attributes, which are considered by the Nomination & Remuneration Committee and the Board of Directors while selecting candidates. The policy on remuneration of Directors, Key Managerial Personnel, and Senior Management Team is given in this Report.

20. Audit Committee:

The Audit Committee is constituted in terms of the requirements of Section 177 of Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligation and Disclosure Requirements) 2015, it comprises of 3 (three) members.

The Committee is chaired by Ms. Anu Wakhlu (Independent Woman Director). The other Members of the Committee are Mr. Gopal Subramanyam (Independent Director) and Mr. David Leif Henning Johansson (Non-Executive, Non-Independent Director). Two-third members of the Committee are Independent Directors.

Details of the roles and responsibilities of the Audit Committee, the particulars of meetings held, and the attendance of the Members at such meetings during the year are given in the Report on Corporate Governance, which forms a part of the Annual Report as **Annexure -B**

During the year under review, the recommendations made by the Audit Committee were accepted by the Board.

21. Corporate Social Responsibility Committee:

The Corporate Social Responsibility Committee constituted in terms of the requirements of the Section 135 of Companies Act, 2013, comprises of 3 (three) members. The Committee is chaired by Mr. Manish Bhatnagar (Managing Director). The other Members of the Committee are Mr. Gopal Subramanyam (Independent Director) and Ms. Anu Wakhlu (Independent Director). Two - third members of the Committee are Independent Directors.

Details of the roles and responsibilities of the Corporate Social Responsibility Committee, the particulars of meetings held, and attendance of the Members at such meetings during the year are given in the Report on Corporate Governance, which forms a part of the Annual Report as **Annexure-B**.

CSR Policy is also disclosed on the website of the Company at

https://cdn.skfmediahub.skf.com/api/public/0901d19680cb2f37/pdf_preview_medium/0901d19680cb2f37_pdf_preview_medium.pdf

During the year under review, the recommendations made by the Corporate Social Responsibility Committee were accepted by the Board.

Director's Report (contd.)

22. Corporate Social Responsibility:

The Company's objective is to foster more capable, inclusive, and resilient communities through a collaborative approach that recognises the unique needs of marginalised communities. We strive to catalyze positive change in the communities where we operate, aiming to make a meaningful difference from the perspective of those we serve. Our social strategy is integrated with our core business strategy, aiming to empower communities and the environment and generate shared value across our footprint. Aligned with two of our business core values of care and collaboration, our social strategy endeavours to empower communities and promote planetary sustainability.

The Company has been actively engaged in various CSR activities over the years, which cover the entire gamut of community welfare and sustainable environmental activities across the nation. The thrust areas under CSR inter-alia included Education, Empowerment and Environment.

The Corporate Social Responsibility (CSR) Committee reviews and monitors the CSR projects and expenditures undertaken by the Company. The brief outline of the CSR Policy of the Company and the initiatives undertaken by the Company under the CSR Policy during the year under review are set out in the Annual Report on CSR Activities & CFO Certificate – annexed as **Annexure-C** of this Report.

The total unspent CSR amount for the Financial Year 2023-24 under review is INR **NIL**.

23. Risk Management Committee:

Risk is inherent in all businesses and the key to success is to anticipate risks and deploy an appropriate framework to manage them. In today's world, the external and internal environment is changing at an ever-increasing pace and which, in turn, requires businesses to not only manage the existing risks but anticipate emerging risks and deploy mitigating strategies on a continuous basis. Embracing the upside risk opportunities combined with deploying the mitigation strategies are key to success.

The Risk Management Committee (RMC) receives regular insights through its corporate governance structure, which has enabled and empowered its management, on risk exposures faced by the organisation, thereby enabling it to provide inputs on prompt actions to be taken as well as monitor the actions taken. The Board is also updated regularly on the risk assessment and

mitigation procedures.

The Company's governance structure has well-defined roles and responsibilities, which enable and empower the Management to identify, assess, and leverage business opportunities and manage risks effectively. There is also a comprehensive framework for strategic planning, implementation, and performance monitoring of the business plan, which inter alia includes a well-structured Enterprise Risk Management (ERM) process.

The risks that fall under the purview of high likelihood and high impact are identified as key risks. This structured process of identifying risks supports the Senior Management Team in strategic decision-making and in the development of detailed mitigation plans. The identified risks are then integrated into the Company's planning cycle, which is a rolling process to, inter alia, periodically review the movement of the risks and the effectiveness of the mitigation plan. Your Company has constituted a Risk Management Committee, which oversees risk management activities. The Company's risk management initiatives are periodically updated to the Audit Committee and Board of the Company. The Company's assets continue to be adequately insured against the risk of fire, riot, earthquake, terrorism and the risk of loss of profits also stands insured among other things. In addition, adequate coverage has been taken to cover product liability, public liability and Director's and officer liability. Also, all the employees are covered against the risk of loss of life, hospitalisation and personal accident.

The Company has adopted a Risk Management Policy in accordance with the provisions of the Act and Regulation 21 of the SEBI LODR. Risk Management Policy is hosted on website of the Company

https://cdn.skfmediahub.skf.com/api/public/094128b54400ccfb/pdf_preview_medium/094128b54400ccfb_pdf_preview_medium.pdf

A section on risk management practices of the Company forms a part of the chapter on 'Management Discussion and Analysis' in this Annual Report as **Annexure-A**.

24. Safety/Sustainability**a) Safety:**

The Company has a vision of "Zero-Injury" for everyone working at SKF site and working for SKF off-site. Safety always comes first, and we are convinced that all work-related accidents can be prevented.

Director's Report (contd.)

Health and Safety Management remains the Company's foremost priority. A focus on Safety is one of the top priorities of the Company and this is also incorporated into our strategy. The Company always focuses on safety and the well-being of employees. The Company is committed to providing a safe and healthy environment, which is free from any kind of injuries, accidents, and occupational health hazards.

The Company has adopted a structured approach toward implementing Safety Policies and programs to integrate safety with business processes to continuously improve safety performance.

The Company is certified to ISO 45001 and assured compliance with the standards. We want to set standards that go above and beyond the certified management systems. We strive to help improve safety by sharing our safety standards and experience with operators, contractors, and professional organisations. Safety risks are managed across our businesses using standards, controls, and compliance systems. More focus is given to the elimination of unsafe acts and conditions. The Company also started mapping the Safety competency of the employees & plan actions to improve Skills & knowledge through our Training Centre KUSHAL. Recently Company has also inaugurated "Safety Skill Center" at Pune site to reinforce importance of safety at work with aim to achieve zero injuries. Training and awareness are considered key elements of our safety strategy. Company EHS practices and policies are also communicated to all contractors and suppliers, so they understand our safety requirements and follow them.

We commemorate National Safety Month and World Environment Day at all sites where we engage all stakeholders.

This year also we will continue with our structured programs with the objective of encouraging a strong safety culture in the factories, Sales Offices, Warehouses and project sites. The structured efforts taken on safety have resulted in the reduction of recordable accidents from 6 to 4 (33% reduction) compared to last year. The units proactive reporting rate for unsafe conditions, acts and near miss incidents are increased by 35% compared to last year which shows people are more sensitive and vigilant towards reporting the safety deviations.

The Company always takes a safety-first approach while taking any business decision.

b) **Sustainability:**

Sustainability is at the forefront of all the initiatives of SKF group and it plays an important role in the journey for Intelligent and Clean SKF.

As a part of sustainability, SKF is working on three focus areas:

- Climate Transformation
- Circularity
- Responsible Business

We have launched sustainability and green manufacturing initiative focusing on:-

- Net Zero GHG emission
- Zero Waste to landfill
- Water Neutrality
- Product and process circularity to improve material efficiency

With these initiatives, we are aiming to reduce negative impacts on the environment due to our manufacturing operations, products, and services and reverse the impact of global warming.

We have rolled out the following initiatives as a part of the green manufacturing program:

- Fossil fuel elimination to reduce scope 1 emissions.
- Energy efficiency improvement to reduce scope 2 emissions.
- Renewable energy sourcing to reduce scope 2 emissions
- GHG emission reduction in logistics, employee commutation and supplier manufacturing to reduce scope 3 emissions
- Water conservation
- Oil and chemical consumption reduction
- Waste elimination, recycling, reuse, reprocessing

SKF has committed itself to Science Based Targets Initiatives (SBTi) for Net Zero GHG emission program.

Our efforts are aimed at reducing GHG emissions to achieve the objective of 100% decarbonisation by 2030 in our manufacturing processes and to achieve Net Zero GHG Emission status across full value chain by 2050.

Director's Report (contd.)

In FY 2023-24, SKF India sourced 45% of renewable energy required for its manufacturing. Since the last quarter of 2023, the Bangalore factory is receiving 95 to 100% of renewable energy from wind solar offsite capex project and is now on the verge of becoming a fully decarbonised factory. Pune factory is now receiving partial additional solar renewable energy from the offsite capex farm solar project from February 2024. With this development, Pune factory will improve its renewable energy content from 35% to 60% in 2024. SKF Team is also working on offsite farm solar projects to make all SKF India sites fully decarbonised by the end of 2025.

The sustainability team, is working with the central purchase and logistic teams to reduce upstream and downstream scope 3 GHG emissions across the full value chain. The team is working with the top 55 critical suppliers to assess their status with the ESG parameters, identify gaps, and help them finalise an action plan to reduce their GHG emissions and ensure compliance with ESG norms.

The Company has initiated a sustainability supply chain program with the objective of a 15% reduction in Co2 emission of forging and ring suppliers by 2025, base year is 2019. SKF team has unveiled supplier sustainability policy during the supplier's meet. SKF team has conducted supplier sustainability workshops for steel mills, ring and forging suppliers, and indirect material suppliers. The team is working with all the identified critical suppliers to prepare and execute long-term GHG reduction plans.

Logistics plays a very important role in the contribution of GHG emissions. SKF logistic team is working on the target to reduce GHG emissions by 40% per ton of goods transported to end customers with a base year as 2015. The team is working on air freight reduction projects, lane optimisation, road transport last mile reduction projects.

As most of the Company's manufacturing sites are situated in water scarcity zone, the team is committed to water conservation and ensuring zero water discharge by treating the used water through ETP and STP plants for gardening and personal hygiene. This year, SKF is working on a mission to make all sites water neutral by the year 2028. All the sites are working on maximising rainwater harvesting and water storage facilities and minimising usage of fresh water. SKF India sites reduced their water consumption by 16% over the last year.

With a focus on circularity, the Company has initiated many recycling initiatives for the coolants and chemicals used in manufacturing processes. Pune site has installed Recond oil plant to filter honing oil and ensure that the sump life of the oil is enhanced, and the same oil can be reused again and again. The Company is continuously working on a program to reduce the usage of oil and chemicals and reduce the wastage and spillage of oil and chemicals. All the sites are using sludge compacting machines to reuse coolant and prevent soil pollution during transport of sludge. All the Company's sites are VOC free since last 3 years. Both SKF Bangalore and Haridwar plants recycle the grinding dust and avoid landfilling or incineration.

Usage of paper and plastics specifically in packaging also contributes to the generation of waste. The Company's sites are proactively working on a reduction in paper and plastic consumption through various packaging optimisation projects in collaboration with suppliers and customers. Major initiative "Segregation at Source" is launched for the segregation of plastic and paper wastes at all manufacturing sites and offices to improve recycling of the waste. As a part of extended producer's responsibility (EPR), SKF has recycled large proportions of plastic waste. The Company site's are working on a target to reduce the generation of plastic/paper waste 5% year over year and reduce negative harmful impact on the environment.

Being a responsible business organisation towards sustainability, the Company has also invested in capex renewable energy sourcing projects and ensuring funds are available for energy efficiency improvement projects.

25. Internal Controls with Respect to Financial Statements:

The Company has proper and adequate policies and procedures in place. These procedures ensure reliability and efficient conduct of business. Periodic review and control mechanisms ensure the effectiveness and adequacy of the internal control systems that the Company operates in. Additionally, it views internal audit as a vital part of management control systems.

It helps keep the management informed about the existence and efficacy of the control systems and processes in the organisation.

Director's Report (contd.)

The management has implemented an effective three (3) lines of defence to monitor controls – first at the Management level, second by implementing an effective internal control system monitored by the Internal Controls team and, third by Internal Audits.

The Company, during the year, reviewed its Internal Financial Control (IFC) systems. It continually worked towards establishing a more robust and effective IFC framework. Being part of the SKF Group, the Company adheres to SICS (SKF Internal Control Standards). This is a customised control system required to be adhered to, across the globe, by all SKF Companies. The standards specified by SICS are an integral part of the standard operating procedures for all business functions.

A great extent of emphasis is placed on having compensating controls within the process, minimising deviations and exceptions. The Internal Controls team verifies the existence of adequate controls and test them. The Internal Audit function conducts Process Audits.

The Company also undergoes periodic audits by specialised external professional firms. Risks/improvement areas, identified in the audits, are reviewed and mitigation plans are put in place. The status of implementation of action plans for major observations is submitted to every Audit Committee for review.

The Audit Committee reviews reports submitted by the management and audit reports submitted by Internal and Statutory Auditors. The Audit Committee also meets Statutory Auditors to ascertain, inter alia, their views on the adequacy of internal control systems. Based on the Committee's evaluation, it was concluded that as of 31st March 2024, the internal financial controls were adequate and operating effectively.

The Company has complied with the specific requirements as laid out under Section 134(5)(e) of the Companies Act, 2013. It calls for the establishment and implementation of an Internal Financial Control framework that supports compliance with the requirements of the Act concerning the Director's Responsibility Statement. Adequacy of controls of the processes is also being reviewed by the Internal Controls function. Suggestions to further strengthen the processes are shared with the respective process owners. Any significant findings, along with management response and status of action plans, are periodically shared with and reviewed by the Audit Committee.

26. Directors' Responsibility Statement:

To the best of their knowledge and belief and according to the information and explanations obtained your Directors make the following statement in terms of Section 134(5) of the Act:

- a) in the preparation of Annual Accounts for the year ended on 31st March 2024, the applicable accounting standards have been followed and there are no material departures.
- b) Appropriate accounting policies have been selected 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 as of 31st March 2024, and of the profit of the Company for the period ended 31st March 2024.
- c) Proper and sufficient care has been taken for the 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 fraud and other irregularities.
- d) Annual accounts of the Company have been prepared on a going concern basis.
- e) Internal financial controls have been laid down and are being followed by the Company and that such internal financial controls are adequate and are operating effectively.
- f) Proper system to ensure compliance with the provisions of all applicable laws are in place and are adequate and operating effectively.

27. Related Party Transactions:

In line with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR**"), the Company has formulated a Policy on Related Party Transactions ("Policy") which is also available on the Company's website at

https://cdn.skfmediahub.skf.com/api/public/094c27a9001efbc0/pdf_preview_medium/094c27a9001efbc0_pdf_preview_medium.pdf

The Policy is reviewed by the Board of Directors of the Company at regular intervals. The objective of the Policy is to ensure proper approval, disclosure, and reporting of transactions as applicable, between the Company and any of its related parties. The Audit Committee (only

Director's Report (contd.)

Independent Directors) of the Company has granted omnibus approval for the Related Party Transactions (RPTs) which are of repetitive nature and/or entered in the Ordinary Course of Business and are at arm's length. The Audit Committee also reviews all RPTs on a quarterly basis in line with the omnibus approval granted by them.

All transactions with related parties during the year were on an arm's length basis and were in the ordinary course of business. The Company has entered into transactions with related parties, which are material in nature, i.e., transactions of value exceeding the lower of INR One Thousand Crores or 10% of the annual consolidated turnover as per the last audited financial statements with necessary approval from the Audit Committee, Board of Directors and Shareholders. The particulars of contracts or arrangements entered into by the Company with related parties referred to in Section 188(1) in the prescribed **Form AOC-2**, in accordance with Section 134(3)(h) of the Act, and Rule 8(2) of the Companies (Accounts) Rules, 2014, is attached as **Annexure-D** of this Report.

The disclosures related to RPTs in accordance with accounting standards are also provided in the Financial Statements.

None of the Directors and Key Managerial Personnel have any pecuniary relationships or transactions with the Company.

A confirmation as to the compliance of Related Party Transactions as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is also sent to the Stock Exchanges along with the quarterly compliance report on Corporate Governance.

The Company has submitted half yearly basis Related Party Transactions Report under Regulation 23(9) of SEBI LODR within the prescribed timeline with Stock exchanges and the same is published on the website of the Company.

28. Subsidiaries, Joint Venture and Associates Companies:

As of 31st March 2024, the Company has 2(two) Associate Companies, i.e., Sunstrength Renewables Private Limited and Clean Max Taiyo Private Limited. Further, there are no subsidiaries or joint venture companies.

The statement containing the salient features of the Financial Statements of the Company's subsidiaries/ joint ventures/ associates are given in **Form AOC – 1**, forming part of the Annual Report as **Annexure-E**.

Further, pursuant to the provisions of Section 136 of the Act, the consolidated financial statements along with relevant documents are available on the website of the Company <https://www.skf.com/in>

29. Vigil Mechanism / Whistle-blower Policy:

Over the years, the Company has established a reputation for doing business with integrity and displaying zero tolerance for any form of unethical behaviour. The Company has in place a system through which Directors, employees, and business associates may report unethical behaviour, malpractices, wrongful conduct, fraud, and violation of the Company's code of conduct without fear of reprisal. Your Company has framed a Vigil Mechanism Policy in confirmation with Section 177(9) of the Act and Regulation 22 of SEBI LODR wherein the employees are free to report any improper activity resulting in violation of laws, rules, regulations or code of conduct by any of the employees directly to the Chairperson of the Audit Committee besides others. The Board's Audit Committee oversees the functioning of this policy. The Audit Committee periodically reviews the existence and functioning of the mechanism. It reviews the status of complaints received under this policy on a quarterly basis.

During the year under review, the Company reached out to employees through the Compliance Week Celebration, Workshops, training sessions, e-learning modules, and, periodic compliance communications to create greater awareness with respect to its Code of Conduct including - Fair Competition Directive, Insider Trading, Anti-bribery, and Anti-Corruption Directive. This has helped in achieving a high level of engagement and compliance among the employees. The Vigil Mechanism Policy aims to:

- Allow and encourage stakeholders to bring to the Management's notice, concerns about unethical behaviour, malpractice, wrongful conduct, actual or suspected fraud or violation of policies, and leak or suspected leak of any unpublished price-sensitive information;
- Ensure timely and consistent organisational response;
- Build and strengthen a culture of transparency and trust;
- Provide protection against victimisation.

The above mechanism has been appropriately communicated within the Company across all levels and the details of the policy have been disclosed on the Company's website and can be accessed on

Director's Report (contd.)

https://cdn.skfmediahub.skf.com/api/public/0901d196809a699a/pdf_preview_medium/0901d196809a699a_pdf_preview_medium.pdf

30. Business Responsibility and Sustainability Report (BRSR):

The fulfilment of environmental, social and governance responsibility is an integral part of the way your Company conducts its business. The detailed Business Responsibility and Sustainability Report covering the above initiatives has been prepared in accordance with Regulation 34 of SEBI LODR and forms a part of the Annual Report as **Annexure-M**.

31. Deposits:

The Company has not accepted or renewed any deposits falling under the ambit of Chapter V of the Companies Act, 2013 and the Rules framed thereunder. No amount on account of principal or interest on deposits from the public was outstanding as of 31st March 2024.

32. Statutory Auditors:

At the 61st Annual General Meeting of the Company, **M/s Deloitte Haskins and Sells LLP, Chartered Accountants**(FirmRegistrationNo.117366W/W-100018) were appointed as Statutory Auditors of the Company for a term of 5 (five) consecutive years till the conclusion of the 66th Annual General Meeting of the Company to be held in the year 2027, on such remuneration as may be decided by the Audit Committee / Board of Directors of the Company from time to time.

M/s Deloitte Haskins and Sells LLP, Chartered Accountants(FirmRegistrationNo.117366W/W-100018), have submitted their Report on the Financial Statements of the Company for FY 2023-24, which forms a part of the Annual Report of FY 2023-24. There are no observations, qualifications, reservations, adverse remarks or disclaimers of the Auditors in their Audit Reports that may call for any explanation from the Board of Directors.

33. Secretarial Auditor and Secretarial Compliance Report:

In terms of the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee has recommended, and the Board has appointed M/s Parikh

& Associates, Company Secretaries, as the Secretarial Auditor for conducting Secretarial Audit of the Company for FY 2023-24.

The report of the Secretarial Auditor for the Financial Year ended on 31st March 2024, in **MR-3** is attached as **Annexure-F** of this Report. The Secretarial Audit Report is self-explanatory and does not call for any further comments. The Secretarial Audit Report does not contain any qualification, reservation/observation, or adverse remarks in the Secretarial Audit Report. During the year under review, the Company is in compliance with the applicable Secretarial Standards, specified by the Institute of Company Secretaries of India (ICSI).

Pursuant to SEBI Circular CIR/CFD1/27/2019 dated 8th February 2019 read with and Regulation 24A of SEBI LODR, all listed entities shall, additionally, on an annual basis, submit a report to the stock exchange(s) on compliance with all applicable SEBI Regulations and circulars/guidelines issued thereunder within 60 days of the end of Financial Year. Such report shall be submitted by the Company Secretary in practice to the Company in the prescribed format.

The Company has received a **Secretarial Compliance Report** from M/s Parikh & Associates, Company Secretaries for the Financial Year ended 31st March 2024 and it will be submitted to the stock exchange(s) by 30th May 2024 and will be updated on the website of the Company. Certificate forms part of this Annual Report as **Annexure-G**.

A certificate from M/s Parikh & Associates, Company Secretaries regarding compliance with sub-regulation 10(i) of regulation 34(3) of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 also forms part of this Annual Report as **Annexure-H**.

34. Cost Records and Cost Auditor:

a) Maintenance of Cost Records

The Company is required to maintain cost records under Section 148(1) of the Act read with Companies (Cost Records and Audit) Rules, 2014. Accordingly, cost records have been maintained by the Company.

b) Cost Audit

In terms of Section 148 of the Act read with Companies (Cost Records and Audits) Rules, 2014,

Director's Report (contd.)

M/s. RA & Co. (Firm Registration No. 000242), Cost Accountants were appointed as Cost Auditors of the Company for FY 2023-24 by the Board of Directors on the recommendation of the Audit Committee. The Cost Auditors had confirmed by giving their written consent that their appointment meets the requirement of Section 141 of the Companies Act, 2013.

The Cost Audit Report for FY 2023-24 of the Company will be filed with the Ministry of Corporate Affairs on or before the due date.

As per the provisions of the Companies Act, 2013, the remuneration payable to the Cost Auditor, as approved by the Board of Directors on the recommendation of the Audit Committee, is required to be placed before the Members in a General Meeting for its ratification. Accordingly, a resolution for seeking Members' ratification for the remuneration payable to M/s Joshi Apte and Associates, Cost Auditor for FY 2024-25 is included in the Notice convening the 63rd Annual General Meeting.

35. Reporting of Fraud by Auditors:

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor nor the Cost Auditor has reported to the Audit Committee of the Board, under Section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in this Report.

36. Significant and material orders passed by the Regulators or Courts or Tribunals:

During FY 2023-24 no such significant and material order passed by the Regulators or courts or tribunals.

37. Particulars of Employees:

The information required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached as **Annexure-I** to this Report.

The statement containing names of the top 10 employees, in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members, excluding the aforesaid Annexure. In terms

of Section 136 of the Act, the said Annexure is open for inspection and any member interested in obtaining a copy of the same may write to the Company Secretary at investors@skf.com.

None of the employees listed under the said rules are related to any Director of the Company.

38. Industrial Relations:

The Company enjoys harmonious and healthy industrial relations due to its vibrant work culture and believes in a collaborative approach at work. This mutual trust and caring spirit helps in maintaining a harmonious environment across all business units. The enthusiasm and unstinting efforts of employees have enabled the Company to remain in the leadership position in the industry.

39. Transfer of Equity Shares / Unpaid and Unclaimed Amounts to IEPF:

Pursuant to the provisions of Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) and subsequent amendment thereof, the amount of dividends, which remained unpaid or unclaimed for a period of seven years from the due date, is required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

The Company has accordingly transferred INR 52,11,135/- (Rupees Fifty-Two Lakhs Eleven Thousand and One Hundred and Thirty-Five only) being the unpaid and unclaimed dividend amount pertaining to FY 2015-16 to the IEPF in August 2023.

As per the IEPF Rules, all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority within a period of 30 days of such shares becoming due to be transferred to the IEPF. Accordingly, the Company has transferred all the shares pertaining to FY 2016-17 to the IEPF Authority in respect of which dividend has not been paid or claimed by shareholders for seven consecutive years or more after following the prescribed procedure.

Further amount due in respect of FY 2016-17 and shares where dividend had remained unpaid for the last consecutive 7 (seven) years will be transferred to the IEPF within the stipulated time period. The Company has sent individual notices to the concerned

Director's Report (contd.)

shareholders, whose shares and dividends are liable to be transferred to the IEPF Authority to their latest available addresses. The Company has also published necessary newspaper Adverstiment and intimated to the Stock exchange such advertisements.

The Company has displayed full details of such shareholders, dividends, and shares on its website at www.skf.com/in. Shareholders are requested to verify the details of the shares liable to be transferred as aforesaid.

40. Particulars of Loans, Guarantees or Investments:

The particulars of loans given, investments made or guarantee/security provided are disclosed in the financial statements. No fresh loan was given during the year. The Company did not give any guarantee or provide any security in connection with any loan.

The Company has invested INR 26,000/- in Clean Max Taiyo Private Limited in the form of the acquisition of Equity Shares to the tune of 26% during the last financial year.

The Company has invested during the financial year 26,267 equity shares (twenty-six thousand two hundred and sixty-seven only) fully paid-up equity shares of INR 10/- each at a premium of INR 1,596/- each share of M/s Cleanmax Taiyo Private Limited. Post-acquisition of aforesaid share, the Company has 28,867 Equity shares i.e. own 26% of the total issued and paid-up share capital of the Investee Company.

The Company has invested in the special purpose vehicle Company for the purchase of electricity generated from captive solar power project for the Bangalore plant of the Company. As per local electricity laws of Karnataka, SKF India mandatorily needs to invest in at least 26% equity shares of the power producer Company under the captive solar farm model. Accordingly, the first tranche of investment was done in March 2023. The balance tranche of investment was done in August 2023 by SKF India in Clean Max Taiyo Private Limited to comply with the captive requirements. The Company has made an investment in the capital instruments of Clean Max Taiyo Private Limited ("Investee Company") in compliance with the requirement of the local Electricity laws for captively consuming green energy. Necessary intimations were submitted to the stock exchange once acquisition was completed.

The Company had invested in the special purpose vehicle company, for the purchase of electricity generated from captive solar power project for the

Pune plant of the Company. As per local electricity laws of Maharashtra, SKF India mandatorily needs to invest in at least 26% equity shares of the power producer company under the captive solar farm model. Accordingly, the first tranche of investment was done in December 2020 and the second tranche of investment was done in March 2021 by SKF India in Sunstrength Renewables Private Limited to comply with the captive requirements.

During the financial year, the Company acquired 2,89,875 (Two Lakhs Eighty Nine Thousand Eight Hundred and Seventy-Five) fully paid-up equity shares of INR 10/- each at a premium of INR70/- each share of M/s Sunstrength Renewables Private Limited i.e. own 26.74% of the total issued and paid-up share capital of the Investee Company. The Company has made investment in the capital instruments of M/s Sunstrength Renewables Private Limited ("Investee Company") in compliance with the requirement of the local Electricity laws for captively consuming green energy.

Please refer Note 6 of financial statements for investments under Section 186 of the Companies Act, 2013.

41. Annual Return:

Pursuant to the provisions of Section 92(3) of the Act, a copy of the annual return of the Company for the Financial Year ended 31st March 2024 has been placed on the website of the Company. The same can be accessed by any person through the below-given weblink. <https://www.skf.com/in/investors>

42. Policy on Prevention of Sexual Harassment at Workplace:

At SKF India, we strive to create an environment where there is no discrimination between individuals at any point on the basis of race, colour, gender, religion, political opinion, national extraction, social origin, or age.

At SKF India Limited, every individual is expected to treat his/her colleagues with respect and dignity. This is enshrined in values and in the Code of Ethics & Conduct of the Company. The Company also has in place a Prevention of Sexual Harassment Policy. This is in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, and trainees) are covered under this policy.

The Company has complied with provisions relating

Director's Report (contd.)

to the constitution of the Internal Committee (IC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to redress complaints received regarding sexual harassment. This has been widely communicated internally and is uploaded on the Company's intranet portal.

Internal committees comprising management staff across locations and an external member are in place. These include a majority women members to redress complaints relating to sexual harassment. The employees are sensitised from time to time in respect of matters connected with the prevention of sexual harassment. Awareness programmes are conducted at unit levels to sensitise the employees to uphold the dignity of their colleagues at the workplace. The Company conducted an e-learning programme for white-collar employees and in-person training for Blue Collar employees for all factory locations in the local language during calendar year to cover various aspects of the subject matter:

Below are details of the Complaints:

1.	Number of complaints pending as on the beginning of FY 2023-24	2
2.	Number of complaints of sexual harassment received in FY 2023-24	0
3.	Number of complaints disposed off during FY 2023-24	2
4.	Number of complaints pending as on the end of FY 2023-24	0

Internal Complaint Committee details are provided in the POSH Policy. The POSH Policy is available on the website of the Company https://cdn.skfmediahub.skf.com/api/public/0901d19680abcf8/pdf_preview_medium/0901d19680abcf8_pdf_preview_medium.pdf

43. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

Pursuant to the provisions of Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 the details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings, and Outgo are attached as **Annexure - J** to this Report.

44. Explanation or Comments on Qualifications, Reservations or Adverse Remarks or Disclaimers Made by the Statutory Auditors, Secretarial Auditors:

There were no qualifications, reservations or adverse remarks made by the Statutory Auditors in the Audit Report on the Standalone and Consolidated Financial Statements for the Financial year ended 31st March 2024.

The Report of Secretarial Auditors for the Financial Year ended 31st March 2024 is also unmodified.

45. Proceeding under Insolvency and Bankruptcy Code, 2016:

No application or any proceeding has been filed against the Company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) (IBC Code) during FY 2023-24.

46. The details of the difference between the amount of the valuation done at the time of the one-time settlement and the valuation done while taking a loan from the banks or financial institutions, along with the reasons thereof:

During the year under review, the Company has not made any such settlement; therefore, the same is not applicable.

47. Code of Conduct for Board and Senior Management:

The Company has adopted the Code of Conduct for the Directors and Senior Management and the same is available on the Company's website https://www.skf.com/binaries/pub12/Images/0901d196809a6aba-Code-of-Conduct-for-Directors-Senior-Management-tcm_12-526431.pdf

All Directors and Senior Management personnel have affirmed their compliance with the said Code. A declaration pursuant to the Regulation 26(3) read with part D of the Schedule V of the SEBI LODR, 2015 signed by the Managing Director to this effect is annexed as a part of the Annual Report as **Annexure - K**.

48. Compliance with Secretarial Standards:

The Board of Directors, to the best of its knowledge, affirms that the Company has complied with the applicable Secretarial Standards (SS) issued by the ICSI SS1 and SS2, respectively relating to Meetings of the Board and its Committees, which have mandatory application during the year under review.

Director's Report (contd.)

49. Cautionary Statement:

Statements in this 'Director's Report' and 'Management Discussion and Analysis Report' describing the Company's objectives, projections, estimates, expectations, or predictions may be forward-looking statements within the meaning of applicable security laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material/ fuel availability and its prices, cyclical demand and pricing in the Company's principal markets, changes in the Government regulations, tax regimes, economic developments, unforeseen situations like pandemic

within the country in which your Company conducts business and other ancillary factors.

50. Acknowledgements:

The Directors express their deep sense of gratitude to the Principals, Aktiebolaget SKF, customers, members, suppliers, employees, bankers, business partners/ associates and all other stakeholders for their exemplary and valued contribution and look forward to their continued assistance in future.

**For and on behalf of the Board,
SKF India Limited**

**Gopal Subramanyam,
Chairman
DIN: 06684319**

**Place: Gothenburg, Sweden
Date: 8th May 2024**

ANNEXURE - A

Management Discussion & Analysis

Global economy

The global economy emerged resilient in 2023, despite geopolitical tensions and challenges related to the cost of living. After reaching its peak in 2022, inflation is now receding more rapidly than initially expected. There is thus a less severe impact on employment and economic activity. This positive development can be attributed to favourable changes in the supply side of the economy and proactive measures taken by central banks to stabilise inflation expectations.

Global growth, which reached 3.2% in 2023, is forecasted to remain steady through 2024 and 2025. However, this falls short of the 3.8% historical average, attributed to restrained monetary policies, diminished fiscal aid, and sluggish productivity growth. On the other hand, global headline inflation is expected to moderate, decreasing from an annual average of 6.8% in 2023 to 5.9% in 2024 and further to 4.5% in 2025. This decline is owing to a more front-loaded decrease in advanced economies, with inflation expected to return to near pre-pandemic levels sooner than in emerging market and developing economies. Advanced economies are poised for a slight uptick, primarily driven by the Euro Area's recovery, with growth rates projected to climb from 1.6% in 2023 to 1.7% in 2024 and 1.8% in 2025. In contrast, emerging markets and developing economies are expected to sustain stable growth at 4.2% during 2024 and 2025. However, regional disparities exist, with growth moderation in Asia counterbalanced by growth in the Middle East, Central Asia, and sub-Saharan Africa.





Global economic growth (in %)

	Year-on-Year		
	Estimates	Projections	
		2023	2024
World	3.2	3.2	3.2
Advanced Economies	1.6	1.7	1.8
United States	2.5	2.7	1.9
Euro Area	0.4	0.8	1.5
Japan	1.9	0.9	1.0
Emerging Markets and Developing Economies	4.3	4.2	4.2
China	5.2	4.6	4.1
Russia	3.6	3.2	1.8

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>)

Persistent trade distortions and geoeconomic fragmentation are likely to exert ongoing pressure on global trade levels. Recent attacks in the Red Sea, a critical route for 11% of global trade, and the ongoing conflict in Ukraine, pose new threats to global economic recovery. These events increase the risk of fresh adverse supply shocks, potentially leading to spikes in food, energy, and transportation costs.

Outlook

Looking forward to 2024, the global economic outlook appears cautiously optimistic. Due to moderate inflation and stable growth, there is a lower risk of a severe downturn. Despite the resilience exhibited in the face of tightening financial conditions and geopolitical tensions, the anticipated policy adjustments to curb inflation are likely to dampen economic activity. Given the reduced risks, there is a need for prudent policy management to avoid worsening economic conditions. It is imperative to accelerate the green transition and enhance resilience to climate shocks. This further requires strengthening multilateral frameworks and adherence to rules-based platforms for international cooperation.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>)

Indian economy

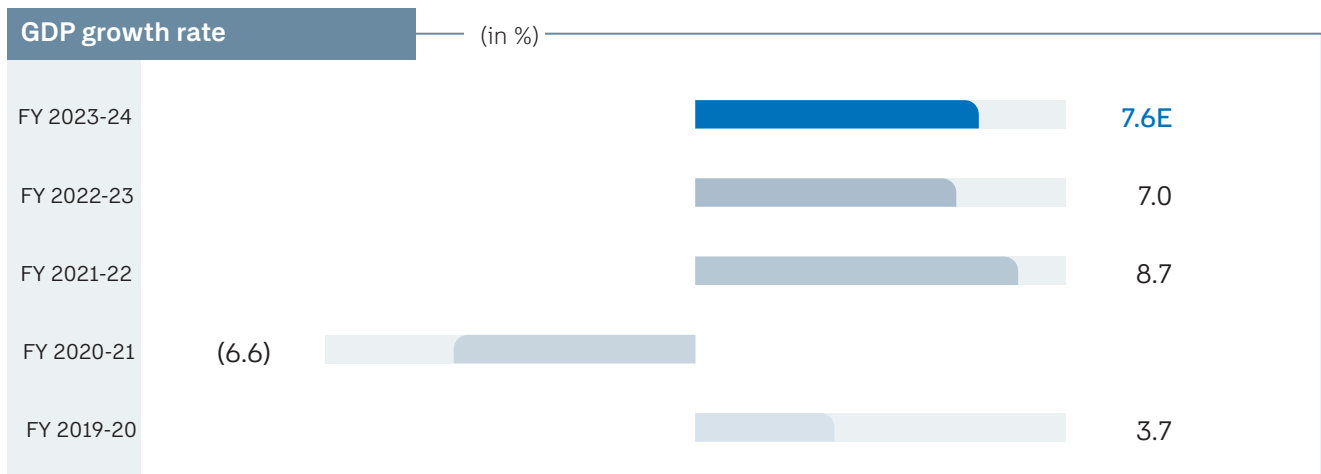
The Indian economy is growing strong and has emerged resilient amid global economic uncertainties. For the FY 2023-24, India is estimated to have grown at a robust rate of 7.6%, signaling a strong economic trajectory. However, looking ahead to the next fiscal year, there is a note of caution, with GDP growth expected to moderate to 6.8%. This projected slowdown is a result of tightening monetary and fiscal policies aimed at reducing inflation.



India has firmly established itself as the third-largest fintech economy globally, following closely behind the USA and the UK. Surpassing Hong Kong to claim the fourth spot in global stock markets, this achievement reflects both domestic and international investor confidence, supported by sustained IPO activity. Initiatives such as the Skill India Mission, Start-Up India, and Stand-Up India have played a crucial role in catalysing greater participation in human capital development, further enhancing the economy's growth prospects.

The Government is also focussed on revitalising India's growth potential through its economic policy agenda. This includes reinvigorating the financial sector, streamlining business conditions to spur economic activity, and enhancing both physical and digital infrastructure to bolster connectivity and competitiveness in the manufacturing sector. Guided by this vision, the Government has implemented a range of economic reforms aimed at fostering a business-friendly environment, enhancing ease of living, and fortifying governance systems and processes.

Indian economic growth (in %)



E: Estimated

Outlook

India is ambitiously aiming to reach a USD 7 Trillion economy by 2030, and it is progressing well towards achieving this milestone within the next three years, positioning itself as the world's third-largest economy. Furthermore, the Government has set an ambitious goal of transforming India into a developed country by 2047. Fuelled by stable and robust domestic demand, expanding private consumption and investments, and ongoing structural reforms, India is poised to sustain its upward growth trajectory in the coming years.

Capital is expected to play a dominant role in this growth trajectory, with productivity gains providing significant support. These gains will arise from the synergy between physical and digital connectivity, as well as ongoing economic and process reforms. India is set to excel in both manufacturing and services, indicating a solid and sustainable growth path.

(Source: <https://www.crisil.com/en/home/our-analysis/reports/2024/03/india-outlook-2024-report/growth-marathon.html>)

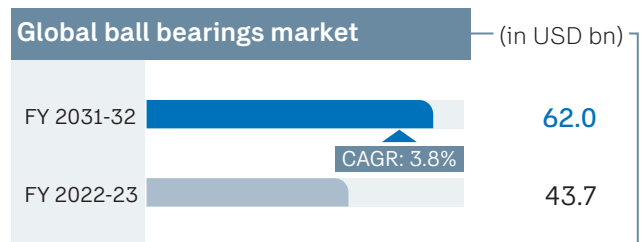


Ball-bearing industry

Bearings are crucial components in nearly every application involving motion. They play a vital role in minimising friction between various mechanical components in industrial machinery and equipment, leading to reduced energy consumption. India distinguishes itself as the world’s largest manufacturer and exporter of high-quality bearing products.

There has been a steady increase in the demand for bearings across industries such as automobiles, household appliances, aerospace, industrial machinery, water pumps, and fans. Consequently, the bearing manufacturing sector in India has experienced continuous expansion over the years to fulfill the increasing demand.

The global ball bearing market achieved a market size of USD 43.7 Billion in 2023. Looking ahead, the IMARC Group anticipates the market to expand to USD 62.0 Billion by 2032, with a projected CAGR of 3.8% during 2024-2032. This growth is driven by the increasing demand for machinery and equipment, rising adoption of automation and robotics across industries for process optimisation and enhanced productivity, and ongoing technological advancements aimed at improving durability.



(Source: <https://www.imarcgroup.com/ball-bearing-market>)

The bearings market thrives on the applications it serves, with automotive and industrial machinery being the key sectors. The automotive industry is poised to be the dominant player, driven by the growing demand for cleaner transportation. The rise of electric vehicles (EVs) is a major contributor to this trend, as automakers strive for a more sustainable future. This focus on a cleaner environment and reduced emissions is pushing the automotive sector towards a more integrated approach. Similarly, the industrial sector is experiencing a surge in demand for precision bearings due to the increasing adoption of industrial automation. This highlights the crucial role of bearings in enabling advancements across various industries.

Government initiatives like 'Make in India,' 'Aatmanirbhar Bharat,' and the 'National Infrastructure Pipeline' are set to bolster the demand for ball bearings. India's rapid industrialisation and its growing emphasis on renewable energy are expected to drive the need for bearings. Additionally, the country's manufacturing sector is attracting significant foreign investments, with the potential to reach USD 1 Trillion by 2025. Despite these opportunities, the organised ball bearings market faces a notable challenge from counterfeit products, which are easily accessible at lower prices.

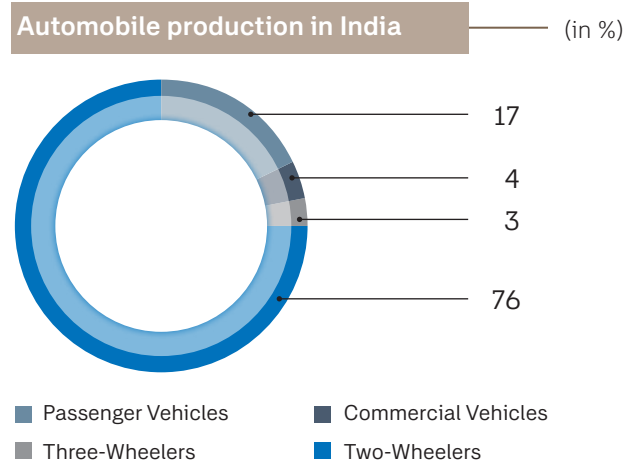
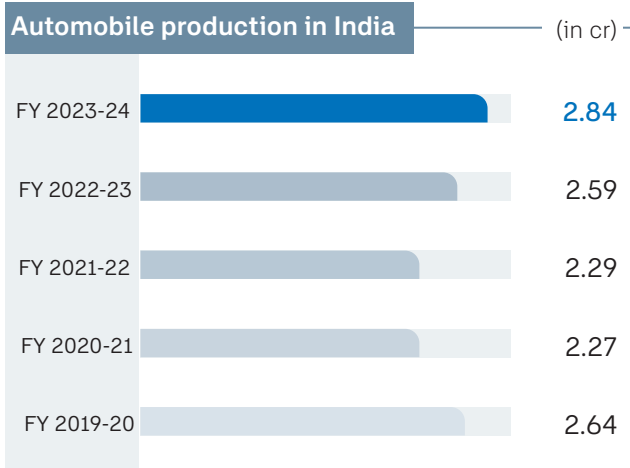
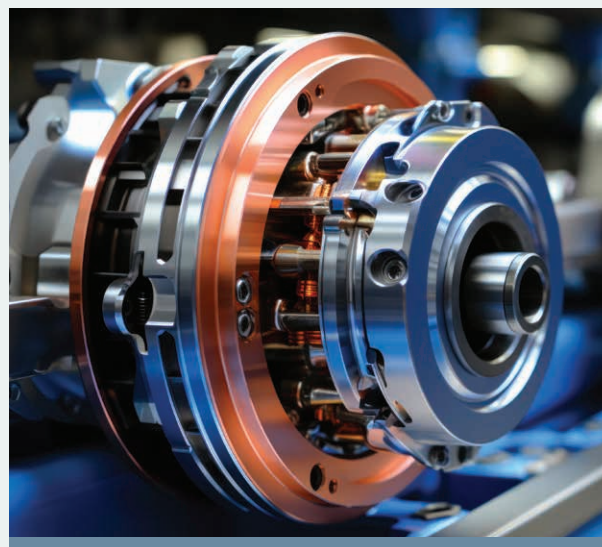
(Source: <https://www.imarcgroup.com/ball-bearing-market>)

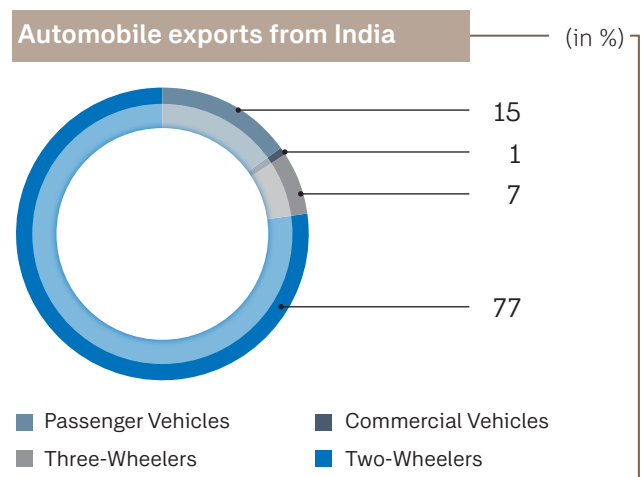
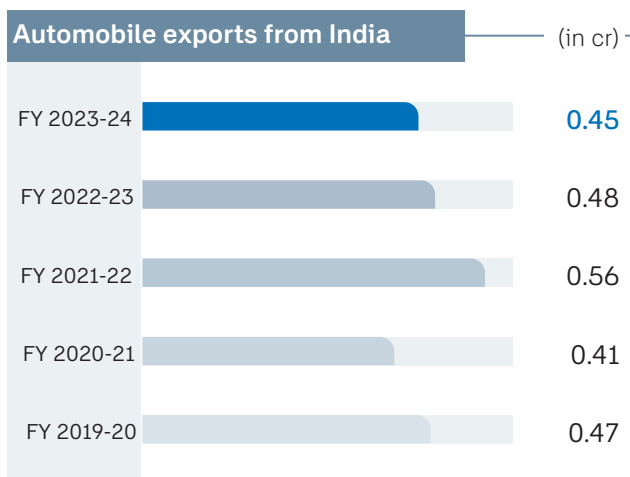
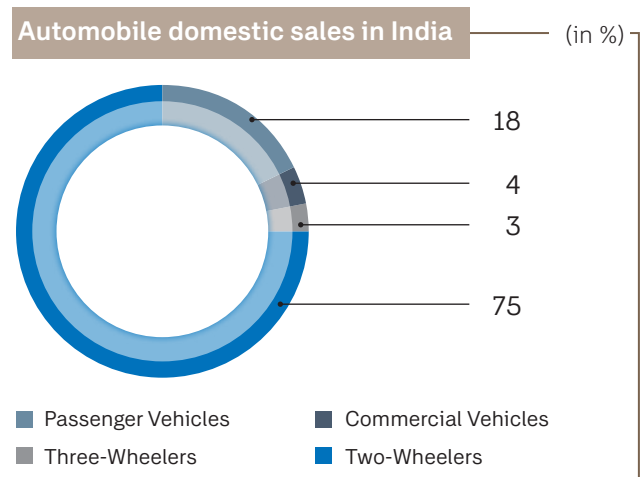
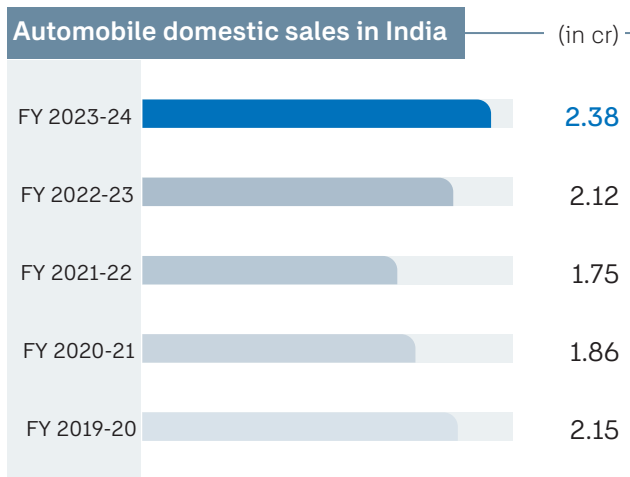
Key segments

Automotive

For a considerable time, the Indian automobile industry has served as a reliable indicator of the economy's well-being, mirroring both its growth and technological advancements. As the largest producer of tractors, the second-largest manufacturer of buses, and the third-largest producer of heavy trucks worldwide, India holds a robust position in the global heavy vehicles market. According to the Society of Indian Automobile Manufacturers (SIAM), the industry produced 2,84,34,742 units in FY 2023-24, a 9.6% increase from FY 2022-23.

The sector is poised for future growth, driven by trends such as vehicle electrification, especially in three-wheelers and small passenger cars. A key trend that will shape its future is the transition to EVs. With the Government targeting 30% EV penetration by 2030, the demand is expected to surge.





Bearings provide smooth and efficient rotational movement, reduce friction, and enhance the overall performance and durability of vehicles. There is thus a rising demand for ball bearings in various automotive components, such as engines, transmissions, wheel hubs, steering systems, and suspension systems, which is contributing to the growth of the market. This growth is further bolstered by the increasing adoption of EVs among individuals.

The primary segment of the Indian automobile industry is its passenger vehicle category, which is followed by two-wheelers. Factors driving the increasing demand for passenger vehicles include rising incomes and evolving lifestyles. India is also emerging as a key market for EVs, with significant investments being made by various companies in their development. Apart from other initiatives

supporting the growth of the automobile industry, the Government's 'Make in India' initiative has incentivised foreign companies to invest in the country and establish manufacturing facilities.

In a significant boost to the automotive industry, the budget reveals a substantial increase in the allocation for the Production-Linked Incentive (PLI) scheme, reaching INR 3,500 Crores for FY 2024-25. There is also a notable hike in the PLI scheme for advanced chemistry cell and battery storage, from INR 12 Crores to INR 250 Crores. Another significant trend is the increasing emphasis on connected and autonomous vehicles. Indian automakers are actively investing in advanced technologies that enable vehicles to communicate with each other, paving the way for safer and more efficient transportation systems.

Segment-wise sales of automobiles in India from FY 2019-20 to FY 2023-24 (in Million)

	FY 2023-24	FY 2022-23	FY 2021-22	FY 2020-21	FY 2019-20
Two-Wheelers	17.97	15.86	13.57	15.12	17.42
Passenger Vehicles	4.21	3.89	3.07	2.71	2.77
Commercial Vehicles	0.97	0.96	0.72	0.57	0.72
Three-Wheelers	0.69	0.49	0.26	0.22	0.64

(Source: <https://www.siam.in/pressrelease-details.aspx?mpgid=48&pgidtrail=50&pid=554>)

Despite its growth potential, the Indian automobile industry faces challenges such as infrastructure limitations, high taxes and tariffs, and a need for skilled labour. Other likely challenges include evolving consumer preferences, heightened competition, and regulatory changes. Despite this, the industry is expected to

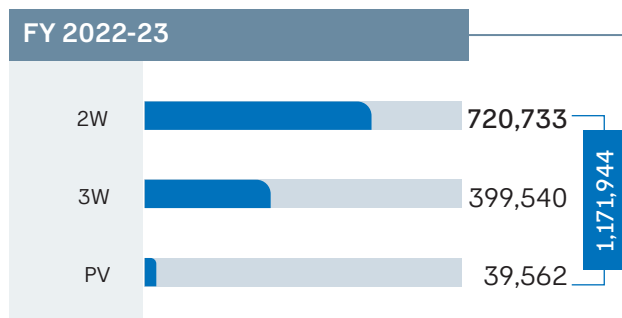
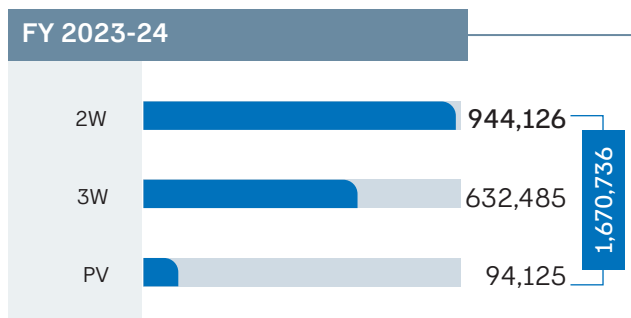
continue growing and play a vital role in India’s economic advancement. However, the overall outlook for the Indian automobile industry remains optimistic, with its continued growth expected to contribute significantly to the country’s economic development.

Electric vehicles

The EV industry in India is experiencing rapid growth, due to several factors such as rising concerns about air pollution, Government incentives, and declining battery costs. As per projections, the Indian EV market, valued at USD 2 Billion in 2023, is expected to reach USD 7.09 Billion by 2025. Industry estimates also predict that the domestic EV market could potentially reach 10 million annual sales by 2030.



Electric vehicle sales in India



(Source: <https://www.smev.in/fy-23-24>)

The Interim Budget of FY 2024-25 includes several key initiatives aimed at promoting environmental sustainability and boosting the automotive sector in India. One of these is the mandatory blending of compressed biogas into compressed natural gas for transport, along with piped natural gas. Additionally, the Government is expected to introduce the Biomanufacturing and Bio Foundry Scheme to promote eco-friendly alternatives for bio-degradable production.

Under the PM-eBus Sewa scheme, the Government aims to procure 10,000 electric buses for 169 cities through public-private partnerships, with a total outlay of INR 57,613 Crores, continuing until 2037. The Budget also emphasises urban transformation, highlighting the role of metro rail and NaMo Bharat trains in facilitating this change. The Government plans to support the expansion of these systems in large cities, focussing on transit-oriented development.

As per industry reports, electric two-wheelers are likely to constitute approximately 40 to 45% of all EVs sold in India by 2030, while electric passenger vehicles could represent about 15 to 20%. However, a report by Niti Aayog suggests that the Government aims for EV adoption to reach 40% for buses, 30% for private cars, 70 for commercial vehicles, and 80% for two-wheelers by that timeline.

(Source: <https://www.zeebiz.com/automobile/news-budget-2024-plans-for-evs-and-auto-sector-boost-in-finance-minister-nirmala-sitharamans-interim-budget-speech-274799>)

<https://www.india-briefing.com/news/indias-prospects-as-an-ev-hub-consumer-market-and-production-capacity-30157.html/>)

Outlook

The outlook for India's auto industry in 2024 is highly optimistic, supported by several favourable macroeconomic factors. Some of these include an expanding economy, ongoing investments in infrastructure, and robust demand for vehicle replacements. Other factors include an expansive domestic market, burgeoning pool of skilled engineers, the continuous evolution of our educational infrastructure, the widespread adoption of international standards, and a growing emphasis on innovation. In FY 2023-24, there has been a notable 8% growth in the industry, primarily due to factors such as the replacement of older vehicles with those compliant with BS-VI emission standards and the revised axle load norms. India's robust economy, points toward continued growth in the commercial vehicle (CV) sector throughout 2024.

(Source: <https://auto.economictimes.indiatimes.com/news/commercial-vehicle/ceos-take-on-2024-cv-industry-to-continue-growth-in-2024-with-strong-indian-economy-says-vinod-aggarwal-md-ceo-vecv/107824245#:~:text=Our%20outlook%20for%20the%20auto,year%2Dto%2Ddate%20FY2024>)



Manufacturing

Manufacturing is playing an increasingly vital role in India's economic advancement, driven by key sectors such as automotive, engineering, chemicals, pharmaceuticals, and consumer durables. India's goal of reaching a USD 1 tn milestone by 2028 is within reach, especially with key industries like chemicals, pharmaceuticals, electronics, automotive, industrial machinery, and textiles driving growth. This optimistic projection highlights the diverse and expansive export opportunities in India's manufacturing sector.

The Government has been actively implementing policies to bolster and expand the manufacturing sector, with the aim to enhance overall economic growth and employment opportunities. An

example of this is the SAMARTH Udyog Bharat 4.0 initiative by the Ministry for Heavy Industries & Public Enterprises, which focuses on SAMARTH Advanced Manufacturing and Rapid Transformation Hubs. This initiative aims to enhance the competitiveness of the manufacturing sector in the capital goods market.

Moreover, the Indian Government is prioritising the development of industrial corridors and smart cities to create a conducive environment for industrial growth and manufacturing. Initiatives like the National Manufacturing Policy and the PLI scheme for manufacturing are also facilitating the gradual transition of this sector toward more automated and process-driven methods. This shift is expected to improve efficiency and boost production in the manufacturing industry.

As we enter Industry 4.0, India's ability to integrate advanced technologies such as AI, robotics, and the Internet of Things into manufacturing processes is commendable. However, there is a need to invest in developing a skilled and adaptable workforce. Collaboration between industry and educational institutions is vital to create programmes that equip individuals with the knowledge and skills needed for modern manufacturing. Training initiatives should not only focus on technical skills but also on nurturing innovation, problem-solving abilities, and adaptability to technological advancements.

(Source: <https://economictimes.indiatimes.com/industry/indlgoods/svs/engineering/a-deep-dive-into-indias-manufacturing-landscape/articleshow/106954446.cms?from=mdr>)

Indian Railways

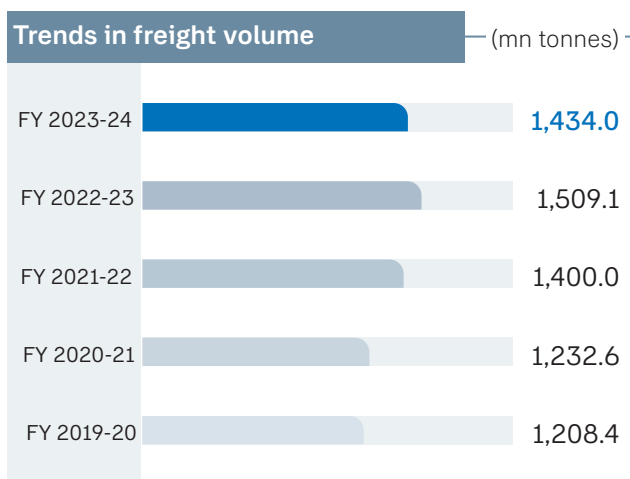
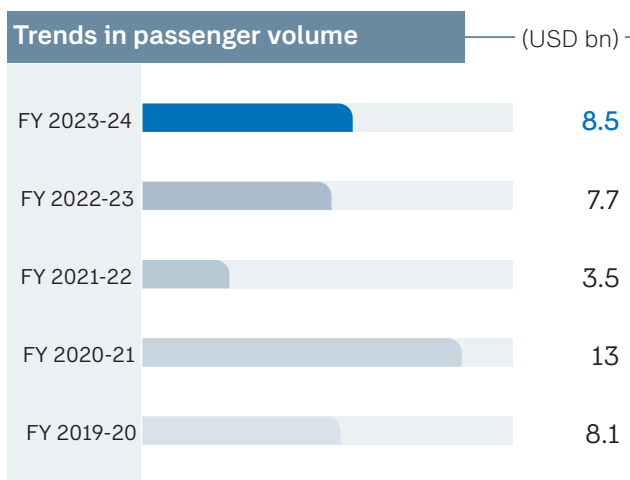
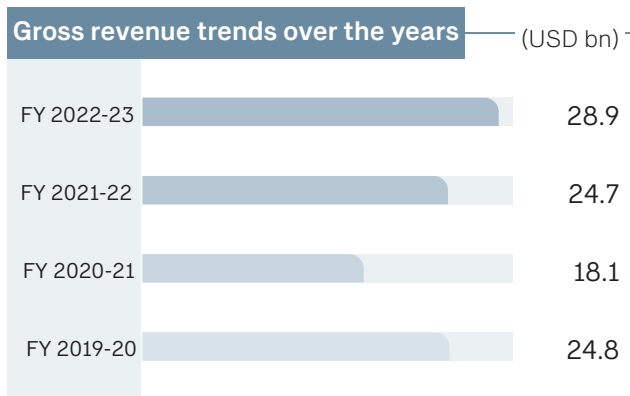
The Indian railway systems, spanning thousands of kilometres and practically covering the entire nation is considered as the backbone of the economy. It ranks as the fourth largest in the world, followed by the US, China, and Russia. Besides being an energy efficient and cost-effective mode of transport, the railway network is particularly suited for long-distance travel and bulk commodity movement. Indian Railways is also the preferred carrier for automobiles in the country.

Recognising the significance of this network, the Government has focussed on investing in railway infrastructure through investor-friendly policies. It has taken steps to enable Foreign Direct Investment (FDI) in railways to enhance infrastructure for freight and high-speed trains. Currently, numerous domestic and foreign companies are exploring investment opportunities in Indian rail projects. According to sources, Indian Railways has surpassed the milestone of 1,500 Million tonnes of freight loading and achieved a record total revenue of INR 2.4 Lakh Crores during FY 2023-24.

The sector is currently undergoing rapid modernisation to enhance passenger experience. This includes significant investments in the development of new railway lines, modernisation of stations, and electrification of tracks. The establishment of the dedicated Western and Eastern freight corridors is aimed at improving the efficiency of freight transportation. Various measures have been implemented to enhance the sector's infrastructure and services. These include increasing freight loading,

expansion of railway lines, production of locomotives, and electrification of existing and new tracks. Furthermore, the adoption of advanced technologies like AI and machine learning is improving the overall efficiency.





(Source: <https://www.ibef.org/industry/indian-railways/infographic>)

Indian Railways achieved a freight loading of 1434.03 Million tonnes (MT) until February 2024, showing an increase of 66.51 MT compared to the same period last year. The railways earned INR 1,55,557.1 Crores from freight loading during April 2023 to January 2024, which is an increase of INR 6,468.17 Crores compared to the same period last year. In February 2024 alone, the sector

achieved a freight loading of 136.60 MT, marking a 10.13% improvement over the same period last year.

(Source: <https://www.zeebiz.com/indian-railways/news-indian-railways-rakes-in-record-revenue-of-rs-24-lakh-crore-in-2023-24-280367>)

<https://pib.gov.in/PressReleaselframePage.aspx?PRID=2010619>)

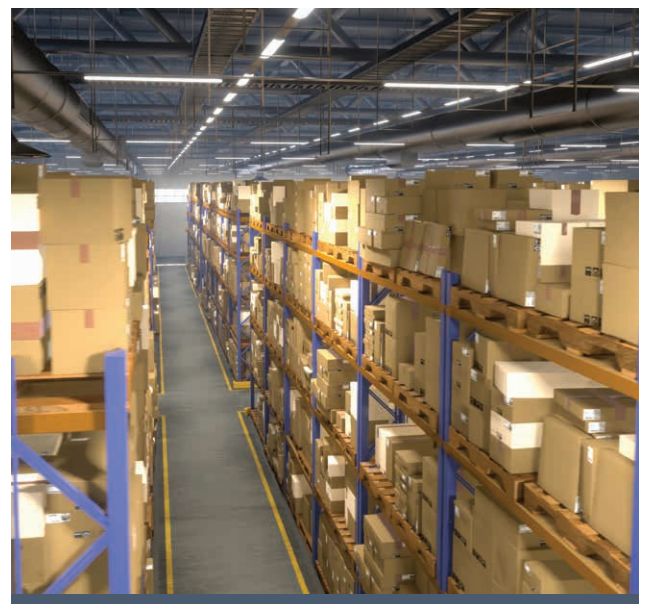
Outlook

The Government is prioritising infrastructure development, with schemes like the National Infrastructure Pipeline (NIP) emphasising social and infrastructure projects. The Ministry of Railways aims to fully electrify all existing and new routes, with the aim of creating the largest green railway network by 2030. These initiatives highlight the crucial role of Indian Railways in the country's economic growth. With a focus on infrastructure and technology investment, the Indian Railways is poised to emerge as a world-class railway system.

Capital goods

India's capital goods manufacturing industry serves as a vital foundation for sectors such as engineering, construction, infrastructure, and consumer goods. The industry's leading export subsectors include heavy electrical and power equipment, earthmoving and mining machinery, and process plant equipment, which collectively account for 85% of India's total capital goods exports.

The current focus on 'Make in India' has heightened the



emphasis on strengthening manufacturing capabilities, shining as a spotlight on the capital goods sector. The capital goods and manufacturing sectors contribute to 12% and 17% of the total manufacturing output and the GDP of the country, respectively. The Government has consistently increased its capital expenditure as a percentage of GDP year-on-year. Additionally, it has offered interest-free loans and raised borrowing ceilings to incentivise state governments to prioritise their spending on capital projects. This heightened focus on infrastructure-intensive sectors such as roads, highways, railways, housing, and urban affairs is expected to have significant positive effects on medium-term growth.

As India progresses towards the future, the capital goods sector will play a pivotal role in empowering the country and increasing the manufacturing sector's contribution to the GDP. The National Capital Goods Policy of 2016 and the Scheme for Enhancement of Competitiveness in the Indian Capital Goods Sector of 2022 provide a visionary policy framework to further enhance the sector's growth and contribution to the economy.

(Source: <https://www.investindia.gov.in/team-india-blogs/capital-goods-new-india-advantage>)

Outlook

As per sources, the target production size of the capital goods industry is poised to reach USD 112 Billion by 2025. The Government's decision to allow 100% FDI under the automatic route has increased the sector's potential for growth. The next five years are poised to be a golden era for India, driven by demographic dividends, a vibrant democracy, and diverse talent. Budget 2024 sets the stage for this exciting phase, with increased infrastructure spending, a focus on innovation, and a commitment to 'Sabka Saath, Sabka Vikas' (collective effort, inclusive development). This creates an ideal environment for the capital goods industry to play a pivotal role in shaping the nation's future.

The Interim Budget FY 2024-25 represents a significant advancement for the capital goods industry. By aligning strategically with the Government's vision and actively participating in nation-building projects, capital goods companies can capitalise on the current momentum. This will also enable them to contribute to building a 'Prosperous Bharat in harmony with nature.'

(Source: <https://www.dsij.in/dsijarticledetail/investing-in-indias-future-budget-2024-fuels-growth-for-capital-goods-industry-36237>)

<https://www.dsij.in/dsijarticledetail/investing-in-indias-future-budget-2024-fuels-growth-for-capital-goods-industry-36237>

Renewable energy

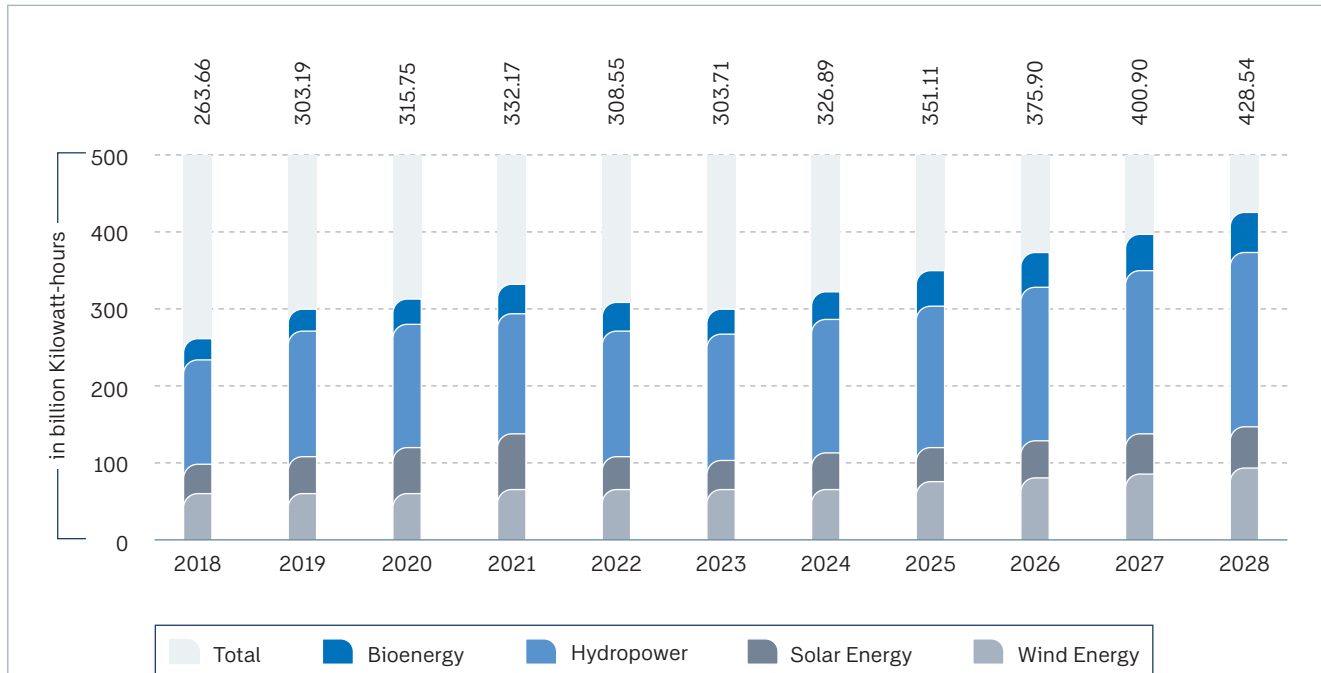
India's renewable energy sector is positioned as a global leader in innovation and manufacturing, with investment potential exceeding USD 240 Billion. The country is expected to achieve substantial growth in solar photovoltaic (PV) and advanced chemistry cell (ACC) battery investments to secure a sustainable future for energy use. India's self-reliance in renewable technology is supported by factors such as low-cost financing, a skilled workforce, and round-the-clock affordable electricity, further strengthened by export incentives.



India has been actively positioning itself as a global champion in renewable energy services, trade, innovation, and manufacturing in recent years. However, realising its full potential requires addressing several key challenges. These include ensuring affordability of renewable energy solutions, promoting domestic value addition in the manufacturing process, enhancing competitiveness in the global market, refining renewable energy policies to foster growth, improving regulatory environments to attract investments, and developing infrastructure to support the expansion of renewable energy sources. Addressing these challenges will be crucial for India to solidify its position as a leader in the renewable energy sector. As per Statista, in 2024, electricity generation in the renewable energy market is projected to reach 326.90 Billion kWh, with an expected annual growth rate of 7.01% between 2024 and 2028.

(Source: https://www.ey.com/en_in/energy-resources/unleashing-indias-renewable-energy-potential-a-global-manufacturing-hub)

Renewable energy production in India (in bn KWh)



(Source: <https://www.statista.com/outlook/io/energy/renewable-energy/india#production>)

Outlook

India has emerged as a global leader in energy transition, particularly in the realm of renewable energy. This growth can be attributed to various factors, including the declining costs of renewable energy technologies, a rising demand for clean energy, supportive policies, and advancements in energy storage and grid integration.

India has set ambitious targets to reduce the carbon intensity of its economy by less than 45% by the end of the decade. By 2030, it aims to achieve 50% cumulative installed electric power from renewable sources and reach net-zero carbon emissions by 2070. Additionally, India targets 500 GW of renewable energy installed capacity by 2030. To support these

goals, India aims to produce 5 Million tonnes of green hydrogen by 2030. This production will be backed by 125 GW of renewable energy capacity. These targets reflect India’s commitment to sustainable development and combating climate change.

The outlook for the renewable energy market remains optimistic, with the sector expected to play an increasingly crucial role in meeting global energy demands while reducing greenhouse gas emissions. The structured bidding trajectory will provide renewable energy developers with ample time to plan their finances, develop business strategies, and streamline the supply chain.

Growth drivers

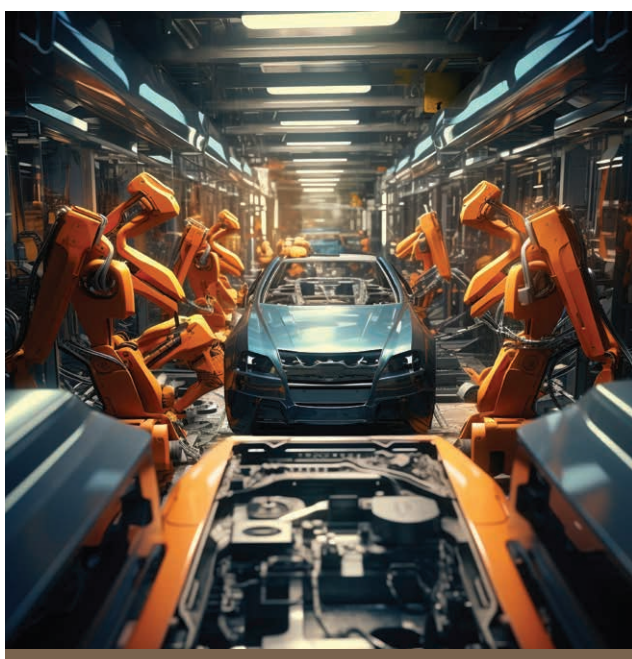
Rising demand for machinery and equipment in various industries

There is a surge in demand for machinery and equipment across various industries in the global market. Countries are focussing on developing and modernising their machinery to ensure smooth and efficient operations. Industries like automotive, aerospace, construction, and manufacturing rely heavily on ball bearings to minimise

friction and improve operational efficiency. Moreover, there is a growing need for advanced machinery to meet production demands and lower operational costs. The increasing number of infrastructure projects is also fuelling the demand for heavy machinery and construction equipment, further boosting market growth.

Increasing demand for automation and robotics to perform numerous tasks

Automation and the integration of robotics in various industries are driving market growth of the bearing industry. They help improve efficiency, reduce costs, and enhance quality in manufacturing, logistics, and service sectors. Robots are becoming more adaptable and intelligent, thereby helping streamline workflows and perform accurate, repetitive tasks in industries. Industries are increasingly adopting automated systems that rely on precision components to optimise processes and boost productivity.



Demand for hybrid bearings

SKF India offers a range of products designed to support the electrification of passenger transport. These products aim to increase energy efficiency, enable compact design, and simplify assembly, ultimately leading to the

creation of a new generation of vehicles with improved mechanical and electronic robustness.

One example of SKF India's offerings is hybrid bearings, which play a crucial role in EVs. While EVs are instrumental in reducing emissions, the powerful electrical motors they use can be damaging to bearings. Hybrid bearings address this challenge by combining steel rings with rolling elements made from silicon nitride, an effective electrical insulator. This allows hybrid bearings to insulate the housing from the shaft in both AC and DC motors, as well as in generators.

Hybrid bearings with silicon nitride rolling elements have higher-speed capabilities and provide longer service life under identical operating conditions compared to equally sized, all-steel bearings. As a ceramic material, silicon nitride offers several advantages, including low density, high strength, stiffness, toughness, and hardness. Additionally, bearings with this material can withstand excess vibration and oscillation, often eliminating the need for bearing preload or special grease application.

Technological innovations to create high-performance ball bearings

Manufacturers are consistently investing in research and development (R&D) to produce high-performance ball bearings with improved durability, higher load capacities, and reduced friction. These innovations enable ball bearings to operate more efficiently and withstand higher stress conditions, making them suitable for a wide range of applications across various industries. Additionally, the development of specialised coatings and materials for these bearings expands their use in extreme environments and challenging operating conditions, such as high temperatures or corrosive environments. Furthermore, the continuous technological advancements encourage industries to adopt these bearings for diverse applications, leading to increased productivity.

Threats

Raw material sourcing

The global sourcing of raw materials for bearing manufacturing presents several challenges. Manufacturers rely heavily on both metallic and non-metallic materials, and ensuring a stable supply of high-quality materials can be challenging. Fluctuations in prices, geopolitical tensions, and trade restrictions can all impact the sourcing process. To mitigate these risks, manufacturers must carefully manage their supply chains and seek alternative sources when necessary.



Sustainability concerns

Sustainability concerns are becoming increasingly important in bearing manufacturing. Manufacturers are facing pressure from both environmental regulations and customer demands to adopt more eco-friendly processes. However, balancing sustainability with cost-effectiveness remains a challenge for many companies. Finding innovative solutions that meet both environmental and economic goals is crucial for the long-term success of bearing manufacturers.

Cost pressures

Cost pressures are a significant challenge for bearing manufacturers, with rising energy costs and increased labour expenses impacting profitability. It is crucial to find ways to reduce operational costs while maintaining quality. Manufacturers may explore strategies such as optimising production processes, implementing energy-efficient technologies, and enhancing workforce productivity to mitigate these challenges. Additionally, leveraging automation and digitalisation can improve efficiency and reduce costs in the long term.

Way forward for the Indian ball bearing industry

The precision ball bearings market in India is experiencing significant growth. This growth is driven by various factors such as Government schemes promoting local manufacturing, a focus on energy efficiency, and increased usage of bearings in motor-based machinery.

According to forecasts, the market is expected to clock in a substantial CAGR of 10.78% between 2023 and 2029, reaching USD 3,939.58 Million by 2029. The key growth drivers include rapid industrialisation, which is increasing the demand for high-quality machinery, as well as Government initiatives aimed at boosting manufacturing in the country. As India continues to advance its manufacturing sector and emphasises technology and innovation, the demand for precision ball bearings is projected to rise. Additionally, the trend towards automation in the automotive and electronics industry is expected to further drive the demand for precision ball bearings in the Indian market.

(Source: <https://www.linkedin.com/pulse/india-precision-ball-bearings-market-size-grow-cagr/>)

Company overview

SKF India (also referred to as 'the Company'), a pioneer in ball bearing manufacturing in India, was established in 1961. Since commissioning its first manufacturing plant in Pune in 1965, the Company has grown significantly. As of 31st March 2024, SKF India operates three manufacturing facilities and four offices, with a network of over 2,000 suppliers and 1,701 employees. SKF India is a renowned supplier of ball bearings, serving over 40 industries globally with products and services that help customers achieve sustainable and competitive advantages.

Specialising in deep groove ball bearings, SKF India has a strong presence in the industrial and automotive sectors. With expertise in designing and manufacturing bearings, seals, and lubrication systems, the Company offers unique solutions for companies in automotive, agriculture, construction, food and beverage, oil and gas, metals, and other industrial sectors. Embracing technological advancements, SKF India has integrated digital technology and wireless sensors into its offerings, enabling machine health assessment, engineering, and remanufacturing services.



Sustainable development is central to SKF India's operations. The Company has incorporated clean technology, innovation, and digital solutions into its world-class manufacturing facilities. SKF India follows a clear and differentiated strategy in verticals such as industrial markets, automotive OEM, and automotive aftermarket. With the support of employees and suppliers throughout the value chain, SKF India aims to achieve net-zero emissions across its production facilities by 2030 and make the entire supply chain net-zero by 2050.

Business segments

The Company focusses on offering a rotational equipment solution across its automotive and industrial segments. It offers a wide range of products and services, including bearings, seals, lubrication systems, mechatronics, and services such as technical support, maintenance, and condition monitoring.

Automotive

SKF India provides solutions for various applications in the automotive sector, such as engines, transmissions, wheel-end, and steering systems. The Company's products help improve vehicle performance, reduce fuel consumption, and increase safety and reliability. It offers customised solutions for various applications, including wheel-end, driveline, e-powertrain, engine, suspension, and steering systems. These cater to manufacturers of cars, light and heavy trucks, trailers, buses, and two-wheelers. Additionally, SKF India supplies spare parts to the vehicle aftermarket through a network of more than 430 distributors in India.

The demand for these offerings is driven by electrification, energy efficiency, and reduction of emissions in the light vehicles market. The truck market focuses on total cost of ownership, connectivity, and integrated systems. Meanwhile, the



aftermarket is driven by changing buying patterns, new channels, product performance, and cost optimisation.

The Company holds a strong position in developing components for automotive electrification and wheel-end solutions. It also has a leading position in providing application-driven powertrain solutions and an extensive distribution network in the aftermarket.

Industrial

In the industrial segment, SKF India offers bearings, seals, lubrication systems, rotating shaft services, and solutions for machine health assessment, reliability engineering, and remanufacturing. The Company's industrial products are supplied to over 40 industries globally, both directly and indirectly, through a network of more than 140 distributors in India.

The demand for these offerings varies from application to application, such as low friction, low energy use, maintenance-free solutions, and total cost of ownership. Digitalisation further enables monitoring and predictive maintenance throughout the product lifecycle, providing additional value to customers.

The Company holds a leading position in railways, heavy industries, and the industrial distribution market, and a prominent position in other sectors.



Financial overview

The Company's standalone Revenue from Operations for FY 2023-24 stood at INR 45,701.3 Million compared to INR 43,049.2 Million the previous year. Profit After Tax

(PAT) for the year ended 31st March 2024 increased from INR 5,247.9 Million in FY 2022- 23 to INR 5,517.7 Million in FY 2023-24.

Statement of profit and loss for 31st March 2024 (MINR)

Particulars	FY 2023-24	FY 2022-23
Revenue from Operations	45,701.3	43,049.2
Other Income	940.1	518.7
Total Income	46,641.4	43,567.9
Expenses		
Cost of Materials Consumed	11,600.7	10,416.9
Purchases of Stock-in-Trade	16,325.5	15,536.5
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(143.3)	(295.2)
Employee Benefit Expense	3,433.7	2,996.3
Finance Costs	12.1	15.1
Depreciation and Amortisation Expense	746.0	668.4
Other Expenses	7,308.8	6,900.6
Total Expenses	39,283.5	36,238.6
Profit before Tax	7,357.9	7,329.3
Income Tax Expense		
Current Tax	1,900.4	2,075.7
Deferred Tax Charge / (credit)	(60.2)	5.7
Total Tax Expense	1,840.2	2,081.4
Profit for the Year	5,517.7	5,247.9

Key ratios

Ratios	FY 2023-24	FY 2022-23	% Change	Reason for change
Debtors' Turnover (Times)	6.4	6.3	1.3	-
Inventory Turnover (Times)	4.1	3.8	7.7	-
Current Ratio (Times)	3.0	3.1	(4.2)	-
Debt-to- Equity Ratio (Times)	0.0	0.0	(28.9)	This ratio has decreased primarily on account of increase in retained earnings by way of profit for the year and a reduction in lease liabilities.
Operating Profit Margin (%)	16.4	17.3	(5.3)	-
Net Profit Ratio (%)	12.1	12.2	(1.0)	-
Return on Net Worth (%)	22.0	24.8	(11.5)	-

Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof	FY 2023-24	FY 2022-23	Reason for Change
	11.5	11.2	Increase in Net worth

Risks and mitigation strategy

Given its complex and dynamic market environment, SKF India is exposed to various potential risks that can impact its financial, operational, and reputational performance. Recognising the critical importance of effective risk management in safeguarding its reputation, the Company proactively conducts risk assessments, establishes contingency plans, and maintains adequate insurance coverage. This comprehensive approach enables SKF India to minimise the impact of potential risks and position itself

for long-term success.

SKF India considers risk management to be a core part of its business philosophy. To ensure effective management of risks, the Company's Board has established a dedicated Risk Management Committee. This committee systematically manages, reviews, and improves SKF India's risk management systems, policies, and strategies.

Risks	Description	Mitigation Strategy
Economic uncertainty	An economic slowdown initiated by geopolitical tensions and high inflation might have an adverse effect on the Company's operations.	SKF India has been actively monitoring and evaluating macro-environmental conditions to determine the most suitable course of action to sustain its business growth. This ensures that any emerging challenges are promptly identified, addressed, and managed, thereby helping to maintain the Company's upward trajectory.
Competitive landscape/ challenges	Rising industry rivalry, both globally and domestically, can exert pressure on pricing and margins.	The Company's exceptional expertise and solid reputation have helped it establish an unparalleled position in the market, leading to strong and enduring customer relationships. Furthermore, its innovative and superior quality products and services provide a distinct advantage over competitors in the industry.
Data security	Cyber-attacks can result in the loss of data and personal information, potentially creating a negative impact on the Company's brand and operations.	SKF India has developed a comprehensive and robust security system that utilises multiple layers of protection to detect and prevent potential security breaches. Additionally, the Company maintains a detailed policy framework that is continuously updated to ensure the smooth and effective management of data.
Counterfeit products	Challenges in e-commerce and fintech sectors may impact the Company's business.	The Company is strongly committed to pursuing new and innovative business models, including developing an e-commerce platform, to achieve unprecedented growth and expansion. It actively explores various avenues to enhance its operations and optimise its performance. By embracing cutting-edge technologies and exploring novel approaches to conducting business, the Company is poised to achieve unprecedented success in its future endeavours.

Human resources

Human resources are crucial to the ongoing success of SKF India. The Company aims to create a diverse, equitable, and inclusive workplace that attracts, retains, and advances exceptional talent. Through ongoing employee learning and development, comprehensive compensation and benefits, and a focus on health, safety, and overall well-being, the Company strives to foster a culture that supports its employees in all aspects of their lives. This further enables them to achieve their true potential while learning, growing, and feeling engaged.

As the operating environment continues to evolve rapidly, the Company remains committed to investing in its employees. The Company aims to further enhance learning and development opportunities to better meet its evolving business needs and strengthen its culture to achieve and sustain profitable growth. Given that a people-centric approach has been a key differentiator for the Company, it provides employees with learning experiences focussed on building multi-dimensional leadership skills and offers training programmes that are closely aligned with its business strategy.

During the year under review, the Company implemented major initiatives to promote inclusion and diversity.



Similarly, it undertook multiple initiatives to build market-leading skills and capabilities of employees thereby addressing skills gaps. For example, the LeadX programme was rolled out to enable employees to get exposure to various cross-functional projects of their preference and build cross-cultural and multi-industry experience.

Specifically, the Company continues to embed new ways of working and leadership principles to instill a growth mindset, drive innovation, optimise processes, and tackle industry challenges. As a manufacturing organisation, the Company has a culture of working together through joint consultation between the Union and Management and is strongly committed to creating an

environment of trust and collaboration. The Company's HR framework encompasses several essential business aspects, including job design, recruitment, onboarding, training and development, compensation and benefits, performance management, managerial relations, and labour relations. HR initiatives, such as equitable treatment, a people-centric approach, and performance-based reward systems, have led to a higher retention rate and strong employee loyalty.

As of FY 2023-24, the Company had 1,701 employees on its payroll.

IT and digital infrastructure

A robust information technology and digital infrastructure ecosystem is a critical enabler for today's businesses. Digitalisation and blockchain technology have become important tools for research, design, and regulations. Additionally, IT technology plays a crucial role in workplace monitoring and managing technostress issues arising from the increase in digital presence. There has been significant digital adoption across organisations and industries. This makes it imperative to establish the necessary infrastructure to support a digitalised world and remain competitive.

In line with this, the Company has developed a digital transformation strategy that is pivotal in automating business processes and enhancing customer experiences across the full value chain. Enabled by IT, the implementation of Industry 4.0 solutions has led to significant improvements in manufacturing processes across the value chain. The Company is committed to accelerating technological advancements, digitalising the entire value chain, and establishing a regionalised supply chain to remain competitive. Improving sales through digitalisation and data-driven decision-making remains a top priority for the Company, which has also embarked on the journey of ERP implementation to SAP S/4 Hana across the region.

To enhance operational processes, customer experiences, and enable new business models, the global



IT team has established the Global Competency Centre (GCC) in India. This initiative has facilitated the in-house development of digital capabilities, leading to faster delivery of digital solutions.

Disclosure of accounting treatment

Where in the preparation of financial statements, a treatment different from that prescribed in an Accounting Standard has been followed, the fact shall be disclosed in the financial statements, together with the management's explanation as to why it believes such alternative treatment is more representative of the true and fair view of the underlying business transaction.- **Not Applicable**



Internal control systems and their adequacy

SKF India's policies and procedures are commensurate with its nature of business and ensure reliable and efficient business conduct. The internal control systems are periodically reviewed to confirm their effectiveness and adequacy. Internal audit, an indispensable part of management control systems, is responsible for keeping the Management updated about the adequacy and efficacy of the control systems. The three-line defence monitoring and control approach comprising the Management, Internal Control Team and Internal Audits, enable effective control of the internal control system. The Company has adopted a risk prevention approach to strengthen its controls proactively.

The Company, during the year, reviewed its Internal Financial Control (IFC) systems and strived to establish a more robust and effective IFC framework. Being part of the SKF Group, the Company adheres to SKF Internal Control Standards (SICS), a customised control system required to be adhered to, across the globe, by all SKF companies. The standard operating procedures for the business functions comprise the standards specified

by SICS. The key focus areas of SICS are compensating controls within the process and minimising deviations and exceptions. The adequacy of controls is tested and verified by the Internal Control team. The Internal Audit function conducts Process Audits with the help of specialised external professional firms. Risks/ improvement areas, identified out of the audits, are reviewed and mitigation plans are put in place. Every Audit Committee reviews the implementation status of the action plans for major observations.

The reports submitted by the Management and the audit reports submitted by Internal and statutory auditors are reviewed by the Audit Committee. To ascertain, inter alia, their views on the adequacy of internal control systems, the Audit Committee also meets statutory auditors. Based on the Committee's evaluation, it was concluded that as of 31st March, 2024, the Internal Financial Controls were adequate and operating effectively. The Company complied with the specific requirements as laid out under Section 134(5)(e) of the Companies Act, 2013. It calls for the establishment and implementation of an Internal Financial Control framework that supports compliance with the requirements of the Act concerning the Director's Responsibility Statement. The Internal Controls function regularly reviews the adequacy of controls of the processes. Suggestions to further strengthen the processes are shared with the respective process owners. The Audit Committee periodically reviews any significant observations, along with the Management's response and status of action plans.

Cautionary statement

Statements in this report on Management Discussion and Analysis, describing the Company's objectives, projections, estimates, expectations, or predictions may be forward-looking statements within the meaning of applicable laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied since the Company's operations are influenced by many external and internal factors beyond its control. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, based on any subsequent developments, information, or events. Readers are cautioned that the risks outlined here are not exhaustive. Readers are requested to exercise their judgment in assessing the risks associated with the Company.

ANNEXURE – B**Corporate Governance Report FY 2023-24****1. A brief statement on listed entity's philosophy on code of governance:**

SKF India Limited ('SKF India' or 'the Company') follows the SKF Group of building sustainable businesses that are rooted in the community and demonstrate care for the environment and has inherited a strong legacy of fair and transparent ethical governance. Strong leadership and effective corporate governance practices have been SKF's hallmark inherited from the SKF Group culture and ethos. Over the decades, SKF has consistently demonstrated a very principled conduct and has earned its reputation for trust and integrity while building a highly successful global business.

The Company's core values are: High Ethics, Integrity, Empowerment, Openness, Excellence, Learning and Sharing and Team Work.

SKF India has strengthened our industry leadership on the sturdy pillar of our corporate governance philosophy. Our governance framework enshrines the highest standards of ethical and responsible conduct of business to create lasting stakeholder value. Our governance framework and philosophy are inspired by our ethics, values and culture of professionalism. We emulate the 'best practices' that are adhered to in the realm of corporate governance globally, and these practices are integrated into our growth strategy.

The Board has laid down two separate Codes of Conduct ("Codes"), one for the Board Members and the other for Senior Management and Employees of the Company, the same is posted on the Company's website. All the Board Members and Senior Management Personnel affirm compliance with these Codes annually. Further, a code of conduct is included in the appointment letter which is signed by all employees at the time of joining. A CoC commitment is taken from all employees periodically besides continuous training & awareness initiatives implemented around it. In order to embed this in the culture of the organisation, a strong Compliance Program has been adopted. The organisation is driving a culture of openness & fearlessness through various workshops or programs and, by implementing a clear Anti-Retaliation Policy.

Across our day-to-day operations, we confirm to complete transparency and accountability to protect stakeholder interests. Our governance framework drives optimal utilisation of resources and accountability for stewardship. The Board remains the custodian of trust and acknowledges its responsibilities towards our

growing stakeholder fraternity for sustainable long-term wealth creation.

The Company is in compliance with the requirements stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") as applicable with regard to corporate governance.

1.1 Group Structure:

SKF India Limited is an affiliate of the Sweden-based SKF Group, which was founded in 1907. SKF serves presently nearly all industries, including automotive, aerospace, railways, renewable energy, medical, food & beverage etc.

SKF's mission is to be the undisputed leader in the bearings business by offering solutions that reduce friction and CO2 emissions, whilst at the same time increasing machine uptime and performance. Our products and services around the rotating shaft include bearings, seals, lubrication management, artificial intelligence and wireless condition monitoring. SKF works to reduce friction, make things run faster, longer, cleaner and more safely. By doing this in the most effective, productive and sustainable way SKF contributes to its vision of a world of reliable rotation. SKF works with its customers at every stage in their asset life cycle, providing solutions from design right through to maintenance and back to design upgrades. The Company's business runs across different industry verticals, geographical markets and is global in nature. SKF is represented in more than 130 countries and has around 17,000 distributor locations worldwide.

1.2 Governance Structure:

The corporate governance standards established (and updated from time to time) by the Board of the Company provide a structure within which directors and the Management can effectively pursue the Company's objectives for the benefit of its stakeholders.

SKF India's governance structure comprises the Board of Directors, Committees of the Board and the Management.

The Board sets out the overall corporate objectives and provides direction and independence to the management to achieve organisational objectives for value creation through sustainable profitable growth. The Board and its Committees guide, support and complement the management team's ideas and initiatives and also sets out standards of corporate

Corporate Governance Report FY 2023-24 (contd.)

behavior and ensures compliance with laws and regulations, impacting the Company's business.

1.3 Governance Policies:

SKF India seeks to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, has mandated formulation of certain policies for all listed companies. The Board of Directors periodically reviews the Policies. Policies adopted by the Company are as under:

- Code of Conduct for Prevention of Insider Trading
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- Code of Conduct for employee
- Vigil Mechanism Policy
- Archival Policy
- Code of Conduct for Directors/ Senior Management/Employees
- Policy for Determination of Materiality of events for Stock Exchange
- Familiarisation Program
- Related Party Transaction Policy
- Corporate Social Responsibility Policy
- Dividend Distribution Policy
- Risk Management Policy
- Prevention of Sexual Harassment at Workplace Policy
- SKF India Quality Policy
- Environment, Energy, health and safety policy
- Nomination and Remuneration Policy for Directors, KMP's and Senior Management

The corporate governance policies are available on the Company's website <https://www.skf.com/in/investors>.

1.4 Corporate Governance Guidelines:

The Company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), as applicable, with regard to Corporate Governance.

2. Board of Directors:

The Board of Directors have the responsibility of ensuring effective management, long-term business strategy, general affairs, performance and monitoring the effectiveness of the Company's corporate governance practices. The Managing Director reports to the Board and is in charge of the management of the affairs of the Company, executing business strategy in consultation with the Board and achieving annual and long-term business goals.

SKF India is a professionally managed Company functioning under the overall supervision of the Board of Directors ('Board'). Its Board comprises the required combination of Independent and Non-Independent Directors, including an Independent Woman Director in line with the provisions of the Companies Act, 2013 ('the Act') and the SEBI LODR. The Company's Managing Director and Whole Time Director are the Executive Directors on the Board.

Board independence is ensured by having independent members and by setting a high bar in terms of the qualifications, expertise and experience in selecting the right mix of individuals to serve on the Board, who can collectively serve the best interests of all stakeholders, maintain board and management accountability and drive corporate ethics, values and sustainability.

The Board of Directors is made up of highly experienced persons of repute and eminence, who ensure sound standards of corporate governance are nurtured.

The Board seeks accountability of the management in creating long-term sustainable growth to ensure that the aspirations of the stakeholders are fulfilled.

There are no inter-se relationships between our Board members. The Company doesn't have any pecuniary relationship with any of the Non-Executive Directors.

With regard to the significant contributions that committees make in assisting the Board of Directors in discharging its duties and responsibilities, the Board through its following Committees closely monitors various areas of business. These committees comprises of the (i) Audit Committee, (ii) Nomination & Remuneration Committee, (iii) Stakeholders' Relationship Committee, (iv) Risk Management Committee, and (v) Corporate Social Responsibility Committee.

Corporate Governance Report FY 2023-24 (contd.)

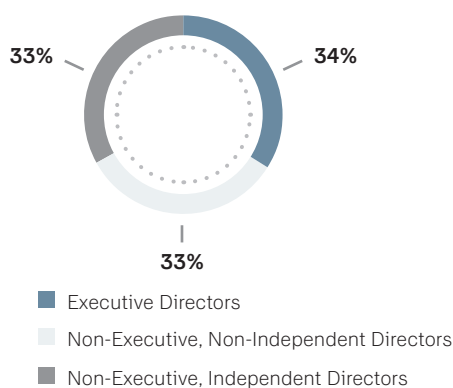
2.1 Composition and Category of Directors:

The Company believes in a well-balanced and diverse Board which enriches discussions and enables effective decision making. The Board has an optimal mix of Executive and Non-Executive Directors, comprising Independent Directors and the same is also in line with the applicable provisions of Companies Act, 2013 ("the Act") and SEBI LODR. The Board of the Company is diverse in terms of qualification, competence, skills, and expertise which enables it to ensure long-term value creation for all the stakeholders.

The Company understands that sound succession planning for the members of the Board and Senior Management is essential for sustained growth of the Company.

The Chairman works actively with the nomination and remuneration committee to plan the composition of the Board, induct directors to the Board, participate effectively in the Board evaluation process and meet with individual directors to provide constructive feedback and advice.

As on 31st March 2024, the Board comprises of six experts drawn from diverse fields/ professions.



Name of Board Members	Category /Designation
Mr. Gopal Subramanyam	- Chairman & Independent Director
Ms. Anu Wakhlu	- Independent Director
Mr. David Leif Henning Johansson	- Non-Executive, Non-Independent Director
Mr. Karl Robin Joakim Landholm	- Non-Executive, Non-Independent Director
Mr. Manish Bhatnagar	- Managing Director & KMP (till 31 st March 2024)
Mr. Shailesh Sharma	- Whole-time Director & KMP

The board of directors of the top 1,000 listed companies, effective 1st April 2020, shall have at least

1 (one) independent woman director and the Board has an optimum combination of Executive and Non-Executive Directors, which is in conformity with the requirement of the Act and SEBI LODR in this regard as amended from time to time.

The Chairman of the Board is a Non-executive Independent Director. All Directors, except the Independent Directors and Managing Director, are liable to retire by rotation.

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. The Company's business runs across different industry verticals, geographical markets and is global in nature. The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries/ fields from where they come.

All the Directors have made necessary disclosures regarding their directorships and other interests as required under Section 184 of the Companies Act, 2013 and the Committee positions held by them in other companies. The Company is in compliance with Section 165 (1) of the Companies Act, 2013 and the Company is in compliance of regulation 17A of SEBI LODR, i.e. None of the Directors on the Company's Board

- hold the office of Director in more than 20 (Twenty) Companies or
- holds directorships in more than 10 (Ten) public companies
- serves as Director or as Independent Director (ID) in more than 7 (seven) listed entities

All the Independent Directors have confirmed that they meet the 'Independence' criteria as mentioned under Regulation 16 (1) (b) of the SEBI LODR and Section 149 (6) of the Companies Act, 2013 ("Act") and the Rules framed thereunder. In terms of Regulation 25(8) of the SEBI LODR, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned

Corporate Governance Report FY 2023-24 (contd.)

under Regulation 16(1)(b) of the SEBI LODR and that they are independent of the management. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with applicable Rules.

Based on the confirmation/ disclosures as received from the Independent Directors and on evaluation of the relationships disclosed, all the Independent Directors meet the criteria of independence and are independent of the management in terms of the SEBI LODR and the Act.

The Company is in compliance of Regulation 26 of the SEBI LODR, i.e. none of the Directors are members in more than 10 (Ten) Committees or act as a Chairperson of more than 5 (Five) committees, the committees being, Audit Committee and Stakeholders' Relationship Committee.

Note:

- i) For the limit of the committees on which a director may serve in all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies, high-value debt listed and companies under Section 8 of the Companies Act, 2013 is excluded and
- ii) for the purpose of determination of limit, chairpersonship and membership of the audit committee and the Stakeholders' Relationship Committee alone is considered

The required information, including information as enumerated in Regulation 17(7) read together with Part A of Schedule II of the SEBI LODR is made available to the Board of Directors, for discussions and consideration at Board Meetings. The Board reviews compliance of all the applicable laws on a quarterly basis, as also steps taken to remediate instances of non-compliance, if any.

Pursuant to Regulation 27(2) of the SEBI LODR, the Company submits a quarterly Compliance Report on Corporate Governance to the BSE Limited (BSE) and National Stock Exchange (NSE) within 21 days from the close of every quarter.

The MD and the CFO have certified to the Board on inter alia, the accuracy of the financial statements and adequacy of internal controls for financial reporting, in accordance with Regulation 17(8) read together with Part B of Schedule II of the SEBI LODR, pertaining to MD & CFO certification for the Financial Year ended 31st March 2024.

2.2 Disclosure regarding appointment / re-appointment / cessation of Directors as on the date of Report:

Based on the recommendations of the Nomination & Remuneration Committee, the Board of Directors approved the re-appointment of Mr. Manish Bhatnagar (DIN: 08148320) as Managing Director of the Company not liable to retire by rotation with effect from 16th August 2023 for a period of five (5) years, shareholders had approved the re-appointment of Mr. Manish Bhatnagar at last year's Annual General meeting held on 2nd August 2023. He was appointed as Managing Director of the Company with effect on 16th August 2018. Mr. Manish Bhatnagar is not debarred or disqualified from holding the office of Director by virtue of any order issued by SEBI or any other such authority(ies). Further, he is not related to any of the Directors or Key Managerial Personnel or Promoters of the Company.

As informed in the Outcome of Board meeting dated 19th March 2024, due to the change in Role of Mr. Manish Bhatnagar in SKF Group, he resigned from the position of the Managing Director w.e.f 1st April 2024 and on the recommendation of Nomination and Remuneration Committee he was appointed as Non-Executive Non-Independent Director w.e.f 1st April 2024 on the Board, necessary shareholders approval will be obtained by the Company within prescribed timeline as per SEBI LODR.

Further, in the Board Meeting dated 19th March 2024, due to the Resignation of Mr. Manish Bhatnagar, the board has appointed Mr. Mukund Vasudevan as an Additional Director of the Company to hold the office till conclusion of the ensuing Annual General Meeting. On recommendation of the Nomination and Remuneration Committee, the Board further approved the appointment of Mr. Mukund Vasudevan as Managing Director of the Company with effect from 08th April 2024 for a period of five (5) years . Necessary shareholders approval will be obtained by the Company within the prescribed timeline as per SEBI LODR.

Mr. Mukund Vasudevan is not debarred or disqualified from holding the office of Director by virtue of any order issued by SEBI or any other such authority(ies). Further, he is not related to any of the Directors or Key Managerial Personnel or Promoters of the Company.

Mr. Shailesh Kumar Sharma, a whole-time Director of the Company has resigned from his position as Whole-time Director and Board of the Company w.e.f 8th April 2024, however, he will continue to lead the Operations (manufacturing, procurement & logistics) of SKF for

Corporate Governance Report FY 2023-24 (contd.)

India & Southeast Asia Region, as before. Considering his vast experience and the value he brings on table, the Board has nominated him as a permanent invitee to the Board meetings of the Company.

Mr. Karl Robin Joakim Landholm is liable to retire by rotation this year and is proposed to be reappointed by shareholders at the ensuing 63rd Annual General Meeting ("63rd AGM").

A brief profile of the person sought to be appointed/reappointed as Director(s) at the 63rd AGM of the Company are attached to the Notice of the Annual General Meeting sent to the shareholders.

2.3 Conduct of Board Proceedings:

The primary role of the Board is to protect and enhance shareholder value through the strategic direction to the Company. It provides strategic guidance to the Company, ensures effective monitoring of the Management and is accountable to the Company and the shareholders.

The Chairman leads the Board. As Chairman, he is responsible for fostering and promoting the integrity of the Board while nurturing a culture where the Board works harmoniously for the long-term benefit of the Company and all its stakeholders. The Chairman is primarily responsible for ensuring that the Board provides effective governance to the Company. In doing so, the Chairman presides over meetings of the Board and of the shareholders of the Company.

In order to facilitate effective discussions at the virtual meetings, the agenda is bifurcated into 4 (four) Section, 1st section is pertaining to 'Introduction', 2nd Section pertains to 'Reviews and Update' by the Managing Director and Chief Financial Officer for each quarter, and the 3rd Section relating to 'Decisions and Approvals' and the 4th Section relating to 'Regulatory Matters'. The dates of the Board Meetings are fixed well in advance and intimated to the Board members to enable the Directors to plan their schedules accordingly.

The Directors are also provided the option to participate in the meeting through video conferencing and the facility is provided as and when requested/needed. The agenda papers are circulated to the Directors in advance before the meeting. However, certain exigent proposals are tabled at the Board Meeting with the approval of the Chairman and the consent of the Directors. The agenda items are comprehensive and informative in nature to facilitate deliberations and appropriate decision-making at the Board Meeting. In case of matters requiring urgent

approval of the Board, resolutions are passed through circulation in compliance with the applicable law/standards.

Presentations are made to the Board on various functional and operational areas of the Company, Business Development activities as well as on major projects, financial highlights etc.

The Chief Financial Officer and respective Members of the Senior Management Personnel of the Company are invited to attend meetings of the Board (on a case-to-case basis) and make presentations to the Board on matters including but not limited to the Company's performance, strategic plans, quarterly and annual financial results, compliance reports, etc.

The Company Secretary attends all the meetings of the Board and its Committees and is, inter alia, responsible for recording the minutes of such meetings. The draft minutes of the Board and its Committees are sent to the members for their comments in accordance with the Secretarial Standards. Thereafter, the minutes are entered in the minute book within 30 (thirty) days from the date of the respective meetings, subsequent to incorporation of the comments, if any, received from the Directors. Signed minutes are also circulated within 15 days of the signing of the Minutes.

The Company adheres to the provisions of the Companies Act, 2013 read with the Rules made thereunder, Secretarial Standards, and SEBI LODR with respect to convening and holding the meetings of the Board of Directors, its Committees, and the General Meetings of the shareholders of the Company.

2.4 Board Meetings:

The Board met 5 times during FY 2023-24 i.e. 17th May 2023, 02nd August 2023, 08th November 2023, and 08th February 2024, and 19th March 2024. The intervening period between the two meetings was within the maximum time gap as prescribed under the applicable law.

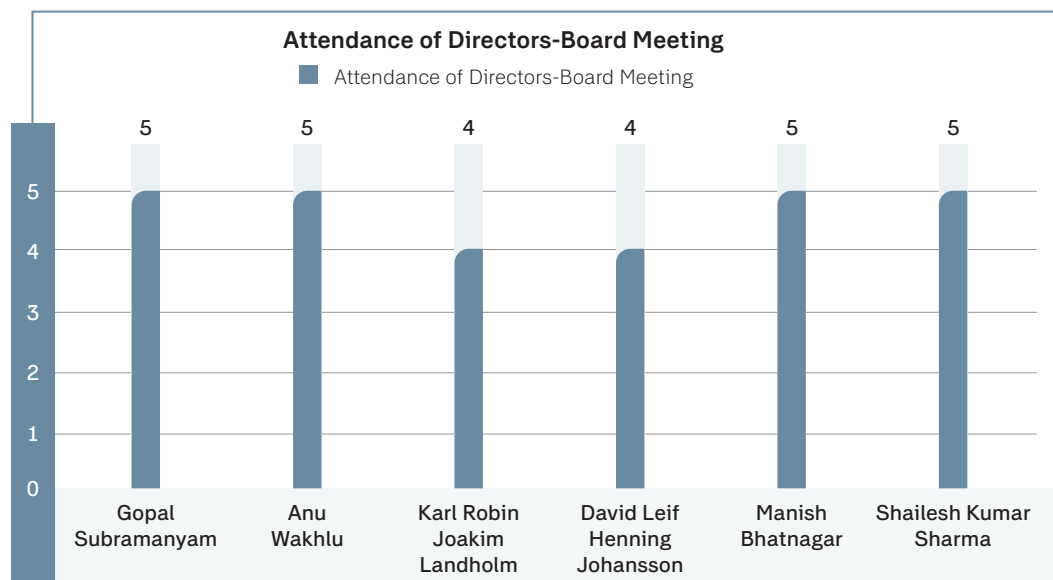
Pursuant to Clause VII of Schedule IV (Code for Independent Directors) of the Companies Act 2013 and Regulation 25(3) of SEBI (Listing Obligations and Disclosure) Regulations, 2015. For the year, the Independent Directors of the Company met separately on 13th March 2024, to review the performance of Non-Independent Directors, Chairman of the Company, and the Board of the Company and to assess the quality, quantity and timeliness of the flow of information between the Management of the Company and the Board.

All the Independent Directors attended the meeting.

Corporate Governance Report FY 2023-24 (contd.)

2.5 Attendance of Each Director at the Board Meetings and Last Annual General Meeting:

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year under review, and at the last Annual General Meeting (“AGM”), as on 31st March 2024 are given herein below.



Name of the Director, DIN and Designation	No. of Board Meetings held and attended during FY 2023-24					Attendance at the last Annual General Meeting- 02 nd August 2023
	17 th May 2023	02 nd August 2023	08 th November 2023	08 th February 2024	19 th March 2024	
Mr. Gopal Subramanyam DIN: 06684319 Non-Executive, Independent Director, Chairman	Present	Present	Present	Present	Present	Present
Ms. Anu Wakhlu DIN: 00122052 Non-Executive, Independent Director	Present	Present	Present	Present	Present	Present
Mr. Karl Robin Joakim Landholm DIN: 09651911 Non-Executive, Non-Independent Director	Present	Present	Present	Absent	Present	Present
Mr. David Leif Henning Johansson DIN: 09651955 Non-Executive, Non-Independent Director	Present	Absent	Present	Present	Present	Absent
Mr. Manish Bhatnagar DIN: 08148320 Managing Director (*till 31 st March 2024)	Present	Present	Present	Present	Present	Present
Mr. Shailesh Kumar Sharma DIN: 09493881 Whole-Time Director (till 8 th April 2024)	Present	Present	Present	Present	Present	Present

* Mr. Manish Bhatnagar resigned as Managing Director of the Company w.e.f. 1st April 2024, however board approved the appointment of Mr. Manish Bhatnagar as Non-executive Non-Independent Director of the Company w.e.f. 1st April 2024.

Corporate Governance Report FY 2023-24 (contd.)

2.6 Number of other Board of Directors or Committees in which a Director is a Member or Chairperson:

The name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships/ Memberships held by them in other public limited companies as on 31st March 2024 are given below:

Name of Director	Directorship in other companies (other than SKF India)	No. of committees in which Chairman/ Member (other than SKF India)	
		Member	Chairman
Mr. Gopal Subramanyam	-	-	-
Ms. Anu Wakhlu	-	-	-
Mr. Manish Bhatnagar	-	-	-
Mr. Shailesh Kumar Sharma	-	-	-
Mr. Karl Robin Joakim Landholm	-	-	-
Mr. David Leif Henning Johansson	-	-	-

Notes:

- Excluded alternate directorships / directorships of private limited companies and foreign companies, high valued debt listed and companies incorporated under Section 8 of the Companies Act 2013, as per Regulation 26 of the SEBI Regulations wherever applicable
- None of the Directors have received any loans and advances from the Company
- Pursuant to Regulation 26 (1) (b) of SEBI LODR, Membership/Chairmanship of only Audit Committees and Stakeholder Relationship Committee of all Public Limited companies whether listed or not have been considered
- None of the directors are related to each other
- None of the Directors hold Directorship in any Listed Company
- None of the Non-Executive Directors or Executives Directors hold any shares of the Company as on 31st March 2024 and a Non-Convertible instrument is not issued by the Company

2.7 Web link where details of familiarisation programmes imparted to independent directors is disclosed:




The details of the familiarisation programme imparted to the Independent Directors of the Company is disclosed on the website, link of the same is mentioned below:

https://cdn.skfmediahub.skf.com/api/public/094114a02c2accb8/pdf_preview_medium/094114a02c2accb8_pdf_preview_medium.pdf






2.8 A chart or a matrix setting out the skills/expertise/competence of the board of directors specifying the following:

The key qualifications, skills, and attributes which are taken into consideration while nominating candidates to serve on the Board as required in the context of the Company's aforesaid business(es) for it to function effectively and those available with the Board as a whole:







"Industry Experience; Sector specific knowledge of bearings and its user industry; Marketing; Strategic thinking/ planning; Finance/ Accounting Acumen; IT/ System knowledge; Leadership skills; Regulatory laws knowledge". The Board of SKF India is having the skills/ expertise/ competencies mentioned aforesaid.

Sr. No.	Skills/ Competency/Expertise	Symbol
1.	Industry Experience	
2.	Sector specific knowledge of bearings and its user industry	
3.	Marketing	

Corporate Governance Report FY 2023-24 (contd.)

Sr. No.	Skills/ Competency/Expertise	Symbol
4.	Strategic Thinking/ Planning	
5.	Finance/ Accounting Acumen	
6.	IT/ System Knowledge	
7.	Leadership Skills	
8.	Regulatory Laws Knowledge	

The Board of Directors who possess the aforementioned skills/expertise/competency matrix as already reviewed and approved by the Board of Directors in FY 2023-24 for Directors as on 31st March 2024 are as follows:

Sr. No.	Directors	Skills/ Competency/ Expertise
1.	Mr. Gopal Subramanyam Non-Executive, Independent Director, Chairman	
2.	Mr. Manish Bhatnagar Managing Director (till 31 st March 2024)	
3.	Ms. Anu Waklu Non-Executive, Independent Director	
4.	Mr. Shailesh Kumar Sharma Whole – Time Director	
5.	Mr. David Leif Henning Johansson Non-Executive, Non-Independent Director	
6.	Mr. Karl Robin Joakim Landholm Non-Executive, Non-Independent Director	

2.9 Detailed reasons for the resignation of an independent director who resigns before the expiry of his/her tenure along with a confirmation by such director that there are no other material reasons other than those provided: Not Applicable, as no such incident occurred during FY 2023-24.

2.10 Board Committees:

We believe that an active, well-informed, diversified, and independent board is necessary to ensure the highest standards of corporate governance. With regard to the significant contributions that committees make in assisting the Board of Directors in discharging its duties and responsibilities, the Board, through its following Committees, closely monitors various areas of business.

These Committees are mandated under the law and operate within the terms of reference laid down by the Board and under the SEBI LODR.

The Board of Directors has constituted 5 (five) Board Committees with specific terms of reference and scope.

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Risk Management Committee and
- Corporate Social Responsibility Committee

The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided below.

Corporate Governance Report FY 2023-24 (contd.)

3. Audit Committee:**3.1 Composition, Name of Members, and Chairperson:**

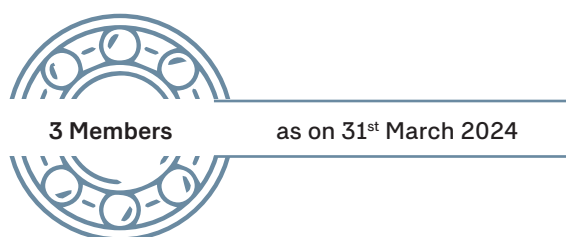
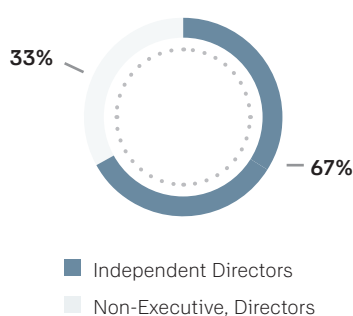
The Audit Committee ("AC") of the Company is constituted in compliance with the provisions of Regulation 18 of the SEBI LODR and the provisions of Section 177 of the Companies Act, 2013. All members of the Committee are financially literate, having the relevant accounting and financial management expertise.

The AC comprises 3 (three) non-executive directors among whom 2 (two) are independent directors.

The composition of the Audit Committee as on 31st March 2024 and changes during the year, if any are as under:

Sr. No.	Name of the Director	Designation of Director	Position held in the Committee
1.	Ms. Anu Wakhlu	Non-Executive, Independent Director	Chairperson
2.	Mr. Gopal Subramanyam	Non-Executive, Independent Director	Member
3.	Mr. David Leif Henning Johansson	Non-Executive, Non-Independent Director	Member

* No Changes in Committee during FY 2023-24.



The Managing Director, the Chief Financial Officer, the Statutory Auditor and the Internal Audit team are the permanent invitees to the meetings of the Audit Committee. The Company Secretary is the Secretary of the Committee. The Cost Auditor and Secretarial Auditor are invited to meetings whenever required. The Committee is empowered to seek any information it requires from any employee or to obtain legal or other independent professional advice when considered necessary. Pursuant to Regulation 18(1) (d) of SEBI LODR, Ms. Anu Wakhlu, Chairman of the Audit Committee was present at the 62nd Annual General Meeting of the Company held on 2nd August 2023.

The Company has an internal audit team of professionals. Apart from this, the Company's systems of internal controls covering financial, operational compliance and IT applications etc. are reviewed by external experts and firms of Chartered Accountants

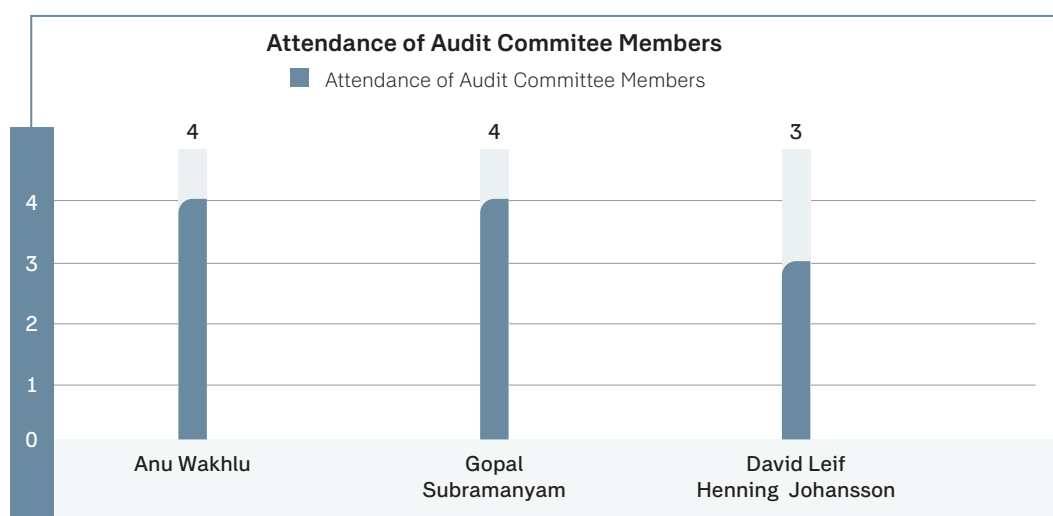
from time to time. A report and presentations of its summary are made to the Audit Committee in each meeting on the findings of internal audits carried out. The internal and statutory auditors of the Company discuss their audit observations and submit their views directly to the AC. All the recommendations of the Audit Committee have been accepted by the Board of Directors.

3.2 Meetings and Attendance during the year:

The Committee met 4 (Four) times during FY 2023-24. The meetings were held on 16th May 2023, 02nd August 2023, 08th November 2023, and 08th February 2024.

The gap between two consecutive meetings is as per the limits specified in Section 177 of the Companies Act, 2013, and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

Corporate Governance Report FY 2023-24 (contd.)

**3.3 Brief description of terms of reference:**

The Audit Committee has been constituted pursuant to the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 for carrying out the functions as stated below, activities of the Committee during the year in line with the terms of reference of the Audit Committee are broadly as under:

- a. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- b. Recommend to the Board, the appointment, remuneration and terms of appointment of the auditors of the Company
- c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors, if any
- d. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - i. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013
 - ii. changes, if any, in accounting policies and practices and reasons for the same
 - iii. major accounting entries involving estimates based on the exercise of judgment by management
 - iv. significant adjustments made in the financial statements arising out of audit findings
 - v. compliance with listing and other legal requirements relating to financial statements
 - vi. disclosure of any related party transactions
 - vii. modified opinion(s) in the draft audit report
- e. reviewing, with the management, the quarterly financial statements before submission to the board for approval
- f. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process
- g. approval or any subsequent modification of transactions of the listed entity with related parties
- h. scrutiny of inter-corporate loans and investments
- i. valuation of undertakings or assets of the listed entity, wherever it is necessary
- j. evaluation of internal financial controls and risk management systems
- k. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
- l. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- m. discussion with internal auditors of any significant findings and follow up there on

Corporate Governance Report FY 2023-24 (contd.)

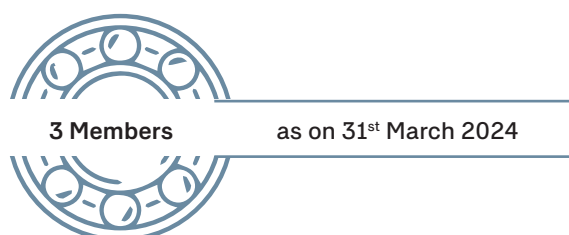
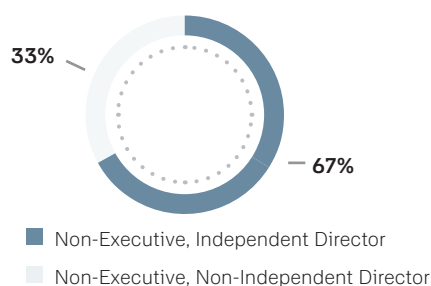
- n. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board
- o. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- p. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
- q. to review the functioning of the whistle blower mechanism
- r. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate
- s. Carrying out any other function as is mentioned in the terms of reference of the audit committee
- t. reviewing the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision
- u. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders
- v. To mandatorily review the following information:
1. Management discussion and analysis of financial conditions and results of operations;
 2. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 3. internal audit reports relating to internal control weaknesses; and;
 4. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
 5. Major accounting entries involving estimates based on the exercise of judgment by management;
 6. Significant adjustments made in the financial statements arising out of audit findings, if any;

4. Nomination and Remuneration Committee:**4.1 Composition, Name of Members, and Chairperson:**

The Nomination and Remuneration Committee ("NRC") functions according to its Charter laid down in Section 178 of the Companies Act, 2013 and the Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which defines the composition of the committee, authority, duties and responsibilities and the reporting functions. The composition of the Nomination and Remuneration Committee as on 31st March 2024 and changes during the year, if any are as under:

Sr. No.	Name of the Director	Designation of Director	Position held in the Committee
1.	Ms. Anu Wakhlu	Non-Executive, Independent Director	Chairperson
2.	Mr. Gopal Subramanyam	Non-Executive, Independent Director	Member
3.	Mr. Karl Robin Joakim Landholm	Non-Executive, Non-Independent Director	Member

*No Changes in Committee during FY 2023-24.



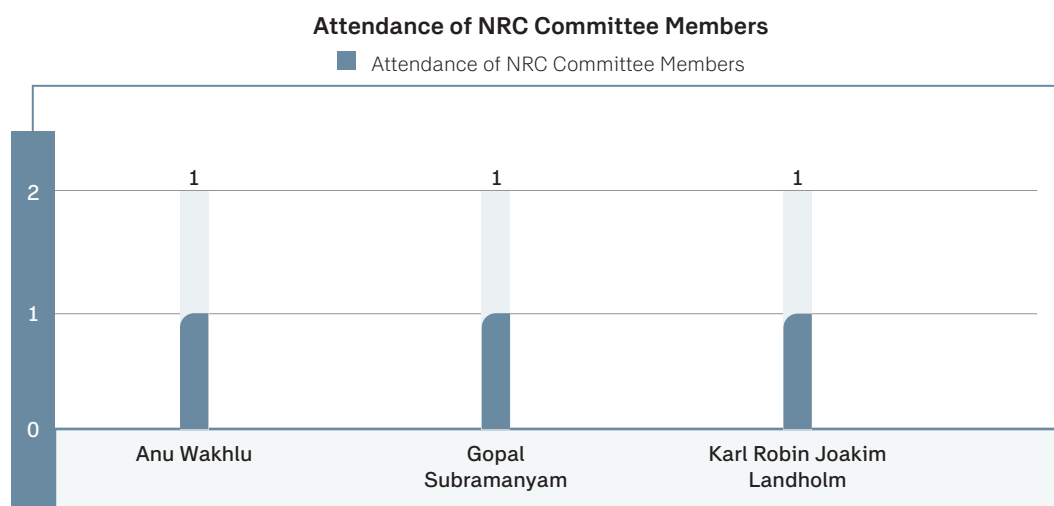
Corporate Governance Report FY 2023-24 (contd.)

All the recommendations of the Nomination and Remuneration Committee have been accepted by the Board of Directors.

Pursuant to Regulation 19 (3) of SEBI LODR, Ms. Anu Wakhlu, Chairperson of the Nomination and Remuneration Committee was present at the 62nd Annual General Meeting of the Company held on 02nd August 2024.

4.2 Meeting and Attendance during the year:

The Committee met 1 (One) time during FY 2023-24. The meeting was held on 19th March 2024 with the requisite quorum present in the meeting.



4.3 Performance evaluation criteria for independent directors

The Nomination and Remuneration committee shall carry out the evaluation of the Board as a whole, its committee and individual Directors as per the provisions of the Companies Act, 2013 and SEBI LODR. The Board shall thereafter review the recommendation of the Nomination and Remuneration Committee. On the basis of the evaluation carried out, it shall be determined whether to extend the term of appointment of the Independent Directors.

The Board formally assesses its own performance based on parameters which, inter alia, include performance of the Board on deciding long-term strategy, rating the composition and mix of Board members, discharging of governance and fiduciary duties, handling critical and dissenting suggestions, etc. The parameters for the performance evaluation of the Directors include contribution made at the Board meeting, attendance, instances of sharing best and next practices, domain knowledge, vision, strategy, engagement with senior management, etc.

The Chairperson(s) of the respective Committees shares a report to the Board based on the feedback received from the Committee members on the outcome of the performance evaluation exercise of the Committee.

4.4 Brief description of terms of reference:

The Nomination and Remuneration Committee functions according to its Charter that defines its composition, authority, responsibility, and reporting functions in accordance with Section 178 of the Act, Regulation 19(4) read with Part D Para A of Schedule II of the SEBI LODR, 2015 as mentioned below:-

- a) To formulate of the criteria for determining qualifications, positive attributes, and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- b) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge, and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director.

The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required

Corporate Governance Report FY 2023-24 (contd.)

- b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
- c. consider the time commitments of the candidates
- c) Devise a policy on Board diversity of Board of Directors
- d) formulation of criteria for evaluation of the performance of independent directors and the board of directors
- e) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal
- f) Evaluating Executive Director performance, determine and approve the compensation based on evaluation including annual increment and incentive remuneration after reviewing performance
- g) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors
- h) recommend to the board, all remuneration, in whatever form, payable to senior management.
- i) and term of reference mentioned in the Company's Policy

The Company has not had any pecuniary relationship and transaction with any of the Non-Executive Directors during the year under review, other than payment of sitting fees, commission, and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

The Managing Director and HR Head (if required) participate as invitees and the Company Secretary acts as the Secretary of the Committee.

4.5 Remuneration of Directors:

1. Remuneration to Executive Directors shall involve a balance between fixed and incentive pay reflecting the short and long-term performance objectives appropriate to the working of the Company and its goals

2. An Independent Director may be paid remuneration by way of sitting fees for attending meetings of the Board of Directors or any Committee of the Board of Directors as may be decided by the Board. Such sitting fees shall not be reckoned for the purposes of the percentage of remuneration
3. The Independent Directors shall also be entitled for reimbursement of any expenses incurred in connection with participation at the meetings of the Board of Directors or any Committee thereof and commission
4. An Independent Director shall not be eligible for any Stock option Scheme of the Company, if any such scheme exists
5. The maximum remuneration payable to anyone Managing Director or whole-time Director or maximum overall remuneration payable to all Directors including Managing Director and Executive Directors will be within overall limits as defined in the Companies Act, 2013
6. The Commission payable to the Non-executive Directors shall not exceed 1% of the Net Profits of the Company during any financial year

Policy on Criteria for making payment to non-executive directors is disseminated on the website of the Company at below mentioned link.

https://www.skf.com/binaries/pub12/Images/0901d19680cbc6e6-Policy-for-appointment-and-remuneration-for-Directors-2021_tcm_12-583864.pdf

Other Employees

As per the revised Remuneration Policy the compensation and remuneration for the Senior Management including KMP was reviewed by the Nomination & Remuneration Committee.

In line with the requirements of Regulation 25 (10) of the SEBI LODR, the Company has taken Directors and Officers Liability Insurance Policy for all its Directors and Members of the Senior Management for such quantum and for such risks as determined by the Board.

Corporate Governance Report FY 2023-24 (contd.)

1. Details of remuneration to Mr. Manish Bhatnagar, Managing Director and Mr. Shailesh Kumar Sharma, Whole-Time Director for the year under review are as under:

Amount in INR

Description	Mr. Manish Bhatnagar	Mr. Shailesh Kumar Sharma
Salary	36,145,298	11,301,795
Perquisites	-	-
Deferred Benefits (PF and Superannuation)	9,737,031	893,198
Stock Award*	7,461,935	4,568,285
Performance Linked Incentives	16,984,756	4,974,623
Total	70,329,020	21,737,901

* The Managing Director and Whole-time Director is entitled to 'a Stock Award' from the parent company being part of the long-term variable salary.

No severance fees are payable to the Directors during the year.

4.6 The details of the remuneration paid/ payable to other Non-Executive Directors are as under:

Name of the Director	Sitting Fees (INR)	Commission	Total (INR)
Mr. Gopal Subramanyam	755,000	3,595,636.74	4,350,636.74
Ms. Anu Wakhlu	655,000	2,941,376.24	3,596,376.24

Note:

- 1) payable subject to approval of annual accounts by the Shareholders at the 63rd Annual General Meeting to be held on 13th August 2024.
- 2) Mr. David Leif Henning Johansson and Mr. Karl Robin Joakim Landholm were not entitled to any sitting fees or commissions during the financial year 2023-24.

5. Stakeholders' Relationship Committee:

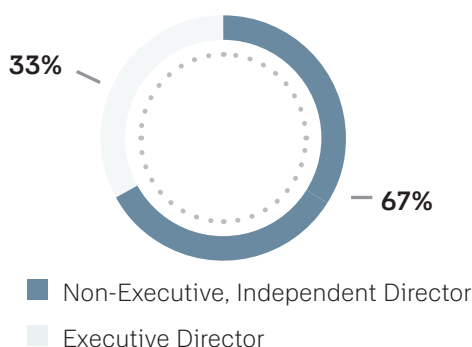
5.1 Composition, Name of Members, and Chairperson:

The Stakeholders' Relationship Committee (SRC) has been constituted by the Board in compliance of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI LODR.

The composition of the Stakeholders' Relationship Committee as on 31st March 2024 and changes during the year, if any are as under:

Sr. No.	Name of the Director	Designation of Director	Position held in the Committee
1.	Mr. Gopal Subramanyam	Non-Executive, Independent Director	Chairperson
2.	Ms. Anu Wakhlu	Non-Executive, Independent Director	Member
3.	Mr. Manish Bhatnagar	Executive Director (Managing Director till 31 st March 2024)	Member

*No Changes in Committee during FY 2023-24.

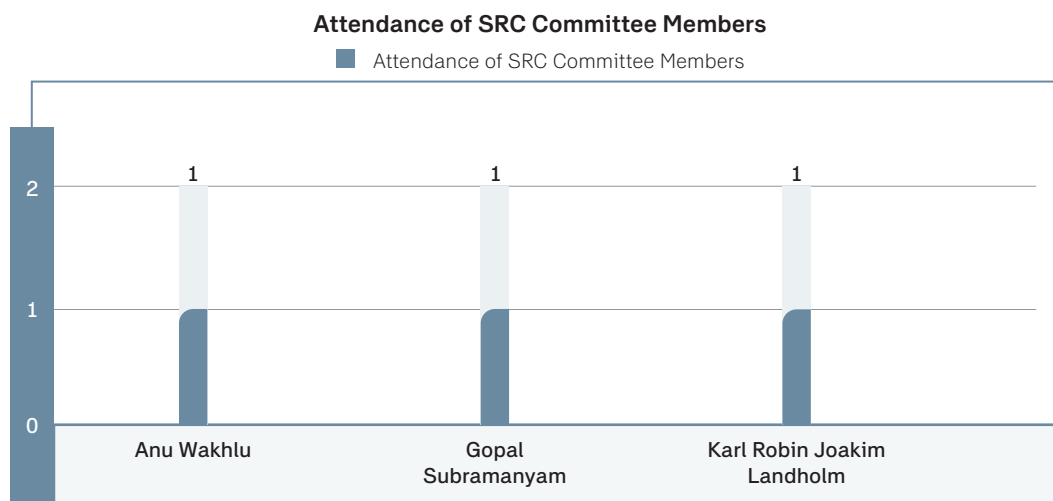


Corporate Governance Report FY 2023-24 (contd.)

All the recommendations of the Stakeholders' Relationship Committee have been accepted by the Board of Directors. Mr. Gopal Subramanyam, Chairman of the Stakeholders' Relationship Committee was present at the 62nd Annual General Meeting of the Company held on 02nd August 2023.

5.2 Meeting and Attendance during the year:

The Committee met 1 (one) time during FY 2023-24. The meetings were held on 8th March 2024 with the requisite quorum present for the in the meeting.



5.3 Name and designation of the compliance officer:

Name: Mr. Ranjan Kumar Title: Company Secretary & Compliance Officer
 Phone: (+91) 020 66112500/2623 Fax: (+91) (20) 6611 2396
 Email: investors@skf.com Address: Chinchwad, Pune 411033, Maharashtra, India

During the financial year, M/s Link Intime India Private Limited (TSR Consultants Private Limited, the erstwhile RTA has been amalgamated with and into Link Intime India Private Limited with effect from 22nd December 2023) continue to act as Registrar and Share Transfer Agents of the Company. Complaints or queries relating to the shares can be forwarded to the Company's Registrar and Share Transfer Agents – M/s Link Intime India Private Limited at csg-unit@tcplindia.co.in

5.4 Brief description of terms of reference:

The Stakeholders' Relationship Committee functions in accordance with Section 178 of the Act and Regulation 20 read with, Part D, Para B of Schedule II of the SEBI LODR. The suitably revised terms of reference enumerated in the Committee Charter, after incorporating therein the regulatory changes mandated under the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, are as follows:-

- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company
- Review of measures taken for effective exercise of voting rights by shareholders
- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc
- The Committee undertook an annual performance evaluation of its own effectiveness
- To approve transfer/transmission of shares, issue of duplicate shares
- To review the queries received from investors
- To review the work done by the share transfer agent
- To review corporate actions related to shareholder issues, if any

Corporate Governance Report FY 2023-24 (contd.)

- j. To review the adherence to the service standards in respect of various services being rendered by the Registrar & Share Transfer Agent
- k. To ensure the timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company
- l. Carry out any other function contained in the equity listing agreement as and when amended from time to time

Every month a report is obtained from the Registrar and the Share Transfer Agent on correspondence/ communication received from the shareholders. The Company follows the practice of inquiring from BSE/ NSE regarding any pending shareholder's grievances. During the year, the SRC Committee approved 12 SRC Circular resolutions on the basis of requests received from RTA for the issue of Duplicate shares, the transmission of shares, etc.

An analysis of investor queries and correspondence done during the year are given hereunder:

Sr. No.	Particulars	Total Received	Total Replied	Total Pending
1.	Payments			
	a Instruments found already paid / payment sent for Electronic Credit to Bank	0	0	0
	b Outdated, Duplicate warrants and changes on live warrants (where new instruments being issued)	64	64	0
	c Issue of new drafts against unencashed drafts/recovery drafts	86	84	2
	d Non-receipt of warrants (where Recon In Progress)	0	0	0
	e Non-receipt of payments (where new instruments already issued)	3	3	0
	f Unclaimed and unpaid amounts transferred to ROC / IEPF	11	11	0
	g Miscellaneous	93	90	3
2.	Annual Report	0	0	0
3.	Bonus Issue	0	0	0
4.	Change in name/status	8	8	0
5.	Communication received through SEBI and other statutory / regulatory bodies	23	21	2
6.	Conversion / demerger – scheme of arrangement / exchange/ merger – amalgamation of companies / sub-division	13	13	0
7.	Demat / Rematerialisation of Shares	12	12	0
8.	Document Registration	251	240	11
9.	Legal matters	26	25	1
10.	Loss of securities	657	611	46
11.	Nomination	0	0	0
12.	Tax Exemption	0	0	0
13.	Transfer of Securities	2	2	0
14.	Transmission of Securities	116	116	0
15.	Other queries	172	169	3
	Total	1,537	1,469	68
	<i>Request For</i>			
1.	Change of address	71	71	0
2.	Change in Bank details	59	59	0
3.	Issue of new certificates on split / consolidation / renewal	0	0	0
4.	Nomination	239	223	16
5.	Pan updation	54	54	0
	Total	423	407	16
	Grand TOTAL	1,960	1,876	84

Corporate Governance Report FY 2023-24 (contd.)

Other queries in serial no 15 above mainly includes inquiries relating to, beneficiary details for securities held in electronic form, signature case, incomplete / incorrect details, mailing of certificates and split / consolidation / renewal queries.

1960 correspondences were received by the Company, out of which **1876** correspondences were replied to the satisfaction of shareholders during the year under review, balance **84** Outstanding correspondences as on 31st March 24, have been attended by 29th April 2024.

All the members of the Committee have attended the Annual General Meeting.

The Committee expresses satisfaction with the Company's performance in dealing with the shareholders' grievances an its share transfer system.

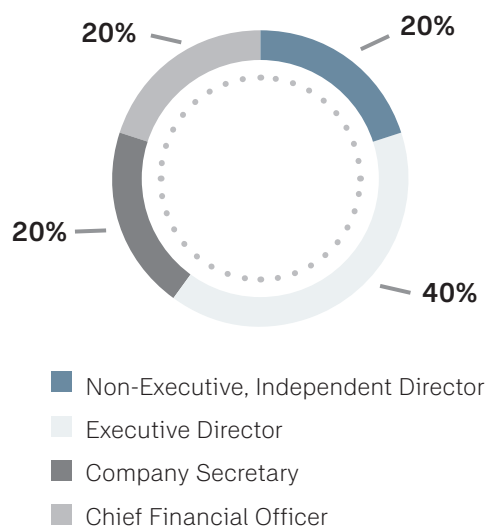
6. Risk Management Committee:

6.1 Composition, Name of Members and Chairperson:

The Risk Management Committee (RMC) has been constituted by Board in compliance Regulation 21 of the SEBI LODR. The composition of the Risk Management Committee as of 31st March 2024 and changes during the year, if any are as under:

Sr. No.	Name of the Director	Designation of Director	Position held in the Committee
1.	Mr. Gopal Subramanyam	Non-Executive, Independent Director	Chairperson
2.	Mr. Manish Bhatnagar	Executive Director (Managing Director till 31 st March 2024)	Member
3.	Mr. Shailesh Sharma	Executive Director (Whole-time Director)	Member
4.	Mr. Ranjan Kumar	Company Secretary and Compliance Officer	Member
5.	Mr. Ashish Saraf	Chief Financial Officer	Member

*No Changes in Committee during FY 2023-24.



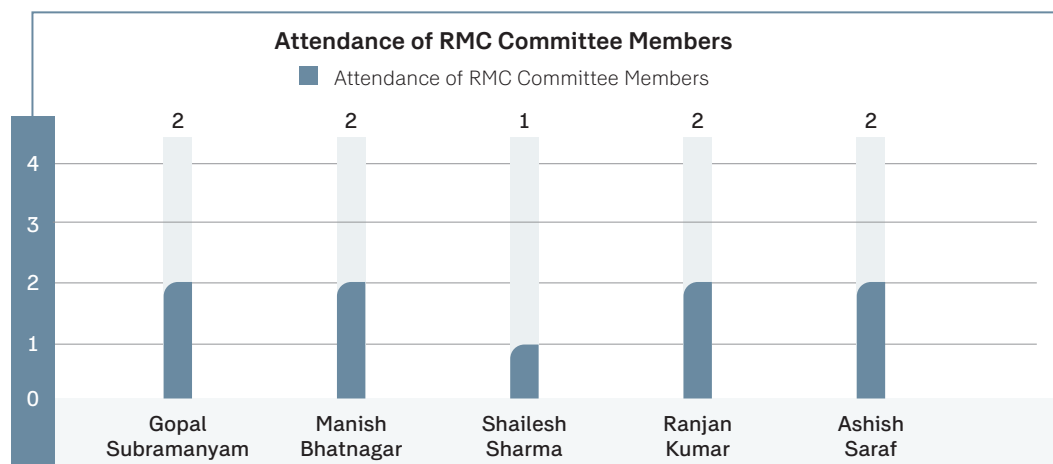
All the recommendations of the Risk Management Committee have been accepted by the Board of Directors.

Mr. Gopal Subramanyam, Chairperson of the Risk Management Committee was present at the 62nd Annual General Meeting of the Company held on 02nd August 2023.

Corporate Governance Report FY 2023-24 (contd.)

6.2 Meetings and attendance during the year:

The Committee met 2 (Two) times in FY 2023-24. The meetings were held on 12th September 2023 and 8th March 2024.



The meetings of the Committee during FY 2023-24 are within the timelines as specified in Regulation 21 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

6.3 Brief description of terms of reference:

Our Risk Management Committee enables the achievement of the Company's strategic objectives by identifying, analysing, assessing, mitigating, monitoring and governing any risk or potential threat to these objectives. The systematic and proactive identification of risks, and mitigation thereof, enables our organisation to boost performance with effective and timely decision-making. Strategic decisions are taken after careful consideration.

Our RMC encompasses all of the Company's risks, such as strategic, Operational, and legal & compliance risks. Any of these categories can have internal or external dimensions.

The terms of reference of the Risk Management Committee, as approved by the Board and amended from time to time, includes the following:

- i. To consider the Risk Policy and determine the Company's risk appetite and risk tolerance, ensure that risk assessments are performed periodically and that risk management measures are put in place to mitigate/ manage the risks
- ii. To ensure that the Company has and maintains an effective on-going risk assessment process, consisting of risk identification, risk quantification, risk evaluation, risk mitigation plan and risk management
- iii. To identify risks and measure their potential impact and likelihood
- iv. To evaluate all types of risks applicable including strategic, financial, operational, technological, or cyber security and competition risks etc
- v. To consider both the upside and the downside of risk taking and to take the "long view" – to think about the effects that something may impact in the future. Understanding of the regulatory environment in which the organisation operates, and the prospective changes related to risk governance
- vi. Risk assessment procedures:
 - a) To ensure both qualitative and quantitative metrics are being used
 - b) Review regularly and approve the parameters used in these measures and the methodology adopted
 - c) Set a standard risk register for the accurate and timely monitoring of critical, major and moderate risk and the management/mitigation measures thereof
- vii. Review the Company's procedures for detecting fraud and for the prevention of bribery
- viii. The Committee is authorised:
 - a) To seek any information, it requires from any employee/ director of the Company to perform its duties

Corporate Governance Report FY 2023-24 (contd.)

- b) To obtain, at the Company's expense, external legal or other professional advice on any matter within its terms of reference where required; and
- c) To request the attendance of any employee at a meeting of the committee as and when required

The Risk Management Policy articulates the Company's approach to address uncertainties in its endeavour to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of various stakeholders within the Company, the structure for managing risks and framework with respect to Risk Management and the Internal Financial Controls comprehensively address the key strategic/ business risks and operational risks respectively.

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR):

The Company has always maintained a high level of social engagement and social responsibilities under the leadership of Mr. Manish Bhatnagar, Chairman of the Committee and its Team. The initiatives in the social sphere have always been built on the Company's Values of "SKF Care" which comprises of four pillars, namely 'Business care /Employee care/ Environment care and Community care'. The Company considers it as its economic, environmental and social responsibility to foster sustainable local development as well as add value to the local communities in which it operates.

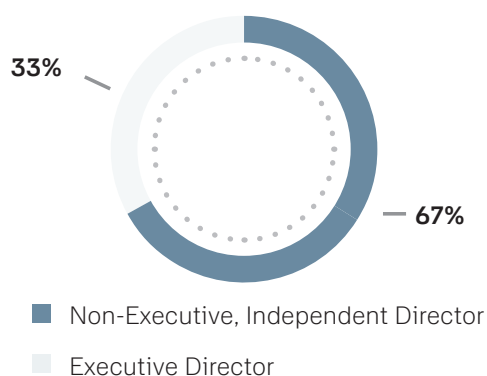
7.1 Composition, Name of Members and Chairperson:

The Corporate Social Responsibility ("CSR") Committee has been constituted by the Board in compliance with the requirements of Section 135 of the Companies Act, 2013.

The Corporate Social Responsibility Committee members as on 31st March 2024 and changes during the year, if any are as under:

Sr. No.	Name of Member	Designation	Position held in the Committee
1.	Mr. Manish Bhatnagar	Executive Director (Managing Director till 31 st March 2024)	Chairperson
2.	Ms. Anu Wakhlu	Non-Executive, Independent Director	Member
3.	Mr. Gopal Subramanyam	Non-Executive, Independent Director	Member

*No Changes in Committee during FY 2023-24.



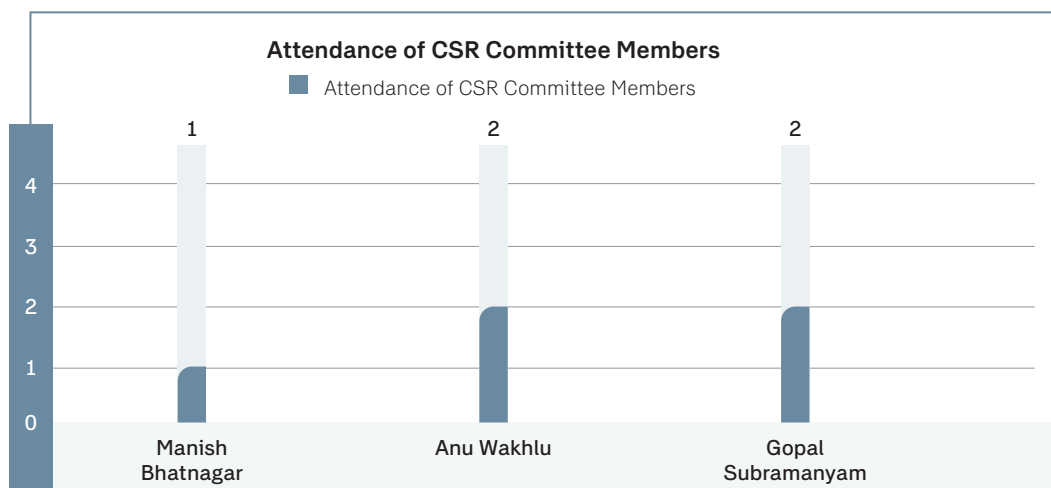
All the recommendations of the Corporate Social Responsibility Committee have been accepted by the Board of Directors.

Mr. Manish Bhatnagar, Chairperson of the Corporate Social Responsibility Committee was present at the 62nd Annual General Meeting of the Company held on 02nd August 2023.

Corporate Governance Report FY 2023-24 (contd.)

7.2 Meetings and attendance during the year:

The Committee met 2 (Two) times in FY 2023-24. The meetings were held on 04th May 2023 and 08th February 2024.

**7.3 Brief description of terms of reference:**

- i. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which will indicate the activities to be undertaken by the Company in accordance with Schedule VII of the Companies Act, 2013 amended from time to time.
- ii. Recommending the amount of expenditure to be incurred on CSR activities.
- iii. Monitor implementation and adherence to the CSR Policy of the Company from time to time.
- iv. Such other activities as the Board of Directors determine as they may deem fit in line with CSR Policy.

The Board has adopted the CSR Policy as formulated and recommended by the Committee.

The Annual Report on CSR activities for FY 2023-24 forms part of the Board's Report. The brief outline of the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure - C** of this report.

8. General Body Meetings:**8.1 Location and time, where last three annual general meetings held:**

Sr. No.	Type of General Meeting	Date	Day	Time	Location of the meeting
1.	Annual General Meeting for the Financial Year ended 31 st March 2023	02 nd August 2023	Wednesday	3:00 p.m. (IST)	Convened through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") deemed location to be the registered office of the Company at Chinchwad, Pune 411033
2.	Annual General Meeting for the Financial Year ended 31 st March 2022	27 th July 2022	Wednesday	3:00 p.m. (IST)	Convened through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") deemed location to be the registered office of the Company at Chinchwad, Pune 411033
3.	Annual General Meeting for the Financial Year ended 31 st March 2021	23 rd July 2021	Friday	3:00 p.m. (IST)	Convened through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") deemed location to be the registered office of the Company at Chinchwad, Pune 411033

Corporate Governance Report FY 2023-24 (contd.)

8.2 Whether any special resolutions passed in the previous three annual general meetings:

Sr. No.	Type of General Meeting	Date	Special Resolutions passed if any
1.	Annual General Meeting for the Financial Year ended 31 st March 2023	02 nd August 2023	None
2.	Annual General Meeting for the Financial Year ended 31 st March 2022	27 th July 2022	None
3.	Postal Ballot Conducted by Mr P.N. Parikh, of M/s Parikh & Associates, Practicing Company Secretary	19 th May 2022 (date of passing resolution)	None
4.	Postal Ballot Conducted by Mr Jayavant Bhavde of M/s J.B. Bhavde & Co, Company Secretaries	9 th December 2022 (date of passing resolution)	None
5.	Annual General Meeting for the Financial Year ended 31 st March 2021	23 rd July 2021	Remuneration to Non-Executive Directors by way of Commission

8.3 Whether any special resolution passed last year through postal ballot – details of voting pattern:

No special resolutions were passed during the financial year under review through postal ballot.

8.4 Whether any special resolution is proposed to be conducted through postal ballot: Yes, postal ballot is proposed to be conducted in May 2024 for the reappointment of Independent Director - special resolution and other resolutions will be ordinary resolutions, necessary Stock Exchange intimations will be provided after 8th May 2024 Board meeting.**8.5 Procedure for postal ballot:** In compliance with SEBI LODR and Companies Act, 2013**9. Means of communication:**

The Quarterly, Half Yearly and Annual Results are regularly submitted to the Stock Exchanges in accordance with the SEBI LODR and are generally published in the Economic Times, MINT (English) and Maharashtra Times (Marathi). The official news releases (if any), including on the quarterly and annual results are submitted to Stock Exchanges and also posted on the Company's website (<https://www.skf.com/in/investors>). The Company's website contains a dedicated section "Investors" where information for shareholders is available. The Annual Report, Quarterly Results, Shareholding Pattern, Corporate Governance

Report, Quarterly Compliances, Intimation/ Outcome of Board Meetings and other relevant information of the Company are posted through BSE Listing Centre and NSE NEAPS portals for investor information. The Annual Report which includes inter alia, the Director's Report, the Report on Corporate Governance, Business Responsibility and Sustainability Report, the Management Discussion and Analysis, Notice of AGM, and Financials of the Company is another channel of communication to the Shareholders. The Company had provided a live webcast of the proceedings of the 62nd AGM held on 02nd August 2023 and a recording of the same and presentation made during AGM is also available on the website.

The website of the Company provides information on unclaimed dividends, compliance reports, and other relevant information of interest to the investors/public. Reminders are sent to shareholders for claiming unpaid dividends and transfer of shares to the Investors Education and Protection Fund.

During the year Company had attended 1 (one) Analyst / Institutional Investor Meeting on 21st February 2024 organised by Kotak Securities Limited in Mumbai and the Company arranged 1 (one) Analyst Call on 3rd August 2023, audio links and transcripts of both were submitted to Stock exchanges and the same is available on the website of the Company.

Corporate Governance Report FY 2023-24 (contd.)

10. General shareholder information:

Annual General Meeting – date, time, and venue	Tuesday, 13th August 2024, at 3:00 P.M. IST Through Video Conferencing (“VC”) / Other Audio visual Means (“OAVM”)		
Video Conference, If Yes, Link	Yes Link is provided in Notes to the AGM Notice		
Financial Year	1 st April 2023 to 31 st March 2024		
Cut off for Dividend (if any)	Thursday, 4th July 2024		
Cut off for E-voting	Tuesday, 6th August 2024		
Dividend Payment Date	The Dividend, if declared at the AGM will be paid on or before, 11 th September 2024		
E-Voting Lines open	Commence from 9th August 2024 (Friday) at 9:00 a.m. (IST) and ends on 12th August 2024 (Monday) at 5:00 p.m. (IST)		
The name and address of each stock exchange(s) at which the listed entity’s securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s).	<table border="0"> <tr> <td>BSE Ltd. Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001, Maharashtra, India Tel No: (022) 22721233/4, 91-22-66545695 Fax : (022) 22721919</td> <td>National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot no.C-1,G Block, Bandra-Kurla Complex, Bandra(E), Mumbai-400051 Maharashtra, India Tel No: (022) 265981–0 - 8114 Fax No: (022) 26598120</td> </tr> </table>	BSE Ltd. Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001, Maharashtra, India Tel No: (022) 22721233/4, 91-22-66545695 Fax : (022) 22721919	National Stock Exchange of India Ltd., Exchange Plaza, 5 th Floor, Plot no.C-1,G Block, Bandra-Kurla Complex, Bandra(E), Mumbai-400051 Maharashtra, India Tel No: (022) 265981–0 - 8114 Fax No: (022) 26598120
BSE Ltd. Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001, Maharashtra, India Tel No: (022) 22721233/4, 91-22-66545695 Fax : (022) 22721919	National Stock Exchange of India Ltd., Exchange Plaza, 5 th Floor, Plot no.C-1,G Block, Bandra-Kurla Complex, Bandra(E), Mumbai-400051 Maharashtra, India Tel No: (022) 265981–0 - 8114 Fax No: (022) 26598120		
Stock Code	500472 SKFINDIA		
ISIN	INE640A01023		
Registrar to an issue and Share Transfer Agents	M/s Link Intime India Private Limited (TSR Consultants Private Limited, the erstwhile RTA has been amalgamated with and into Link Intime India Private Limited with effect from 22 nd December 2023) C-101, 1 st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083 Tel.: +91 8108118484; Fax: +91 22 6656 8494; SEBI registration NO: INR000004058 Email: csg-unit@tcplindia.co.in / csg-unit@linkintime.co.in Website: https://tcplindia.co.in		
Confirmation about payment of annual listing fee to each of such stock exchange(s);	The Company has paid Listing Fees for FY 2023-24 to each of the Stock Exchanges, where the equity shares of the Company are listed.		
Share Transfer System	The shares of the Company are traded dematerialised form as no physical transfer of share is allowed as per SEBI guidelines. As required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 a certificate on a yearly basis for the transfer of equity shares and a quarterly report on the Reconciliation of Share Capital from a practicing Company Secretary has been submitted to Stock Exchanges within prescribed timeline.		
In case the securities are suspended from trading, the directors report shall explain the reason thereof	N.A.		
Plant Locations	<ol style="list-style-type: none"> Chinchwad, Taluka Haveli, Pune - 411 033, Plot 2, Bommasandra Industrial Area, Hosur Road, Bengaluru – 560 099, Plot No 2, Industrial Park II, Salempur- Mehdood, Haridwar - 249402 		
Address for correspondence	SKF India Limited Registered & Corporate Office : Chinchwad, Pune 411 033, Maharashtra, India		

Corporate Governance Report FY 2023-24 (contd.)

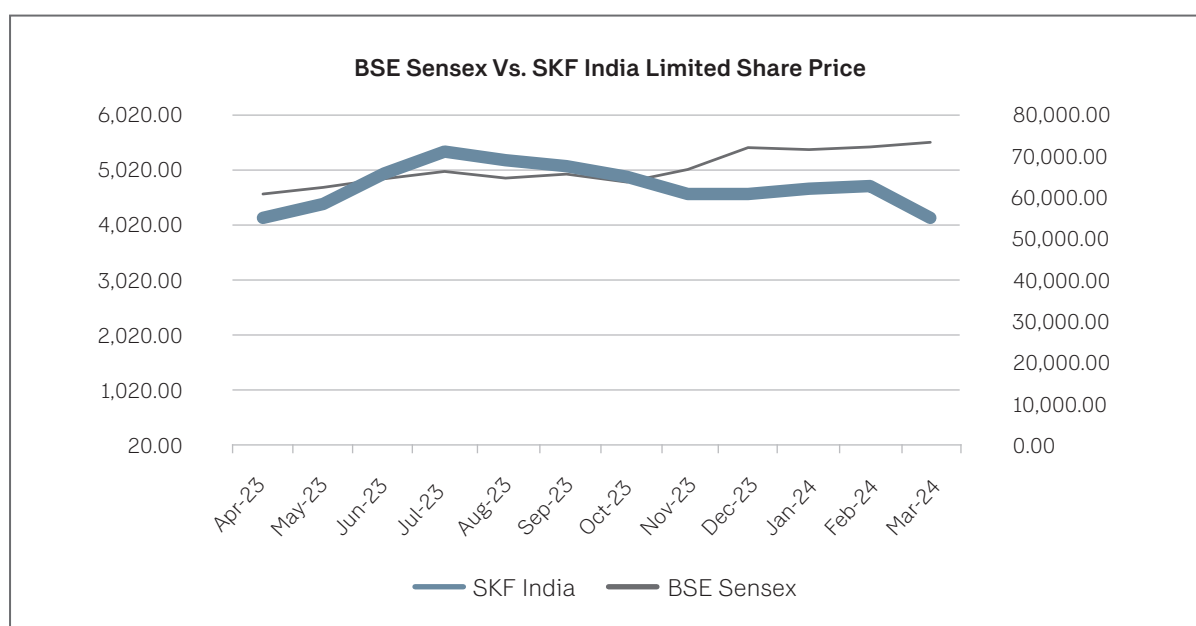
List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilisation of funds, whether in India or abroad

The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilisation of funds in India or abroad during the financial year ended 31st March 2024.

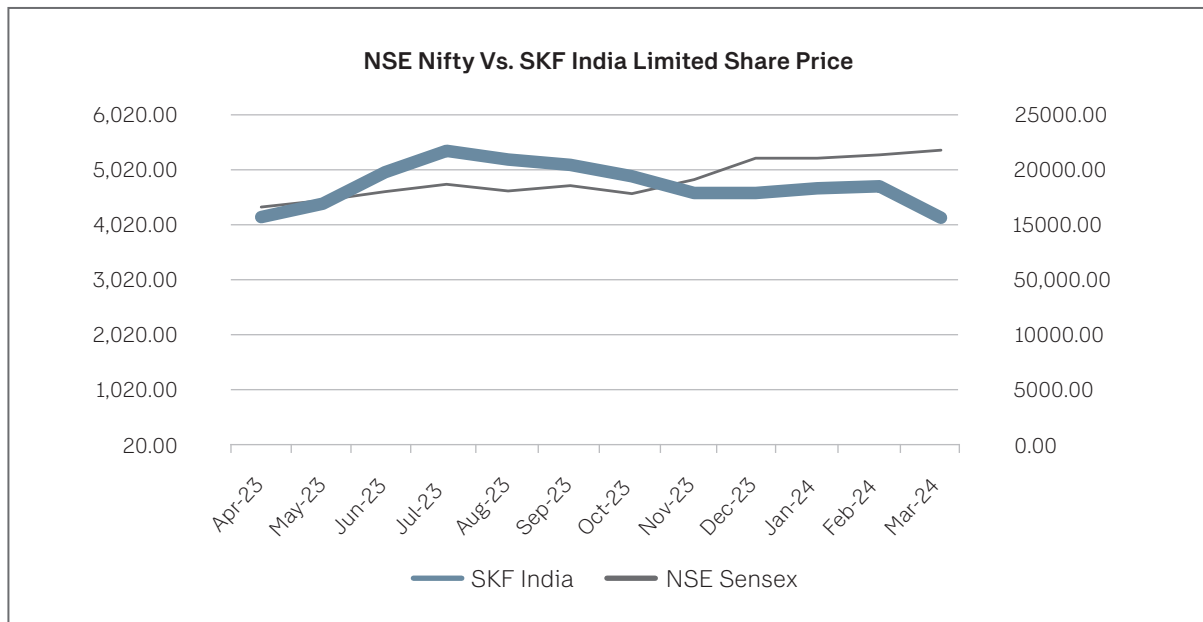
10.1 Market price data- high, low during each month in last financial year:

Month	BSE		NSE	
	High Price	Low Price	High Price	Low Price
Apr-23	4,412.65	4,073.90	4,417.00	4,070.70
May-23	4,759.95	4,122.05	4,530.00	4,120.00
Jun-23	5,040.65	4,405.30	5,050.80	4,404.00
Jul-23	5,428.35	4,924.00	5,426.40	4,910.00
Aug-23	5,528.90	4,900.00	5,534.95	4,895.00
Sep-23	5,420.00	5,000.05	5,440.00	5,036.00
Oct-23	5,389.95	4,891.30	5,378.00	4,884.15
Nov-23	5,100.00	4,505.50	5,144.70	4,522.55
Dec-23	4,742.95	4,444.00	4,739.90	4,441.00
Jan-24	4,730.35	4,412.70	4,746.95	4,400.00
Feb-24	4,827.20	4,365.70	4,820.00	4,371.05
Mar-24	4,883.95	4,025.00	4,725.00	4,024.50

10.2 Performance in comparison to broad-based indices such as BSE Sensex, and NSE Nifty:



Corporate Governance Report FY 2023-24 (contd.)



10.3 Distribution of shareholding as 31st March 2024:

Shares Range			Number of Shareholders	% of Total Shareholders	Total Shares for the Range	% of Issued Capital
1	to	500	45,373	95.8267	21,45,251	4.3393
501	to	1000	1,002	2.1162	7,44,065	1.505
1001	to	2000	515	1.0877	7,36,391	1.4895
2001	to	3000	131	0.2767	3,14,405	0.636
3001	to	4000	79	0.1668	2,81,606	0.5696
4001	to	5000	39	0.0824	1,74,645	0.3533
5001	to	10000	77	0.1626	5,50,047	1.1126
10001	to	*****	133	0.2809	4,44,91,553	89.9947
Total			47,349	100.0000	4,94,37,963	100.0000

10.4 Dematerialisation of shares and liquidity:

	No. of Shares	% of total capital issued
Held in dematerialised form in NSDL	46,218,170	93.49
Held in dematerialised form in CDSL	2,802,613	5.67
Physical	417,180	0.84
Total	49,437,963	100.00

10.5 Outstanding global depository receipts or american depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity: There are no outstanding GDRs / ADRs / Warrants or any other convertible instruments which are likely to impact the equity capital of the Company.

Corporate Governance Report FY 2023-24 (contd.)

11. Other Disclosures:**11.1 Disclosures on materially significant related party transactions that may have potential conflict with the interests of a listed entity at large:**

There have been no materially significant related party transactions that may have potential conflict with the interests of the Company at large. The necessary shareholder approval is obtained as per SEBI LODR for material Related Party Transactions at the ordinary course of business and at arm's length basis.

11.2 Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:

During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to the capital markets.

11.3 Details of establishment of vigil mechanism whistleblower policy, and affirmation that no personnel has been denied access to the audit committee:

The Company has adopted a Whistle-Blower Policy and an effective Vigil Mechanism system to provide a formal mechanism to its Directors, Employees and Business Associates to voice concerns in a responsible and effective manner regarding suspected unethical matters involving serious malpractice, abuse or wrongdoing within the organisation and also safeguards against victimisation of Directors/ Employees and Business Associates who avail the mechanism.

The Company affirms that no personnel had been denied access to the audit committee under the Whistle Blower Policy, below is link of the policy.

https://cdn.skfmediahub.skf.com/api/public/0901d196809a699a/pdf_preview_medium/0901d196809a699a_pdf_preview_medium.pdf

11.4 Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all the mandatory requirements under SEBI (LODR) Regulations, 2015, Company is also complying with the non-mandatory requirement as mentioned in CG Report.

11.5 Web link where policy for determining 'material' subsidiaries is disclosed: N.A.**11.6 Web link where policy on dealing with related party transactions:**

The web link the policy on dealing with related party transactions is:

https://cdn.skfmediahub.skf.com/api/public/094c27a9001efbc0/pdf_preview_medium/094c27a9001efbc0_pdf_preview_medium.pdf

11.7 Disclosure of commodity price risks and commodity hedging activities:**Commodity Risk:**

Steel and steel alloy form the basic material for the manufacture of bearings and constitute the single largest component of bearing cost. Steel prices are monitored on a regular basis using pricing trends and forecast from internationally reputed agencies. Wherever co-relation exists, the cost sheet is monitored to calculate delta changes and accordingly prices are factored. Additionally, import data is tracked to compare average import prices and buying prices. Appropriate actions are accordingly taken to minimise commodity risks.

Foreign Exchange Risk:

The Company actively monitors the foreign exchange movements and takes forward covers as appropriate to reduce the risks associated with transactions in foreign currencies. The Company is a net importer and, therefore, is exposed to foreign exchange risk. However, the Company does not hedge as a policy on trade account and instead tries, as far as possible, to hedge its business to protect itself against the vagaries of the currency by entering into appropriate contracts with its suppliers and customers.

11.8 Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):

The Company has not raised funds through preferential allotment or qualified institution placement as specified under Regulation 32(7A) during FY 2023-24.

11.9 A certificate from a Company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority:

A certificate has been obtained from M/ s Parikh and Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by

Corporate Governance Report FY 2023-24 (contd.)

the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority which forms part of this report, same is enclosed as **Annexure - H**.

11.10 Where the board had not accepted any recommendation of any committee of the board, which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof:

The Board of Directors has accepted all recommendations of all committees of the Board, which is mandatorily required, in FY 2023-24.

11.11 Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

Total fees (all services) paid by the Company on a consolidated basis to M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm's Registration Number 117366W/W-100018) with the ICAI, Statutory Auditors forms part of the Notes to Financial Statements.

11.12 Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The policy on the Prevention of Sexual harassment at the Workplace is available at https://cdn.skfmediahub.skf.com/api/public/094be59db798869d/pdf_preview_medium/094be59db798869d_pdf_preview_medium.pdf

- Number of Complaints pending as beginning of financial year: 2
- Number of complaints filed during the financial year : Nil
- Number of complaints disposed of during the financial year : 2
- Number of complaints pending as on end of the financial year: Nil

11.13 Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:

No Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount were given by the Company during FY 2023-24.

11.14 Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries: N.A.

11.15 Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed: N.A.

11.16 The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted: Yes

11.17 The Company is in compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance of the annual report: Yes

11.18 Compliance under Non-Mandatory Requirement under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Also, the Company has adopted non-mandatory requirements as per the details given below:

- The Board: The Company does not maintain a separate office for the Non-Executive Chairman.
- Audit Qualifications: The auditors have not qualified the financial statements of the Company. The Company continues to adopt best practices in order to ensure unqualified financial statements.
- Reporting of Internal Auditors: The Internal Auditor reports observations to the Audit Committee and makes detailed presentations at quarterly meetings.

11.19 Code of Conduct to Regulate, Monitor, and Report Trading by Designated Persons:

The Company has in place a Code of Conduct for the Prevention of Insider Trading and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Code of Conduct for Prevention of Insider Trading lays down guidelines advising the Management, staff, and other connected persons, on procedures to be followed and disclosures to be made by them while dealing with the shares of SKF India, and while handling any unpublished price-sensitive information, cautioning them of the consequences of violations.

Annually training is conducted to create awareness on Insider Trading(PIT) compliance for all designated persons.

Corporate Governance Report FY 2023-24 (contd.)

Mr. Ranjan Kumar has been appointed as the Company Secretary & Compliance Officer.

Shares held by the Directors and KMP as at 31st March 2024 are as under:

Name of Director / KMP	No. of shares or convertible instruments held
Ms. Anu Wakhlu	Nil
Mr. Gopal Subramanyam	Nil
Mr. David Leif Henning Johansson	Nil
Mr. Karl Robin Joakim Landholm	Nil
Mr. Manish Bhatnagar	Nil
Mr. Shailesh Sharma	Nil
Mr. Ashish Saraf	Nil
Mr. Ranjan Kumar	Nil

11.20 OTHER INFORMATION FOR SHAREHOLDERS:**I. IEPF Information:**

As required under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978, the Company has transferred all unclaimed equity dividends up to the financial year 1996 to the General Revenue Account of the Central Government. Members who have so far not claimed or collected their dividend for the said financial year(s), may claim the same from the Registrar of Companies, Maharashtra by submitting an application in the prescribed form.

In terms of the provisions of Section 125 of the Companies Act, 2013 as amended the Company is obliged to Transfer Dividends which remain unpaid or unclaimed for a period of seven years (from the date of the transfer into the Unpaid Dividend Account) to the credit of the Investor Education and Protection Fund (the Fund) established by the Central Government. Accordingly, the Company has transferred unpaid/ unclaimed dividend up to FY 2015-16 to the Fund and no claim shall lie against the Company or the Fund in respect of dividends remaining unclaimed or unpaid and transferred to the Fund. Members who have not yet encashed their dividend warrants for the years 2017 to 2023 may approach the Company for revalidation / issue of duplicate dividend warrants as the unpaid/unclaimed dividends for the aforesaid financial years are required to be transferred to the Investor Education & Protection Fund (IEPF)

constituted by the Central Government under Section 125 of the Companies Act, 2013 after seven years from the date of declaration.

The Company provides the facility of payment of dividends to the shareholders by directly crediting the dividend amount to the shareholder's Bank Account. Members are, therefore, urged to avail of this facility to ensure safe and speedy credit of their dividend into their Bank account through the Banks' Automated Clearing House ("ACH") and/or any other permitted mode for credit of dividend.

The Company also voluntarily sends intimations to those shareholders to whom dividend has been credited electronically, for their future reference.

Reminders to encash the unclaimed dividend on shares are sent to the relevant shareholders, the unpaid dividend list is also available on the website of the Company.

Details of unclaimed dividend Year ending	As on 31 st March 2024 (INR)
2017	3,548,058.00
2018	2,819,252.00
2019	2,334,090.00
2020	23,335,559.18
2021	2,880,082.00
2022	3,082,527.50
2023	7,784,628.00

II. Transfer of Shares into Investor Education and Protection Fund (where dividends remain unclaimed for consecutive seven years):

In terms of Section 125(6) of the Companies Act, 2013 read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer the shares in respect of which dividends have remained unclaimed for a period of seven consecutive years to the IEPF Account established by the Central Government. As required under the said Rules, the Company has published a Notice in the newspapers inviting Members' attention to the aforesaid Rules. Company sends regular reminders to shareholders to claim their unclaimed dividends / shares before it is transferred to IEPF. Shareholders may note that both the unclaimed dividends and corresponding shares transferred to IEPF,

Corporate Governance Report FY 2023-24 (contd.)

including all benefits accruing on such shares, if any, can be claimed from IEPF following the procedure prescribed in the Rules. No claim shall lie in respect thereof with the Company.

Accordingly, the Company has transferred the shares in respect of which dividends had remain unpaid for a period of seven consecutive year – i.e. in respect of unpaid dividends till Year 2016. The procedure for claiming the unpaid dividend amount and shares transferred to the IEPF Authority is provided on the link: <http://www.iepf.gov.in/IEPF/refund.html>

11.21 'Go Green' Initiative:

The provisions of the Companies Act, 2013 and rules made thereunder permit paperless communication by allowing service of all documents in electronic mode. Further, the MCA as well as the SEBI has permitted that all communication to the shareholders may be served electronically. Accordingly, the Company would send a copy of the Annual Report for FY 2023-24 along with the notice convening the AGM through email to those shareholders whose email id is available as per registered records. As a continuing endeavour towards the 'Go Green' Initiative, the Company is sending intimation of annual reports/ dividends by e-mail/ ECS to those shareholders whose e-mail addresses/bank details were made available to the Depositories or Share Transfer Agents. Shareholders are requested to support this Green Initiative by providing e-mail addresses for receiving electronic communications.

12. Disclosures with respect to demat suspense account/ unclaimed suspense account:

Below are the details of shares in the demat suspense account of the Company:

- (a) aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: **NIL**
- (b) number of shareholders who approached listed entity for transfer of shares from suspense account during the year: **NIL**
- (c) number of shareholders to whom shares were transferred from suspense account during the year: **NIL**
- (d) aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: **6 Shareholders and 2060 Outstanding shares**
- (e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: **Voting rights are not frozen**

13. Disclosure of certain types of agreements binding listed entities: NA

**For and on behalf of the Board,
SKF India Limited**

**Gopal Subramanyam,
Chairman
DIN: 06684319**

**Place: Gothenburg, Sweden
Date: 8th May 2024**

Corporate Governance Report FY 2023-24 (contd.)

TO THE BOARD OF DIRECTORS OF SKF INDIA LIMITED**INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

1. This certificate is issued in accordance with the terms of our engagement letter dated 29th September 2023.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of SKF India Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2024, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable

assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March 2024.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kedar Raje
Partner

(Membership No. 102637)

UDIN: 24102637BKELXA7386

Place: Cairo

Date: 08th May 2024

ANNEXURE – C

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR COMMENCING ON OR AFTER THE 1ST DAY OF APRIL, 2024

1. **Brief outline on CSR Policy of the Company:** The Board of Directors of the Company approved the revised Corporate Social Responsibility Policy ("Policy") on the recommendation of the CSR Committee on 1st April 2021 to accommodate the new changes in law. The Policy defines the Scope and Applicability, CSR Spend Approach, CSR Thrust Areas, Modes of Implementation, Planning, Implementation and Impact Assessment and other relevant aspects of CSR.

2. **Composition of CSR Committee:**

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
01	Mr. Manish Bhatnagar	Chairman and Managing Director	02	01
02	Ms. Anu Wakhlu	Member (Independent Director)	02	02
03	Mr. Gopal Subramanyam	Member (Independent Director)	02	02

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the Company

https://cdn.skfmediahub.skf.com/api/public/0901d19680cb2f37/pdf_preview_medium/0901d19680cb2f37_pdf_preview_medium.pdf

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. **Not applicable**

5. (a) Average net profit of the Company as per sub-section (5) of section 135: **5,527.7 MINR**

(b) Two percent (2%) of average net profit of the Company as per sub-section (5) of section 135: **INR 110.5 MINR**

(c) Surplus arising out of the CSR Projects or programs or activities of the previous financial years: **NA**

(d) Amount required to be set-off for the financial year, if any: **0.6 MINR**

(e) Unspent amount of previous financial years, if any: **0.2 MINR**

(f) Total CSR obligation for the financial year [(b)+(c)-(d)+(e)]: **INR 110.1 MINR**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **INR 106.4 MINR**

(b) Amount spent in Administrative Overheads: **INR 4.5 MINR**

(c) Amount spent on Impact Assessment, if applicable: **Not applicable**

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: **INR 110.9 MINR**

*** Note- INR 110.9 MINR towards CSR in FY 2023-24 out of which INR 0.2 Million pertains to unspent amount of FY 2021-22 spent in FY 2023-24 and INR 110.7 Million pertains to FY 2023-24.**

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in INR)	Amount Unspent (in INR)				
	Total Amount transferred to Unspent CSR Account as per subsection (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	Date of transfer	Name of the Fund	Amount	Date of transfer
110.9	NIL	NA	NIL	NIL	NA

Annexure -C (contd.)

(f) Excess amount for set-off, if any:

Sr. No.	Particular	Amount (in INR)
(1)	(2)	(3)
I.	Two percent of average net profit of the Company as per sub-section (5) of section 135	110.5 MINR
	Amount available for set off from previous financial years	0.6 MINR
	Underspent amount of previous financial years spent in this financial year	0.2 MINR
	Total budget for FY 2023-24 [(i)-(ii)+(iii)]	110.1 MINR
II.	Total amount spent for the Financial Year	110.9MINR
III.	Excess amount spent for the Financial Year [(II)-(I)]	0.8 MINR
IV.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
V.	Amount available for set off in succeeding Financial Years [(III)-(IV)]	0.8 MINR

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in INR)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in INR)	Amount Spent in the Financial Year (in INR)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in INR)	Deficiency, if any
					Amount (in INR)	Date of Transfer		
1	FY 2020-21	NIL	NIL	NIL	NIL	NIL	NIL	-
2	FY 2021-22	23.4 MINR	23.4 MINR	NIL	NIL	NIL	23.4 MINR	-
3	FY 2022-23	NIL	23.4 MINR	23.2 MINR	NIL	NIL	0.2 MINR	-
4	FY 2023-24	NIL	0.2 MINR	0.2 MINR	NIL	NIL	NIL	-

Note: For details, please refer last 3 years CSR Annual Report.8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Yes NoIf Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
	NIL	NIL	NIL	NIL	NIL	NIL	NIL

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries).

Annexure -C (contd.)

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub- section (5) of section 135. Not applicable

For and on behalf of SKF India Limited

Gopal Subramanyam
Chairman

DIN: 06684319
Place: Gothenburg, Sweden
Date: 8th May 2024

Mukund Vasudevan
Managing Director

DIN: 05146681
Place: Gothenburg, Sweden
Date: 8th May 2024

Annexure -C (contd.)

**Chief Financial Officer (CFO)/ Head-CSR Certification for
Utilisation of Funds disbursed for Corporate Social Responsibility (CSR) Activities**

To,

**CSR Committee/ Board of Directors
SKF India Limited**

We, Ashish Saraf, CFO and Tanul Singhal, Head, Corporate Affairs & CSR of SKF India Limited (“the Company”) have reviewed the CSR expenditure done by the Company towards CSR obligation for FY 2023-24 (“period”) and do hereby certify that:

- a) During the period, the Company was required to spend **INR 110.5 Million** i.e., two percent of the average net profits of the Company made during the three immediately preceding financial years.
- b) Out of total CSR obligation, the Company has disbursed the following funds towards CSR activities during FY 2023-24, as approved by the Board on the recommendation of the CSR Committee from time to time and monitored by the CSR Committee during the period. **(Detailed Statement enclosed as Annexure-A to this Certification.)**
- c) The Company has spent a total amount of **INR 110.9 Million** towards CSR in FY 2023-24 out of which **INR 0.2 Million** pertain to unspent amount of FY 2021-22 and **INR 110.7 Million** pertains to FY 2023-24 out of total CSR obligation of **INR 109.9 Million** and an amount of **INR 0.8 Million** is spent in excess to CSR budget.

The books of account and other records of CSR activities, as available with the Company/ implementing agency, gives reasonable assurance about the utilisation of the funds disbursed by the Company to implementing agencies for undertaking approved CSR activities.

For and on behalf of SKF India Limited

**Ashish Saraf,
CFO**

**Tanul Singhal,
Head - Corporate Affairs & CSR**

**Place: Bangalore
Date: 8th May 2024**

**Place: Gurugram
Date: 8th May 2024**

Annexure -C (contd.)

ANNEXURE A TO ABOVE CERTIFICATION

S. No.	CSR Activities (Schedule VII)	Type of Project (On-going Project/ Other than On-going)	Amount Approved by the CSR Committee/ Board to be Spent	Actual Amount disbursed towards CSR in the FY 2023-24	Amount Utilised	Mode of Spending (Direct / Indirect)	Unspent/ over spent Amount, if any (in MINR)
1	Item no. (II)	Youth Empowerment -Employment Enhancing Vocational Skills (On-going)	41.6	41.3	41.3	Indirect	0.3
				0.1	0.1	Direct	(0.1)
2(a)	Item no. (III)	Promotion of Education - Scholarship for Girls (On-going)	35.3	35.3	35.3	Indirect	0.0
				0.1	0.1	Direct	(0.1)
2(b)	Item no. (III)	Promotion of Education - STEM School Program (On-going)	13.5	13.7	13.7	Indirect	(0.2)
2(c)	Item no. (VII)	Promotion of Sports (On-going)	2.00	1.0	1.0	Indirect	1.0
				0.8	0.8	Direct	(0.8)
3	Item no. (IV)	Environment - Ensuring Environmental Sustainability (On-going)	13.7	13.7	13.7	Indirect	0.0
4	Others	Projects & Expenses (Audit)	0.8	0.4	0.4	Direct	0.4
		Sub Total	106.9	106.4	106.4		0.5
5	Admin	Administrative Expenses (5% of CSR Budget)	3.6	4.5	4.5 ^{*1}	Direct	(0.9)
6		Underspent FY 2021-22 (less)	0.2				0.2 ^{*3}
7		Overspent of FY 2022-23 (less)	(0.6)	-	-		(0.6)
		Total FY 2023-24	110.1	110.9	110.9		(0.8)^{*2}

Note:

*1 Administrative Expenses of 4.5 MINR

*2 SKF CSR Overspent amount of FY 2023-24 = 0.8 MINR

*3 Unspent amount of FY 2021-22 = 0.2 MINR

As on 31st March 2024, Total CSR amount remaining unspent for FY 2023-24 is Nil. SKF India Limited's CSR Unspent Accounts have Nil balance as on 30th April 2024.

Ashish Saraf

Tanul Singhal

ANNEXURE – D**Form No. AOC – 2**

[Pursuant to clause(h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
NIL							

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	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date of approval by the Board	Amount paid as advances, if any
SKF GMBH Fellow Subsidiary Co. (under the common control of AB SKF)	Contract for Administrative & Service Fees, Purchase of Capital Goods & Services, Purchase of Raw Material, components, spares & Finished Goods, Reimbursements Paid, Reimbursements Received Technical & Service Income and Sale of Goods and services and any other business transactions on continuous basis	FY 2023-24	The transactions are entered as ordinary course of business. The detailed information forms part of the notes to financial statements for the financial year 2023-24.	17 th May 2023	NIL
SKF Engineering and Lubrication India Private Limited (SELIPL).	Purchase of Capital Goods & Services, Purchase of Raw Materials, components, spares & Finished Goods, Reimbursements of expenses, grant of loan, Interest Income on Loan to related party, Rent Income on leased property, Sale of Goods and services, Technical & Service Income, Trade Advance on a continuous basis.	FY 2023-24	The transactions are entered as ordinary course of business. The detailed information forms part of the notes to financial statements for the financial year 2023-24.	17 th May 2023	NIL

For and on behalf of the Board,
SKF India Limited
Gopal Subramanyam,
Chairman
DIN: 06684319

Place: Gothenburg, Sweden
Date: 8th May 2024

ANNEXURE – E

Form No. AOC-1

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries or associate companies or Joint ventures:

Part A: Subsidiaries- There are no subsidiaries of the Company

Part B: Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures:

(Amount in MINR)

Particulars	Name 1	Name 2
Name of the Associate or Joint Ventures	M/s. Sunstrength Renewables Private Limited	M/s Cleanmax Taiyo Private Limited
Latest audited Balance Sheet Date	31 st March 2024	31 st March 2024
Date on which the Associate or Joint Venture was associated or acquired	2 nd December 2020	31 st March 2023
Shares of Associate or Joint Ventures held by the Company on the year end:	a) 5,99,625 Shares as on 31 st March 2024	a) 28,867 Shares as on 31 st March 2024
a. Number of Shares	b) 47.9	b) 42.2
b. Amount of Investment	c) 26.74%	c) 26 %
c. Extent of Holding (in %)		
Description of how there is significant influence	The Company has invested in the special purpose vehicle company, for purchase of electricity generated from captive solar power project, for Pune Plant of the Company in the year 2020.	The Company has invested in the special purpose vehicle company, for a captive generating plant for generation and supply of electricity to SKF for the Bangalore Plant.
Reason why the associate/Joint venture is not consolidated	NA	NA
Net worth attributable to shareholding as per latest audited Balance Sheet	51.9	37.3
Profit or Loss for the year:		
a. Considered in Consolidation	3.9	(3.7)
b. Not Considered in Consolidation	11.20	(10.40)

1. Names of associates or joint ventures which are yet to commence operations: NA

2. Names of associates or joint ventures which have been liquidated or sold during the year: NA

Note: The above details are furnished as per the Unaudited Financial Statements of the Associate Company as on 31st March 2024.

**For and on behalf of the Board,
SKF India Limited**

**Gopal Subramanyam,
Chairman
DIN: 06684319**

**Place: Gothenburg, Sweden
Date: 8th May 2024**

ANNEXURE – F**Form No. MR-3****SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2024

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

To,

The Members,

SKF India Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SKF India Limited (hereinafter called 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, opinion and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2024, generally 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 made available to us and maintained by the Company for the financial year ended on 31st March 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (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 and amendments from time to time;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (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 Securities) Regulations, 2021; (Not applicable to the Company during the audit period)
 - (f) 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; (Not applicable to the Company during the audit period)
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period) and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)
- (vi) Other laws applicable specifically to the Company namely:
 1. Factories Act, 1948
 2. Contract Labour (Regulation & Abolition) Act, 1970
 3. Industrial Laws

Annexure - F (contd.)

4. Environmental and Prevention of Pollution Laws
5. Legal Metrology Act, 2009
6. Competition Act, 2002

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Decisions at the Board Meetings were taken unanimously/ by requisite majority.

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

We further report that during the audit period there were no events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**For Parikh & Associates
Company Secretaries**

**Jigyasa N. Ved
Partner**

**FCS No: 6488 CP No: 6018
UDIN: F006488F000329041
PR No.: 1129/2021**

**Place: Mumbai
Date: 8th May 2024**

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure – A

To,
The Members
SKF India Limited

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 process 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 process 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. Where ever 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 procedure 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 Parikh & Associates
Company Secretaries**

**Place: Mumbai
Date: 8th May 2024**

**Jigyasa N. Ved
Partner
FCS No: 6488 CP No: 6018
UDIN: F006488F000329041
PR No.: 1129/2021**

ANNEXURE – G

Secretarial Compliance Report of SKF India Limited

for the year ended 31st March 2024

To,
SKF India Limited
 Chinchwad,
 Pune 411033

We Parikh & Associates have examined:

- a) all the documents and records to the extent made available to us and explanations and representations provided by **SKF India Limited** (“the listed entity”),
- b) the filings / submissions made by the listed entity to the stock exchanges,
- c) Website of the listed entity,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March 2024 (“Review Period”) in respect of compliance with the provisions of:

- a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations (including amendments, modifications from time to time), whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the Company during the review period)
- c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the review period)
- e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the review 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 review period)
- g) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
- h) The Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018 and circulars/ guidelines issued thereunder;

and based on the above examination and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, We hereby report that, during the Review Period:

- a) The listed entity has generally complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action (Advisory / Clarification/ Fine /Show Cause Notice/ Warning, etc.)	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
NIL										

Annexure - G (contd.)

b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action (Advisory / Clarification/ Fine /Show Cause Notice/ Warning, etc.)	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
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NOT APPLICABLE

Additional affirmations by Practicing Company Secretaries (PCS) in Annual Secretarial Compliance Report (ASCR):

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations /Remarks by PCS*
1.	<u>Secretarial Standard</u> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI)	Yes	
2.	<u>Adoption and timely updation of the Policies:</u> <ul style="list-style-type: none"> All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/circulars/guidelines issued by SEBI 	Yes	
3.	<u>Maintenance and disclosures on Website:</u> <ul style="list-style-type: none"> The Listed entity is maintaining a functional website Timely dissemination of the documents/ information under a separate section on the website Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re- directs to the relevant document(s)/ section of the website 	Yes	
4.	<u>Disqualification of Director:</u> None of the Directors of the Company are disqualified under Section 164 of Companies Act, 2013	Yes	
5.	<u>To examine details related to Subsidiaries of listed entities:</u> (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries	No	The Company does not have any subsidiary
6.	<u>Preservation of Documents:</u> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015	Yes	
7.	<u>Performance Evaluation:</u> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations	Yes	

Annexure - G (contd.)

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations /Remarks by PCS*
8.	<u>Related Party Transactions:</u> (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee	Yes	
9.	<u>Disclosure of events or information:</u> The listed entity has provided all the required disclosure(s) under Regulation 30 alongwith Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder	Yes	
10.	<u>Prohibition of Insider Trading:</u> The listed entity is in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	
11.	<u>Actions taken by SEBI or Stock Exchange(s), if any:</u> No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder	Yes	
12.	<u>Additional Non-compliances, if any:</u> No any additional non-compliance observed for all SEBI regulation/ circular/guidance note etc	Yes	

*Observations/Remarks by PCS are mandatory if the Compliance status is provided as 'No' or 'NA'

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For Parikh & Associates
Company Secretaries

Place: Mumbai
 Date: 8th May 2024

Jigyasa N. Ved
 Partner
 FCS No.:6488 C P No.:6018
 UDIN: F006488F000329052
 PR No.: 1129/2021

ANNEXURE – H**Certificate for directors not being debarred**

To,
SKF India Limited
 Chinchwad,
 Pune 411033

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SKF India Limited** having **CIN L29130PN1961PLC213113** and having registered office at Chinchwad, Pune 411033 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of Appointment in Company*
1.	Ms. Anu Arun Wakhlu	00122052	16 th May 2019
2.	Mr. Gopal Subramanyam	06684319	16 th May 2019
3.	Mr. Manish Bhatnagar	08148320	16 th August 2018
4.	Mr. Shailesh Kumar Sharma	09493881	10 th February 2022
5.	Mr. Karl Robin Joakim Landholm	09651911	28 th June 2022
6.	Mr. David Leif Henning Johansson	09651955	28 th June 2022

*the date of appointment is as per the MCA Portal.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Mumbai,
 Date: 8th May 2024

For Parikh & Associates
Practising Company Secretaries
Jigyasa N Ved Partner
FCS: 6488
CP: 6018
UDIN: F006488F000329074
PR No.: 1129/2021

ANNEXURE – I

Statement of Disclosure of Remuneration

[Pursuant to Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- (A) the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2023-24; the percentage increase in remuneration of each Director

Name of Director / KMP	Designation	Ratio of remuneration of each Director/Chief Financial Officer/Company Secretary to the median remuneration	Percentage increase in remuneration (%)
Mr. Gopal Subramanyam	Non- Executive Chairman, Independent Director	2.5	4.4%
*Mr. Manish Bhatnagar	Managing Director	22.5	10%
Mr. Ashish Saraf	CFO	4.5	10%
Mr. Ranjan Kumar	Company Secretary	5.5	7%
Ms. Anu Wakhlu	Independent Director	2.07	6%
Mr. David Leif Henning Johansson	Non-Executive Director	NA	NA
Mr. Karl Robin Joakim Landholm	Non-Executive Director	NA	NA
Mr. Shailesh Sharma	Whole Time Director	8.3	16%

*Mr Manish Bhatnagar resigned as Managing Director of the Company w.e.f. 1st April 2024 and now designated as Non Executive Non- Independent Director.

- (B) The percentage increase in remuneration of Chief Financial officer (CFO) and Company Secretary (CS) in the financial year 2023-24: 10% and 7% respectively
- (C) The percentage increase in the median remuneration of employees in the financial year 2023-24: 6.3%
- (D) The number of permanent employees on the rolls of Company: 1,701
- (E) 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: 11% and 13 % respectively
- (F) Affirmation that the remuneration is as per the remuneration policy of the Company;

We hereby, affirm that remuneration paid to the Employees, Directors & Key Managerial Personnel is as per the Remuneration Policy of the Company. The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and any Member interested in obtaining a copy of the same may write to the Company Secretary.

**For and on behalf of the Board,
SKF India Limited**

Place: Gothenburg, Sweden
Date: 8th May 2024

Gopal Subramanyam
Chairman
DIN: 06684319

ANNEXURE – J

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014

Disclosures**A. CONSERVATION OF ENERGY**

The year 2023-24 saw addition of new manufacturing channels at Pune which necessitated increase in energy demand. In line with SKF groups Decarbonisation, SKF India initiated various energy efficiency improvement and renewable sourcing projects to help reduce GHG emission in manufacturing processes.

1. THE STEPS TAKEN OR IMPACT ON CONSERVATION OF ENERGY.

All three SKF India sites are ISO 50001 certified for energy management system. Following important energy conservation activities were carried out at Pune, Bangalore and Haridwar plants.

1.1 Pune

- Through energy review process, identified significant energy users in the manufacturing processes such as grinding channels 38%, Heat treatment 19%, Centralised utilities 18%, Compressors 19% and others 6%.
- The cross functional team identified and completed 379 small and six large energy saving projects in the month of January 2023 as a part of idea generation workshop and energy kaizens. This resulted into energy saving of 110 MWH.
- The third-party energy efficiency assessment was completed in March 2023. The team identified 8 breakthrough energy saving project with potential of saving 1300 MWH saving in electrical energy.
- Specific electrical energy consumption was reduced from 14.9 (FY 2022-23) to 14.5 (FY 2023-24) MWH/MINR VASC, resulting in 2.7% energy consumption reduction over last financial year.
- The team identified and closed more than 650 compressed air leakages, maintaining the specific energy consumption of compressors to 0.148 KW/CFM well below the target of 0.155 KW/CFM.
- Heat treatment furnace insulation revamping carried out for 2 furnaces resulting into reduced thermal losses and subsequent energy consumption reduction.
- "Go Green" energy Saving project activities were completed on more than 25 grinding and honing machines on various channels by optimising

energy consumption during idle working on machines. Approximate energy saving achieved is 95 MWH.

- In grinding channels and central utility systems 10 quantity of IE3/IE4 energy efficient motors were used as replacement for old electric motors.
- Power factor was maintained at near unity 0.998 PF for the complete year.

1.2 Bangalore

- Specific electrical energy consumption was reduced from 15.58 (FY 2022-23) to 14.00 (FY 2023-24) MWH/MINR VASC GWH, 11% reduction over FY 2022-23.
- Major energy saving projects completed in heat treatment, HVACs and grinding channels.
- The projects include downsizing of electrical motors and hydraulic pumps, use of variable frequency drives and use of lower size servo motors in place of induction motors.
- Major energy saving projects HHE-Powerpack Elimination: 5machines (7.5 KW).
- Reduction Air leakage by doing leakage audit and fixing the findings, and installation of flow meter at compressed air line.
- Power Factor improved and maintained at 0.99 PF.

1.3 Haridwar

- The energy saving projects resulted into reduction of specific energy consumption from 19.1 (FY 2022-23) to 15.2 (FY 2023-24) MWH/MINR VASC.
- Haridwar team has identified and eliminated more than 300 compressed air leakages as a part air leakage campaign.
- Reducing energy consumption by modification in conveyor systems, elimination of motorised system to gravity flow system in assembly machines- 10 Nos.
- Energy saving of 13 MWH by installation of vacuum-based system on washing machines
- Energy saving by elimination of de-oiling system from the process by stopping 11 Kw motor during idle condition.
- Elimination of power pack from the SHG machines by combining with SGB machines 7.5 Kw motor stopped.

Annexure - J (contd.)

- Elimination of power pack's from HHE machines by implementation of hydro pneumatic system. 5.5 Kw motor Stopped.
- Elimination of Shrink-wrapping process complete machine is stopped.
- All these projects and some more projects related to losses elimination from HVAC and Compressor air system's – resulted more than 400 MWH savings of energy.

2. The steps taken by the Company for utilising alternate sources of energy.

As a part of achieving Net Zero in manufacturing sites, SKF India sites executed renewable energy sourcing projects.

Pune

- SKF Pune has invested in the additional capex farm solar project of 5.7 MW project which is now partially operational from February 24. The project will start with its full capacity from May 24.
- In the FY 2023-24, SKF Pune received 13.7 GWH of solar energy.

Bangalore

In the FY 2023-24, SKF Bangalore received 16.6 GWH of farm solar and wind solar hybrid projects. Since last six months, Bangalore site is sourcing and consuming more 95% renewable energy.

Haridwar

We are working on a possibility of group captive offsite solar project for Haridwar.

3. The capital investment on energy conservation equipment.

All the energy saving projects completed in this financial year in Pune, Bangalore and Haridwar are completed on revenue budget.

SKF India invested 42 MINR & 25 MINR respectively in the Bangalore wind solar hybrid and Pune farm solar projects.

B. TECHNOLOGY ABSORPTION

1. THE EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION OF THE COMPANY

1.1 Pune

(i) Product and Process Development/improvement and Import Substitution

- Added New channel for sDGBB (24-62MM OD) with 10 mPCs capacity.
- Taper HUB channel expansion will add 06 MPCs capacity by adding new machines.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution.

- Developed 20 New Products in DGBB, TRB and HUB.
- Productivity Improvement in Taper HUB by improving Cycle Time and reducing losses.
- Improved productivity on DGBB channels by adding new inhouse manufactured Honing machines.
- Almost 6 machines upgraded locally.

(iii) Imported Technology

- Imported Grinding and Honing machine for DGBB and Taper HUB channel Expansion.
- Has Imported Noise testing machines for DGBB, HUB.
- Transferred one HUB channel from Europe.

1.2. Bangalore

(i) Product and Process Development/improvement and Import Substitution

- New TOS machines installed in the channel-1,2,3,4,6 completed.
- Spinning unit machines installed in the channel-2,5 & 8 completed.
- New FSC machine installed in channel 8-completed.
- TMA Washing machine controlling system completed in all channels.
- Electronics upgradation from MTC to NEW PLC system – 19 # completed.
- Layout modification in the factory to reduce flex link length (12 locations) - completed.
- Re-layout of clutch lifter channel (New HIT, new laser and new washing machine).
- New washing machine for shot pining area.
- Developed alternative for SSB wheels completed.
- Channel-5 installed new HHM grease filling machine-completed.
- As part of flexibility improvement 6004 type developed in channel 4.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution

- Abrasive cost reduction – 2 MINR.

Annexure - J (contd.)

(iii) Imported Technology

- Localisation of two bay bearing washing machine.
- Four machines developed locally – HHE & HIT for Pune new channel-12 (DGBB).
- New HMV machine developed for channel 4.
- New HIT machine developed – Clutch lifter area.
- Channel-1, two HHE machines final control unit developed locally.
- Channel-2 new MYD machine developed.
- TVMK-Developed alternative supplier for winter dresser (SGB Machine).

1.3. Haridwar**(i) Product and Process Development/improvement and Import Substitution**

- Capacity Improvement by Net Output Improvement, Improvement projects carried out to increase pure Output and OEE . Free Running machine added at Channel 1 assembly process to increase output. Reduction of grinding allowances in Input Rings at supplier end to improve output.
- Flow wrapping machine added at Vehicle aftermarket packaging to improve Quality of packaging.
- New Product Development -Wheel End Application Bearings for Electrical Vehicles, Series Supply of same started.
- Support to Customer in Thailand & Indonesia for Crank Shaft Application.Upgradation of MMK (Bore Inspection) machine to Improve reliability.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution

- Cost Reduction Projects by driving ICR Projects to save the Direct Material cost (Cage , Ball, Seal & Rings), Projects on Cost of Non Quality to reduce scrap cost.
- Upgradation of Utility Honing System.
- Projects on Repair and Maintenance , Projects on Tooling & abrasives to Reduce the cost of shop-supply.
- Plastic Saving project on Shrink wrapping and flow wrapping.
- New spindle imported for grinding process to reduce losses at grinding machines.

(iii) Imported Technology

- Upgradation of Quality Equipment's (Vibration & Noise Inspection equipment. 5 spindles for grinding machines.
 - a) Details of technology imported – Vibration & Noise Inspection equipment's, Grinding machines
 - b) Import year – 2023
 - c) Absorption year – 2024
 - d) Technology absorption status – Fully absorbed
 - e) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof – Not applicable
 - f) the expenditure incurred on Research and Development – This was technology transfer, and equipment Upgradation. No expenditure on R&D . however import cost is 7 MINR

(iii) the expenditure incurred on Research and Development.

Research and Development is done at group level.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- The Company continues to explore new product range to the overseas customers. Major Exports are to automotive OEMs & Industrial aftermarket in Europe and also to Automotive & Industrial aftermarket customers in Asia, Brazil and USA. In the current year, we developed and launched many new products for European and Asian automotive customers and volumes have ramped up in second half of 2023 onwards. This helped to increase exports. Exports is 3,783 MINR which is about 8 % per cent of the total sales. SKF factories in SEA region and Europe were facing strong demand and these factories requested SKF India factories for support production. This was one more reason for higher export.
- In 2023 export was higher by 328 MINR compared to 2024
- The information on foreign exchange earnings and outgo is as below:

Earnings in foreign exchange is 4,445 MINR which is about 10 % per cent of the total sales, comprising of exports of 3,783 MINR and technical and other service income and reimbursement of expenses 661 MINR.

Annexure - J (contd.)

Outgo in foreign currency-purchase of finished products 10,001 MINR; purchase of components, stores, capital goods INR 2,351 MINR; royalty INR 713

MINR, trademark fee INR 443 MINR, IT services INR 416 MINR, professional fees, travel and other expenses INR 106 MINR and dividend remitted INR 1,040 MINR.

**For and on behalf of the Board,
SKF India Limited**

**Place: Gothenburg, Sweden
Date: 8th May 2024**

**Gopal Subramanyam,
Chairman
DIN: 06684319**

ANNEXURE – K**Declaration for Compliance with Code of Conduct**

Pursuant to the Regulation 26(3) read with part D of schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 I hereby declare that Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of the board of directors and senior management for the Financial Year ended 31st March 2024.

**For and on behalf of the
Board of Directors of SKF India Limited**

**Date: 8th May 2024
Place: Gothenburg, Sweden**

**Mukund Vasudevan,
Managing Director
DIN: 05146681**

ANNEXURE – L**Dividend Distribution Policy****I. Introduction**

This Policy is called SKF India Limited – Dividend Distribution Policy (hereinafter referred to as “this policy”) and shall be effective from 13th February 2017 (Effective Date)

II. Background

The policy is being adopted in compliance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (second amendment) Regulations, 2016 [SEBI].

III. Objective

The objective of “this Policy” is to define the various factors affecting the dividend decision i.e :

- a. Defining the internal and external factors that shall be considered in the dividend decision
- b. The financial parameters affecting the dividend decision
- c. Policy regarding the utilisation of retained earnings
- d. The circumstances leading to the declaration of dividend or the lack of dividend

IV. Philosophy of the Policy

The Company strives to enhance stakeholder value for its investors and believes in the philosophy of maximisation of shareholders' wealth from a long term perspective. The Company believes that returning cash to shareholders by way of dividends is one of the important components of overall shareholder value creation .

V. Principles guiding Dividend Decision

The Company would , inter alia, consider the following financial parameters and / or internal and external factors while declaring or recommending dividend to the shareholders :

1. Reported Net Profit after Tax (PAT) available for distribution in the financial statements prepared in accordance with prescribed accounting standards for the current period
2. Accumulated profits brought forward from prior years, available for dividend distribution, in accordance with the provisions of the Companies Act, 2013
3. Liquidity position and availability of free cash flows
4. Committed and projected cash flow needs to finance forecasted capital expenditure, network expansion, working capital requirements of the business, organic and inorganic growth opportunities
5. Optimal level of free cash to fund any emergencies in future
6. Earnings stability and fluctuations in business cycles
7. Regularity and stability in dividend payment
8. Prevailing legal requirements, regulatory conditions or restrictions laid down under the applicable laws, taxation policy
9. Contractual obligations / debt repayments, if any

In case the Board proposes not to declare any dividend in a particular year, the grounds thereof shall be disclosed by the Board to the shareholders in the Board Report forming part of the Annual Report of the Company for that year.

The Company, at present has only one class of shares referred to as equity shares of the face value of Rs. 10 each. The Company may, in future, issue any other class of shares in which case the dividends declared on such other class of shares shall be consistent with “this policy” and/or rights and privileges associated with such new issuances.

VI. Process for declaration of Dividend

The final dividend is declared at the Annual General Meeting of the shareholders on the basis of recommendations of the Board.

The Board may, at its discretion, also declare an interim dividend. The interim dividend if any will be considered based on the various parameters mentioned in this policy.

The Board may recommend special dividend as and when it deems fit.

VII. Amendments to this Policy

The Board of Directors will review this Policy as and when required and can modify/amend the policy depending on business need and external environment.

In case of any amendment(s), clarification(s), circular(s), notification(s), etc., issued by the relevant authorities, not being consistent with the provisions of this policy, such amendment(s), clarification(s), circular(s), etc. shall prevail over the provisions of this policy.

ANNEXURE – M**Business Responsibility and Sustainability Reporting****SECTION A: GENERAL DISCLOSURES****I. Details of the listed entity**

1. Corporate Identity Number (CIN) of the Listed Entity	L29130PN1961PLC213113
2. Name of the Listed Entity	SKF INDIA LIMITED
3. Year of incorporation	1961
4. Registered office address	Chinchwad, Pune 411 033, Maharashtra
5. Corporate address	Chinchwad, Pune 411 033, Maharashtra
6. E-mail	investors@skf.com
7. Telephone	020 66112500
8. Website	www.skf.com/in
9. Financial year for which reporting is being done	FY 2023-24
10. Name of the Stock Exchange(s) where shares are listed	BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE)
11. Paid-up Capital	INR 494,379,630
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Ranjan Kumar Contact: (+91) 020-66112623 Email: investors@skf.com
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Standalone basis
14. Name of assurance provider	-
15. Type of assurance obtained	-

II. Products/services**16. Details of business activities (accounting for 90% of the turnover):**

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing and dealers of Bearings	Manufacturing and Distribution of bearings, seals, lubrication systems, mechatronics, and related products and services.	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Bearings and its components	2814	98%

III. Operations**18. Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Number of plants	Number of offices	Total
National	3	5	8
International	0	0	0

19. Markets served by the entity:**a. Number of locations**

Locations	Number
National (No. of States)	28
International (No. of Countries)	36

b. What is the contribution of exports as a percentage of the total turnover of the entity?

8%

Business Responsibility and Sustainability Reporting (contd.)

c. A brief on types of customers

SKF India Limited, a leading manufacturer of bearings, seals, lubrication systems, condition monitoring solutions, and services, empowers companies in the automotive and industrial sectors. We serve various industries such as automotive, aerospace, agriculture, construction, energy, and industrial sectors providing state of art technologies in friction reduction, energy efficiency, equipment longevity, and reliability. Within the automotive industry, we serve manufacturers of two-wheelers, four-wheelers, heavy vehicles. In the industrial sector, our clientele includes players in the metal industry, railways, wind energy, general machinery, as well as the food and beverage industry.

IV. Employees

20. 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)	743	606	82%	137	18%
2.	Other than Permanent (E)	459	347	76%	112	24%
3.	Total employees (D + E)	1,202	953	79%	249	21%
WORKERS						
4.	Permanent (F)	958	955	99.69%	3	0.31%
5.	Other than Permanent (G)	2,184	1,980	91%	204	9%
6.	Total workers (F + G)	3,142	2,935	93%	207	7%

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0%	0	0%
2.	Other than Permanent (E)	1	1	100%	0	0%
3.	Total differently abled employees (D + E)	1	1	100%	0	0%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	1	1	100%	0	0%
5.	Other than permanent (G)	4	3	75%	1	25%
6.	Total differently abled workers (F + G)	5	4	80%	1	20%

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	17%
Key Management Personnel	4	0	0%

Business Responsibility and Sustainability Reporting (contd.)

22. Turnover rate for permanent employees and workers
 (Disclose trends for the past 3 years)

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	17.4%	18.9%	17.6 %	15.8%	18.8%	16.3 %	13.4%	22.1%	14.5%
Permanent Workers	6.4%	0 %	6.3%	5.9%	0.0%	5.9 %	5%	0.0%	5%

V. Holding, Subsidiary and Associate Companies (including joint ventures)
23. (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	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	AB SKF	Holding Company	45.85%	No
1	Sunstrength Renewables Private Limited	Associate	26.74%	No
2	Cleanmax Taiyo Private Limited	Associate	26%	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
 (ii) Turnover (in MINR): 45,701.3
 (iii) Net worth (in MINR): 26,828.4

VII. Transparency and Disclosures Compliances
25. 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) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		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	Yes	1	1	We have recently received feedback from the community near our factory. We have already made significant investments in improvement projects aimed at addressing this concern.	0	0	We periodically engage with community representatives for understanding their concerns.
Investors (other than shareholders)	Yes https://www.skf.com/in/investors	0	NIL	NIL	0	0	-

Business Responsibility and Sustainability Reporting (contd.)

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		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
Shareholders	No	23*	21*	Total 1960 correspondences were received by the Company, out of which 1876 correspondences were replied to the satisfaction of shareholders during the year under review, balance 84 Outstanding correspondences as on 31 st March 24, have been attended by 29 th April 2024.	1468	91	In FY 2022-23, the Company received 1,468 complaints of various natures. Of which 1,377 were successfully resolved to the satisfaction of stakeholders and remaining 91 were carried forward and resolved by 29 th April 2023.
Employees and workers	Yes https://cdn.skfmediahub.skf.com/api/public/0901d196809a699a/pdf_preview_medium/0901d196809a699a_pdf_preview_medium.pdf	0	-	-	2	1	Employees and workers concerns were duly addressed by the Company. Standard formal mechanisms were effective in timely resolution of the complaints.
Customers	Yes https://www.emarketplace.in.skf.com/privacy-policy	467	56	To effectively manage our customers' concerns, we have established multiple communication channels, namely the Complaint Handling System (both administrative and technical), Customer Care, and our official website. Over the course of the reporting year, we received 329 administrative complaints and 138 technical complaints. As of March 31 st , 2024, 45 (14%) administrative complaint and 11 (8%) of technical complaints remain unresolved.	0	0	To address our customers' grievances, we have different channels such as Complaint Handling system (administrative and technical), Customer care and website. During the reporting year, we received 687 admin complaints, 95 technical complaints. Out of these, 1 (0%) admin complaints, (36%) technical complaints are pending to be resolved as of 31 st March 2023.
Suppliers and Distributors	Yes https://www.skf.com/in/organisation/for-supplier	0	0	-	0	0	Suppliers can register their grievances through dedicated E-Mail Id

Business Responsibility and Sustainability Reporting (contd.)

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		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
Other (please specify) CSR Beneficiaries and community development partners	Yes Community partners are expected to adhere to code of conduct (CoC) and any breaches/deviations from the code are expected to be reported as outlined in the code of conduct https://www.skf.com/in/organisation/forsupplier	0	0	-	0	0	We have conducted impact studies for our CSR programmes through third party. In association with CSR partners, we take up counselling and workshop sessions for beneficiaries

*This year, only the number of complaints is considered, the remarks column shows the total number of correspondences

26. Overview of the entity's material responsible business conduct issues

Please indicate 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, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	The rationale for identifying risk/opportunities	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Customer performance	Opportunity	SKF India strives to meet the needs of our customers through innovative products and solutions.	-	Positive Implications
2	Economic Performance	Opportunity	SKF is a profit-driven organisation. The financial performance is the overall indicator of the economic impact SKF has on society, as an employer, a member of the stock market and a customer and supplier to other companies.	-	Positive Implications
3	Occupational health and safety	Risk and opportunity	SKF gives top priority to the health and safety of employees, contractors, agency workers and visitors and is committed to providing safe and healthy working conditions to prevent work-related injury and ill health as well as to assure well-being in the work environment.	Workplace Safety at SKF India is guided by "SKF Care" principles for employees and "Business Care" and our operations are compliant with ISO 45001 standards.	Negative Implications

Business Responsibility and Sustainability Reporting (contd.)

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	The rationale for identifying risk/opportunities	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Energy and energy management	Opportunity and risk	We work towards positively impacting environment by focusing on reducing energy consumption and carbon footprint.	SKF India is adopting various strategies for reducing its own operational carbon footprint as detailed in Principle 6.	Positive and Negative Implications
5	Supplier ESG (Environmental, Social & Governance) performance	Opportunity and risk	Supply chain sustainability is very significant for resilient businesses. It is imperative to align the suppliers with the organisation's sustainability vision for creating long-term value.	SKF India works closely with its suppliers for meeting the Sustainability targets. We also run a supplier ESG improvement programme wherein the ESG performance of the suppliers is mapped and measures are taken for implementing key actions.	Positive and Negative Implications
6	Anti-corruption	Opportunity and risk	Businesses care about meeting the customer expectations along with profitability and shareholder returns while adhering to the highest standards of ethical behaviour.	The Company has a strong code of conduct (CoC) in place outlining the strategies for transparent and accountable operations including Fair Competition Directive and Anti-Bribery and Anti-Corruption Directive to prevent, reduce and mitigate risk related to anti- corruption. All stakeholders are sensitised on our CoC and the Company has zero tolerance towards the non-compliance of CoC.	Positive and Negative Implications
7	Water	Opportunity and risk	Water stewardship in operations is essential for managing water related impacts and ensuring operational eco-efficiency.	SKF India focuses on environmental aspects like energy, water, soil, and air. The risks are identified through our Sustainability, EHS and plant teams for taking necessary steps to mitigate the probable risks.	Positive and Negative Implications

Business Responsibility and Sustainability Reporting (contd.)

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)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available*	Y	Y	Y	Y	Y	Y	Y	Y	Y
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)	Y	Y	Y	Y	Y	Y	Y	Y	Y
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.	The Company is aligning with various certification and frameworks as listed below: <ul style="list-style-type: none"> • ISO 9001:2015 • ISO 14001:2001:2015, ISO450001:2018, OECD guidelines for multinational enterprises, UN Global Compact principles, UNSDGs, SteelZero, RE100 and SBTi, Responsible Steel Initiatives LEED certification, GRI, NGRBC Principles and Silver rating certification in CII Greenco 								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<ul style="list-style-type: none"> • SKF India is committed to achieving full decarbonization of its manufacturing sites by 2030. • By 2050, SKF India will achieve Net-Zero emissions across the value chain • 5% reduction in water consumption YoY • SKF India has taken the target of achieving 35% Diversity in Leadership by 2025 								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	<ul style="list-style-type: none"> - SKF India has achieved renewable energy sourcing 43% of it's total requirement. - Our Bangalore factory has already at a stage of procuring renewable energy of more than 95% of it's requirement. - Critical Suppliers identified and GHG emission programs for suppliers are been identified and implementation started. - 7.8% reduction in water consumption with respect to delivery. 								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) Message from Managing Director is included in the section of 'Corporate overview'.									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Ranjan Kumar, Director - People Experience, Legal, Sustainability & CA (Industrial Region ISEA)								

Business Responsibility and Sustainability Reporting (contd.)

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.	At SKF India, the oversight and execution of Business Responsibility Policies are entrusted to the leaders of various key functions, including Ethics, Legal, Compliance, CSR, and Sustainability. The Board is periodically apprised on the progress against the ESG issues and sustainability matters. The Board also oversees the disclosures relating sustainability.
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10. Details of Review of NGRBCs by the Company:

No.	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
	Performance against abovepolicies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	Need based, Regular								
	Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y									

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	N	N	N	N	N	N	N	N	N

*The links for SKF India's policies relating to NGRBC principles are listed below

- Code of Conduct
- Vigil Mechanism Policy
- EHS Policy
- CSR Policy
- SKF Group Quality Policy
- Supplier Sustainability Policy

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

Business Responsibility and Sustainability Reporting (contd.)

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

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	Ongoing - Multiple trainings throughout the year.	CoC, Cultural Leadership	100%
Key Managerial Personnel		CoC, Skill Building, Leadership, Behavioural, Technical Induction	100%
Employees other than BoD and KMPs		Behavioural, Cultural Leadership ESG, CoC, Health & Safety, Integrated Waste Management, Anti-corruption and bribery, Export Control, Cyber security etc	100%
Workers		CoC, Health & Safety, Energy Efficiency, Integrated Waste Management Improvement, Skill Upgradation,	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, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):

Monetary

		agencies/ judicial institutions			preferred? (Yes/No) preferred? (Yes/No)
Penalty/ Fine	None	None	None	None	None
Settlement	None	None	None	None	None
Compounding fee	None	None	None	None	None

Non-Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	None	None	None	None
Punishment	None	None	None	None

Business Responsibility and Sustainability Reporting (contd.)

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.

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.

SKF maintains a 'zero-tolerance' approach against any such act and prohibits the same. SKF forbids to give or promise to give money or anything of value to government officials. to obtain or secure business or for any other improper advantages. It is also prohibited to make payments that are not supported by actual deliveries and correct invoices. At SKF, we generally discourage offering of any gifts or favors to any government officials.

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 2023-24	FY 2022-23
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2023-24		FY 2022-23	
	Numbers	Remarks	Numbers	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7. Provide details of any 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.

None

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2023-24	FY 2022-23
Number of days of accounts payables	94	86

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0%	0%
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0%	0%
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	34 %	35%
	b. Number of dealers distributors to whom sales are made	599	568
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors	31%	29%
Share of RPTs in	a. Purchases (Purchases with related parties/ Total Purchases)	58%	57%
	b. Sales (Sales to related parties/ Total Sales)	9%	8%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	100%	100%
	d. Investments (Investments in related parties/ Total Investments made)	100%	100%

Business Responsibility and Sustainability Reporting (contd.)

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
31	SKF Code of Conduct for New suppliers & Sub-contractors were conducted covering 09 parameters of SKF CoC4S. This also includes Implementation of SKF CoC in supplier premises. Topics like Risk mitigation, Legal requirements, Zero tolerance to forced, labour and child labour, History of CoC, Value Chain, Materials, CoC Audit parameters, etc.	80%
60	Trainings on corrective actions for CoC non-compliant suppliers were conducted	
04	Sustainability awareness sessions including Carbon Foot printing studies for suppliers	

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.

Yes, the entity has established processes to prevent and manage conflicts of interest involving members of the Board. The Code of Conduct for Directors/Senior Management delineates ethical practices aimed at mitigating conflicts of interest between personal economic matters and the Company's business. Any instances of such uncertainty are required to be promptly brought to the attention of the Board for assessment and resolution. For more details, refer to the link: https://cdn.skfmediahub.skf.com/api/public/0901d196809a6aba/pdf_preview_medium/0901d196809a6aba_pdf_preview_medium.pdf

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.**

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	Nil	Nil	-
Capex	9%	10%	Various capital investments targeting the improvement in social and environmental performance have been taken up in FY 2023-24 which includes Solar Captive Energy, Oil recycling, Safety, Sprinkler system, fire suppression, water management

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

The sustainable sourcing at SKF is guided by "Supplier Sustainability Policy-India & Southeast Asia". The Policy sets the guidelines for suppliers to collaborate for our shared sustainability goals and maintain transparency with ESG standards and engage in fair and ethical business practices. Supplier sustainability assessments were conducted to ensure the engagements with ESG compliant suppliers. We have implemented green procurement guidelines which includes the prioritisation of local procurement, energy efficient devices and adherence to supplier CoC.

Our Green Supply Chain Policy (Group Environmental, Energy, Health & Safety Policy) guides to systematically work to understand the sustainability impacts of our supply chain. In addition, Supplier CoC and Sustainability Standard for Suppliers mandates the compliance towards social standards including human rights. Trainings are provided to new suppliers on CoC compliance and corrective actions are suggested and necessary guidance is provided for non-compliers.

Business Responsibility and Sustainability Reporting (contd.)

b. If yes, what percentage of inputs were sourced sustainably?

All critical suppliers have been sourced sustainably.

3. 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.

At SKF India, we actively promote the recycling of defective items by sending them to steel suppliers for repurposing. We are currently in the process of establishing procedures for reclaiming products to facilitate recycling and reuse.

Under our commitment to sustainability and the principle of reuse, we offer remanufacturing services for select bearings. This process extends the lifespan of the bearings and significantly reduces material consumption. Additionally, our "Rotating Equipment Performance" business vertical provides comprehensive services for health monitoring of rotating equipment and predictive maintenance. This proactive approach helps prevent unplanned breakdowns, leading to substantial energy and resource savings.

4. 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.

SKF India is registered as a brand owner under Extended Producer Responsibility (EPR) regulations, demonstrating our commitment to responsible waste management. In FY 2023-24, the Company successfully recycled 477 metric tons of plastic waste.

Leadership Indicators

1. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2023-24			FY 2022-23		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Nil	477 MT	Nil	Nil	318 MT	Nil
E-waste	Nil	Nil	Nil	Nil	Nil	Nil
Hazardous waste	Nil	Nil	Nil	Nil	Nil	Nil
Other waste	Nil	Nil	Nil	Nil	Nil	Nil

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	% of employees covered by										
	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	606	606	100%	606	100%	0	0	606	100%	606	100%
Female	137	137	100%	137	100%	137	100%	NA	NA	137	100%
Total	743	743	100%	743	100%	137	100%	606	100%	743	100%
Other than Permanent employees											
Male	347	347	100%	347	100%	NA	NA	NA	NA	NA	NA
Female	112	112	100%	112	100%	112	100%	NA	NA	NA	NA
Total	459	459	100%	459	100%	112	100%	NA	NA	NA	NA

b. Details of measures for the well-being of workers:

Business Responsibility and Sustainability Reporting (contd.)

Category	% of workers covered by										
	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	955	955	100%	955	100%	NA	NA	NA	NA	NA	NA
Female	3	3	100%	3	100%	3	100%	112	100%	NA	NA
Total	958	958	100%	958	100%	3	100%	728	76%	NA	NA
Other than Permanent workers											
Male	1980	1980	100%	1980	100%	NA	NA	NA	NA	NA	NA
Female	204	204	100%	204	100%	204	100%	NA	NA	NA	NA
Total	2184	2184	100%	2184	100%	204	100%	NA	NA	NA	NA

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format-

	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the Company	0.93%	0.91%

2. Details of retirement benefits, for Current FY and Previous Financial Year

Benefits	FY 2023-24			FY 2022-23		
	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 %	YES	100 %	100 %	YES
Gratuity	100 %	100 %	NA	100 %	100 %	YES
ESI	0 %	22 %	YES	0 %	24 %	YES
Others – please specify	-	-	-	-	-	-

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.

SKF India is committed to creating inclusive work environment. The Company is proactively enhancing accessibility across its premises to cater to individuals with disabilities. At our corporate office, we have installed disabled-friendly toilets to ensure inclusivity and convenience for all.

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, the Code of Conduct reflects our commitment to providing equal opportunities for individuals with disabilities, ensuring inclusivity and non-discrimination in all aspects of employment and participation. Ensuring human rights and labor standards, both within our organisation and across our value chain, is a key focus at SKF. We prioritise inclusive development through fair employment practices and unequivocally prohibit discrimination or harassment based on any grounds, including race, religion, gender, physical ability, or any other factor.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Business Responsibility and Sustainability Reporting (contd.)

Gender	Permanent employees		Permanent workers	
	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.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, SKF prioritises open communication and upholds gender equality through a comprehensive policy. All facilities have Internal Complaint Committees as mandated by the Prevention of Sexual Harassment Act. Our Whistleblower policy is designed to thoroughly investigate any breaches related to ethics outlined in our Code of Conduct, while also ensuring protection for the individuals who report such breaches. In addition to the option for employees or other stakeholders to approach the HR Manager, Director HR, or even the Managing Director directly, we provide a dedicated phone line and email address for reporting grievances. Individuals can send direct mails to the MD or even to the Group CEO. In cases where violations of the Code of Conduct are confirmed, disciplinary action has been taken against employees. Further details on child labor prevention and anti-discrimination measures can be found in Principle 5 of this report.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24			FY 2022-23		
	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	743	0	0	743	0	0
- Male	606	0	0	626	0	0
- Female	137	0	0	117	0	0
Total Permanent Workers	958	958	100%	919	910	98.8%
- Male	955	955	100%	918	908	98.9%
- Female	3	3	100%	1	1	100%

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	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	606	606	100%	481	79%	626	626	100%	626	100%
Female	137	137	100%	101	74%	117	89	76%	90	77%
Total	743	743	100%	582	78%	743	715	96%	716	96%

Business Responsibility and Sustainability Reporting (contd.)

Category	FY 2023-24					FY 2022-23				
	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)
Male	955	955	100%	955	100%	918	870	95%	918	100%
Female	3	3	100%	3	100%	1	1	100%	1	100%
Total	958	958	100%	958	100%	919	871	95%	919	100%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	606	577	95%	626	626	100%
Female	137	119	87%	117	117	100%
Total	743	696	93%	743	743	100%
Workers						
Male	955	0	NA	918	0	Nil
Female	3	0	NA	1	0	Nil
Total	958	0	NA	919	0	Nil

10. Health and Safety management

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

SKF is firmly committed to achieving zero work-related accidents. The Company prioritises safety and believe all incidents are preventable. Company's core objectives encompass preventing injuries and safeguarding employee health in the workplace.

SKF's robust internal systems and controls align with strategic goals to minimise waste, safety risks, environmental impact, and operational costs. As an ISO 14001:2015 and ISO 45001:2018 certified Company, SKF India strictly adheres to Environmental Management Systems (EMS) and Environmental, Health & Safety (EHS) protocols for managing occupational hazards. This also includes proactive identification and management of potential hazards across our manufacturing processes. We have established clear guidelines for safe work practices and protocols for handling emergencies.

The Company conducts annual Management Review meetings to address safety and environmental concerns, including legal compliance, internal/external audits, and safety observations. Internal and external audits, along with Group EHS audits and observations, help identify hazards and continuously improve the effectiveness of existing controls.

SKF prioritises occupant safety through comprehensive training programs. We offer third-party seminars, in-house sensitisation programs, and distribute learning modules, publications, and regular safety newsletters. Additionally, we celebrate National Safety Month and World Environment Day to raise awareness.

While the Company experienced 3 recordable accidents this year, we have taken corrective actions to prevent future occurrences. SKF is intensifying its efforts towards achieving our zero-accident vision through ongoing engagement and awareness programs.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

SKF India leverages a comprehensive Hazard Identification and Risk Assessment (HIRA) methodology, aligned with our Environmental Management System (EMS), to proactively identify potential safety hazards. This qualitative assessment allows us to develop effective mitigation plans for managing these risks.

We have identified and ensured preparedness for a wide range of emergencies, including fire, spills, accidents, food

Business Responsibility and Sustainability Reporting (contd.)

poisoning, vehicular incidents, electrical hazards, and natural disasters. SKF's Emergency Response Plan (ERP) outlines comprehensive precautionary controls for these eventualities.

SKF India is committed to continuous improvement. We conduct regular mock drills to ensure preparedness and effectiveness of the ERP. Detailed plans and reports associated with the ERP and mock drills are readily available at our plant facilities. We also conduct various third-party and compliance audits, further strengthening our risk management framework.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

SKF India has established a well-defined procedure for managing unsafe conditions throughout its operational boundaries. This procedure actively encourages employee participation in identifying work-related hazards.

Employees, supervisors, and managers are empowered to participate in structured Hazard Identification and Risk Assessments (HIRA) preparations, safety walks, and share valuable feedback. At SKF India, health and safety committees are operated at the factory or unit level. These committees bring together worker and management representatives to discuss and agree upon essential measures for improving overall health and safety performance.

We provide trainings to employees and workers to equip them with the knowledge and skills to take necessary precautionary measures and remove themselves from any hazardous situations.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

We prioritise employee health and well-being by offering comprehensive medical support across all our locations. This includes:

- **On-site dispensaries with doctor consultations:** Employees have access to medical professionals for consultations at all SKF India locations
- **24/7 ambulance service:** We provide a round-the-clock ambulance service to address emergency medical needs
- **Hospital partnerships:** SKF India has established partnerships with hospitals to ensure access to emergency services, healthcare provisions, and treatment for work-related injuries
- **Periodic health checkups:** Employees and their families undergo regular health checkups at reputable hospitals to promote preventive care
- **Internal and external medical schemes:** SKF India offers separate medical schemes for workers (internal) and staff employees (external) to address non-occupational healthcare needs
- **Need-based vaccination camps:** The Company organises vaccination drives to ensure employees are up-to-date on essential vaccinations
- **Healthcare/awareness programs:** In collaboration with hospitals, SKF India conducts regular programs to educate employees on various health topics, including first aid, emergency response, women's health, chronic disease management, and mental well-being
- **Employee wellness programs:** SKF India offers online or in-person training sessions on topics like work-life balance, healthy habits, sleep hygiene, cancer awareness, and stress management. These programs promote overall employee well-being, encompassing both physical and emotional health

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.453	0.6
Total recordable work-related injuries	Employees	0	0
	Workers	3	5
No. of fatalities	Employees	0	0
	Workers	0	0

Business Responsibility and Sustainability Reporting (contd.)

Safety Incident/Number	Category	FY 2023-24	FY 2022-23
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.

SKF India recognises its employees' experience and skills as the Company's greatest asset. Promoting a culture of employee well-being is fundamental to our business practices. Throughout FY 2023-24, SKF India delivered regular training programs and awareness sessions to advance employee health, safety, and responsible business practices across all operations. This commitment to a safe and healthy work environment included enacting additional safeguards and policies to protect employees, while ensuring fulfillment of customer needs as outlined in Principles 3 and 5.

13. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	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	Nil	0	0	Nil
Health & Safety	0	0	Nil	0	0	Nil

14. Assessment for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
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.

None

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).**

(A) Employees (Y/N)	Yes
(B) Workers (Y/N)	Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

At our Company's plants, all employees are governed by the terms and conditions outlined in the Employment Contracts issued by the Company. We ensure full compliance with all applicable laws and regulations, including adherence to minimum wages as specified by the Minimum Wages Act rules. Additionally, contractual employees engaged through third-party vendors are managed through defined contracts, and we ensure their full compliance with minimum wage requirements.

Within our value chain, we uphold the highest standards of transparency and accountability through SKF's Code of Conduct for Suppliers and Sub-contractors. We require suppliers and subcontractors to adopt and implement this Code of Conduct in their operations. Through various means such as registration, onboarding processes, contracts, and

Business Responsibility and Sustainability Reporting (contd.)

training sessions, suppliers and subcontractors are made aware of the requirements outlined in the Code of Conduct. They are expected to work in accordance with SKF specifications, with statutory compliance being an integral part of the Code of Conduct. To ensure compliance, audits are conducted at suppliers' premises, and appropriate actions are taken against any non-compliance.

3. Provide the 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:

No such instance has occurred in reporting year

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)

No

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100%
Working Conditions	100%

6. Provide 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.

SKF has Code of Conduct for Suppliers and Sub-contractors which forms the basis of the Social Impact Assessments. We assess various safety measures of the suppliers including man, machine, electrical, fire, chemical. Due attention is paid to monitor the risks & impact of manufacturing process on the health & safety of workers of our value chain partners. These include regular & recorded safety trainings, critical equipment testing, water & food testing, qualified & competent operators and personnels). Suppliers are monitored till the closure of the corrective actions.

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 groups of the entity.

SKF India recognises the importance of trust and engagement with all stakeholder groups. This collaborative approach supports progress towards business goals while aligning with sustainable development for all. We have adopted corporate sustainability as our core business practice focusing on long-term value creation for stakeholders. SKF India has identified key stakeholders, both internal and external. A systematic engagement process fosters mutual trust and growth. The stakeholder engagement plan incorporates the following steps:

- Aligning business practices with stakeholder needs and expectations
- Identifying key individuals for ongoing dialogue
- Maintaining engagement through dedicated SKF India counterparts
- Utilising stakeholder interactions to gather valuable feedback for mutual benefit
- Addressing specific stakeholder concerns within a sustainability framework, considering potential implications for SKF's business and stakeholder groups
- List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

Business Responsibility and Sustainability Reporting (contd.)

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Sr.	Stakeholder Group	Whether identified as Vulnerable & Marginalised Group	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
1.	Local Community around plant	No	Social media	Regular, Need-Based	(i) Environmental and social impacts of SKF India operations
2.	CSR Beneficiaries	Yes	Emails, Feedback Forms, Phone Calls, Physical Visits & Meetings	Monthly	(i) To enhance employability and entrepreneurship skills among youths (skilling) (ii) To support completion of higher education by girl students (scholarships) (iii) To develop analytical skills among school children (STEM education) (iv) To reduce the environmental and health hazards from indiscriminate dumping of domestic waste to pollute natural resources like land, air, ground water, etc.
3.	Associate Partners/ NGO's	No	Emails, Telecommunication, Team Meetings and Physical Meetings	Monthly	(i) CSR Programme Need Assessment, Budgeting, Implementation (ii) Monitoring, Evaluations, Impact Assessment, Reporting and Compliances
4.	Union/ State Government	No	Email, telecommunication	Yearly	(i) Collaboration for project execution (ii) Policy advocacy and sectoral developments
5.	Employee and unions	No	Meetings, Email and Newsletters	Quarterly	(i) Aligning with business priorities, Employee health and safety, grievances (ii) Employee engagement and training programmes, Employee well-being
6.	Shareholders, investors, and analysts	No	Investor Meetings, AGM, Annual reports, Quarterly reports, Newspaper Publications, Websites Regular intimation to Stock Exchanges	Regular	(i) Appraise about Company's periodic results and disclosures (ii) Keep Shareholders update on latest development in the Company.
7.	Customers, dealers, and distributors	No	Emails, Mass emailers and Websites	Quarterly	(i) Customer Relationship Management, Enhancing customer experience (ii) Understanding market conditions and requirements
8.	Suppliers and vendors	No	Emails, Mass emailers Websites	Quarterly	(i) Mutual sharing of needs and expectations (ii) Quality, cost, and delivery improvement (iii) Share knowledge and best practices, vendor recognition (iv) Strategic partnerships and value creation (v) Responsible sourcing (vi) Implementing CoC (Code of Conduct) for suppliers

Business Responsibility and Sustainability Reporting (contd.)

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 internal teams engage with external stakeholder groups to understand and communicate the expectations and business strategies. The feedbacks from the stakeholder groups are periodically apprised to the Board of Directors. The delegation of authority for the management of ESG material topics including the expectations of stakeholders flows from the Board of Directors. For details on the mode of engagement, frequency of engagement, and major topics of concern, refer to essential indicators of P5.

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 the policies and activities of the entity.**

We have conducted extensive stakeholder engagement for the identification and prioritisation of material ESG topics. The engagement outcomes was useful in strategising management approaches for priority material topics. SKF Group's sustainability framework also involves extensive stakeholder collaboration for promoting sustainable development for all.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.**

Through Company's CSR policy, have identified the disadvantaged, vulnerable and marginalised stakeholders in the surrounding communities, including children, women, and unemployed youths. We conduct various workshops, counselling sessions, impact studies during which the grievances and concerns of the communities are identified and resolved. In addition, regular meetings are conducted with our implementation partners for addressing the concerns of CSR beneficiaries. Addition, SKF India promotes diversity and inclusion for underprivileged workforce including women and differently abled through training and skill development, inclusive and flexible work environment, parental leave policies, etc.

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, in the following format:**

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	743	743	100%	743	743	100%
Other than permanent	459	459	100%	202	202	100%
Total Employees	1202	1202	100%	945	743	100%
Workers						
Permanent	958	958	100%	919	919	100%
Other than permanent	2184	2184	100%	2,350	2,350	100%
Total Workers	3142	3142	100%	3,269	919	100%

Business Responsibility and Sustainability Reporting (contd.)

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal Minimum Wage		More than Minimum Wage		Total (D)	Equal Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	743	0	0%	743	100%	743	0	0%	739	100%
Male	606	0	0%	606	100%	626	0	0%	626	100%
Female	137	0	0%	137	100%	117	0	0%	117	100%
Other Permanent than	459	0	0%	459	100%	202	9	4%	193	96%
Male	347	0	0%	347	100%	152	8	5%	144	95%
Female	112	0	0%	0%	100%	50	1	2%	49	98%
Workers										
Permanent	958	0	0%	958	100%	919	0	0%	919	100%
Male	955	0	0%	955	100%	918	0	0%	918	100%
Female	3	0	0%	3	100%	1	0	0%	1	100%
Other Permanent than	2,184	0	0%	2184	100%	2,350	1,392	62%	839	38%
Male	1,980	0	0%	1980	100%	265	2,062	90%	204	10%
Female	204	0	0%	204	100%	85	85	100%	0	0%

3. Details of remuneration/salary/wages

a) Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	3	21,737,901	1	655,000
Key Managerial Personnel	4	12,113,970	0	0
Employees other than BoD and KMP	607	1,820,468	137	1,441,329
Workers	953	862,455	3	499,214

b) Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages (Employee)	6.14%	3.14%
Gross wages paid to females as % of total wages (Worker)	0.17%	0.05%

Note: SKF has a diverse network of third-party workers, primarily female workers contracted through third party contractors and the respective share is given below

Contractor

FY	FY 2023-24	FY 2022-23
% of gross wage to Female wages	24.46%	19.40%

Business Responsibility and Sustainability Reporting (contd.)

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)

SKF India's Sustainability team manages disclosures related to human rights due diligence. They also actively engage with suppliers through meetings to raise awareness of human rights issues within their supply chain. SKF endorses both the Global Compact and the Universal Declaration of Human Rights, highlighting its dedication to upholding fundamental human rights principles. Additionally, SKF adheres to the International Labour Organisation's (ILO) Declaration concerning multinational companies and works to comply with the OECD Guidelines for Multinational Enterprises. These frameworks serve as guiding principles for SKF in its efforts to mitigate human rights risks and promote responsible business practices across its operations. Employees are empowered to raise concerns regarding human rights through various established channels, as detailed in Section A, Principle 3 of this report.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

SKF India offers multiple channels for employees to raise grievances related to discrimination. Employees can approach the HR Manager, Factory Manager, or Director HR individually or through the union. The Company's responsible sourcing team proactively mitigates social risks within the supply chain through CoC audits, supplier sustainability assessments, identifying issues such as missing employment contracts, gender-based wage disparities, unpaid overtime wages, and withheld employee benefits like leave pay.

SKF India is committed to fostering a value chain that respects human rights across all employee categories, including direct, indirect, payroll, and contractual workers.

SKF India requires its suppliers to uphold ethical standards as outlined in the Supplier Code of Conduct. This code addresses critical aspects such as child labor, forced labor, discrimination, disciplinary practices, working hours, legal compensation, and worker health and safety practices.

6. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	Nil	3	2	The Company has taken necessary action to resolve the pending actions
Discrimination at workplace	0	0	Nil	0	0	
Child Labour	0	0	Nil	0	0	
Forced Labour/Involuntary Labour	0	0	Nil	0	0	
Wages	0	0	Nil	0	0	
Other human rights related issues	0	0	Nil	0	0	

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	3
Complaints on POSH as a % of female employees / workers	0	3
Complaints on POSH upheld	2	1

Business Responsibility and Sustainability Reporting (contd.)

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

SKF India fosters a workplace culture of fairness and equal opportunity, actively promoting gender parity. We encourage employees at all levels to report any grievances or potential social risks, such as breaches of the code of conduct or unethical behavior. SKF India prioritises whistleblower protection and takes a zero-tolerance stance against retaliation or harassment of those who report concerns. Multiple reporting channels exist, including email access, to facilitate employee and worker reporting. Concerns are escalated to senior executives, including the audit committee, for preliminary investigations. Based on the grievance resolution process guidelines, appropriate actions are then taken.

9. Do human rights requirements form part of your business agreements and contracts?**(Yes/No)**

SKF India recognizes our responsibility to respect human rights. This commitment translates into a safe and healthy work environment, free from discrimination, and promotes diversity across the organization. We have integrated human rights clauses into its business agreements and contracts. Signing of CoC is a prerequisite for all the contracts which takes care of the human rights issues. This collaborative approach enables active efforts to combat child and forced labor, as well as all forms of harassment.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

Not Applicable

There were no significant risk/concerns identified during the assessments.

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, in the following format:**

Parameter	Unit	FY 2023-24	FY 2022-23
From renewable sources			
Total electricity consumption (A)	GJ	109,008	99,241
Total fuel consumption (B)	GJ	0	0
Energy Consumption through other sources (C)	GJ	0	0
Total energy consumed from renewable sources (A+B+C)	GJ	109,008	99,241
From non-renewable sources			
Total electricity consumption (D)	GJ	134,964	142,571
Total fuel consumption (E)	GJ	9,684	
Energy Consumption through other sources (C)	GJ	0	0
Total energy consumed from non-renewable sources (D+E+F)	GJ	144,648	151,510
Total energy consumed (A+B+C+D+E+F)	GJ	253,656	250,751
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	GJ/Mn INR	5.55	5.82
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	GJ/Mn INR	116.33	121.99

Business Responsibility and Sustainability Reporting (contd.)

Parameter	Unit	FY 2023-24	FY 2022-23
Energy intensity in terms of physical output (per thousand bearings)	GJ/1000 bearings	1.60	1.73
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-	-

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 20.96

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

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. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	9,535	7,585
(iii) Third party water	267,805	291,414
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	277,340	298,999
Total volume of water consumption (in kilolitres)	277,340	298,999
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	6.07	6.95
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)(Total water consumption / Revenue from operations adjusted for PPP)	127.22	145.67
Water intensity in terms of physical output (per 1000 bearings)	1.75	2.06
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 20.96

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

4. **Provide the following details related to water discharged:**

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(ii) To Groundwater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iii) To Seawater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iv) Sent to third-parties	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA

Business Responsibility and Sustainability Reporting (contd.)

Parameter	FY 2023-24	FY 2022-23
(v) Others	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
Total water discharged (in kilolitres)	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency - No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, SKF has implemented a mechanism for Zero Liquid Discharge (ZLD) as part of our commitment to prioritising environmental sustainability. At all of our units, we have installed Effluent Treatment Plants (ETPs) and Sewage Treatment Plants (STPs) to treat wastewater effectively. The treated water from these plants is then repurposed for gardening purposes.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	Metric tonnes	7.99	7.97
SOx	Metric tonnes	0.13	0.11
Particulate matter (PM)	Metric tonnes	0.50	0.54
Persistent organic pollutants (POP)	Metric tonnes	NIL	NIL
Volatile organic compounds (VOC)	Metric tonnes	NIL	NIL
Hazardous air pollutants (HAP)	Metric tonnes	NIL	NIL
Others – please specify	NA	NA	NA

*Figures for FY 2022-23 have been restated due to change in methodology to enable comparability of information for FY 2023-24.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency - No

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	2,176	1,783
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	26,805	28,316**
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	tCO ₂ /Rupee of turnover	0.63	1.12
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)*	tCO ₂ /Rupee of turnover adjusted to PPP	13.20	23.47
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO ₂ /1000 bearings	0.18	0.20
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 20.96

**Figure of Scope 2 emissions for FY 2023 has been restated as a revised approach of calculation is taken and the reference source of emission factors has been reconsidered to maintain comparability and uniformity in the disclosure.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency - No

Business Responsibility and Sustainability Reporting (contd.)

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

We are committed to achieving Net Zero emissions for our manufacturing sites by 2030. To reach this ambitious goal, we have implemented several initiatives aimed at transitioning from thermal energy sources to renewable energy. Key among these initiatives is our adoption of Power Purchase Agreements (PPA), which enable us to purchase renewable energy from off-site sources. We are also working on several energy efficiency projects like compressors, heat treatment, central utility systems & grinding operations efficiency improvement. These strategic measures are critical in reducing our carbon footprint and supporting global sustainability efforts.

Share of Renewable Energy:

	FY 2023-24
Pune	35%
Bangalore	95%
Haridwar	Under Progress

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	74.03	76.4
E-waste (B)	5.52	13.3
Bio-medical waste (C)	0	0.007
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	3,562.43	3,122
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	2,024.70	2,538.5
Total (A+B + C + D + E + F + G + H)	5,666.68	5,750
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.12	0.13
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	2.51	2.72
Waste intensity in terms of physical output (per 1000 bearings)	0.035	0.039
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
i) Recycled	3,442.34	3,435.6
ii) Re-used	0	0
iii) Other recovery operations (Co processing)	0	232.0
Total	3,442.34	3,667.6
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
i) Incineration	1,918.98	1,666.7
ii) Landfilling	305.35	417.2
iii) Other disposal operations	0	0
Total	2,224.33	2,082.9

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 20.96

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

We have undergone the CII greenco assessment last year with silver rating. Waste management was one out of the 10 parameters of the evaluation.

Business Responsibility and Sustainability Reporting (contd.)

10. 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.

- a. We are deeply committed to waste management and sustainability, beginning with rigorous waste segregation at the source to maximize diversion from landfills. For non-hazardous waste, we ensure 100% recycling through partnerships with authorized recyclers, guaranteeing that these materials are reprocessed and reintroduced into the supply chain. In the case of hazardous waste, we strictly adhere to all government regulations and guidelines. Our approach prioritizes diverting as much of this waste as possible from landfills by either recycling or repurposing it through waste-to-energy initiatives. These efforts demonstrate our dedication to minimizing environmental impact and promoting a circular economy.
- b. Our commitment to sustainability extends beyond managing waste generated within our campus to actively recovering waste from the broader environment that results from our business activities. Last year, we successfully collected and recycled over 450 metric tons of plastic waste associated with our product packaging. This significant effort underscores our dedication to environmental stewardship and our proactive approach to addressing plastic pollution. By recovering and recycling post-consumer plastic waste, we not only mitigate the environmental impact of our products but also contribute to a cleaner and more sustainable planet.

11. 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 in the following format:

SKF doesn't have any operations in ecologically sensitive areas.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not Applicable

13. 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). If not, provide details of all such non-compliances, in the following format:

Yes, SKF is compliant with Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules.

Leadership Indicators**1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	9535	7585
(iii) Third party water	267805	291414
(iv) Seawater / desalinated water	0	
(v) Others	0	
Total volume of water withdrawal (in kilolitres)	277340	298999
Total volume of water consumption (in kilolitres)	277340	298999
Water intensity per rupee of turnover (Water consumed / turnover)	6.07	6.95
Water intensity (optional) – the relevant metric may be selected by the entity	138.88	159.01
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil

Business Responsibility and Sustainability Reporting (contd.)

Parameter	FY 2023-24	FY 2022-23
(ii) Into Groundwater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iii) Into Seawater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	
(iv) Sent to third-parties		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(v) Others		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
Total water discharged (in kilolitres)	Nil	Nil

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

Yes. For bangalore the This is water balance study has been done with the help of EY and projects related to water neutrality has been initiated.

Pune & Haridwar plant water neutrality projects shall be initiated in 2024-25.

2. With respect to the ecologically sensitive areas reported at Question 11 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

3. 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
1	Net Zero	https://www.skf.com/group/organisation/sustainability	Emission reduction

4. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, we have a comprehensive business continuity plan in place to ensure the seamless continuation of operations during emergencies. Our team includes trained professionals dedicated to disaster management, and we conduct regular trainings, mock drills, and fire drills to prepare for potential disaster scenarios. We have identified various emergencies, such as fire, flood, food poisoning, spills, vehicular accidents, job-related accidents, and natural disasters, and have developed strategic measures to ensure safety and business continuity in each situation. Our documented plan is reviewed at least once a year, and we have clearly defined roles and responsibilities to mitigate emergencies effectively.

5. 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.

As part of our commitment to environmental sustainability, we take significant measures to mitigate adverse impacts arising from our value chain. Our Company adheres to ISO 14001 standards, ensuring compliance and effective management of natural resources.

Additionally, SKF India is dedicated to achieving LEED certification for all our new factories and offices. This certification reflects our commitment to sustainable practices and environmental stewardship. By implementing LEED-certified buildings, we aim to minimise our carbon footprint and promote energy efficiency in our operations.

Moreover, as a responsible producer, we actively engage with our suppliers to promote sustainable development and reduce environmental impacts throughout our supply chain. We conduct regular supplier audits to assess environmental performance, and appropriate actions are taken to address any potential risks or non-compliance issues.

SKF also conducts trainings on net zero and carbon foot printing assisted by third party.

Business Responsibility and Sustainability Reporting (contd.)

Overall, these initiatives demonstrate our proactive approach to environmental stewardship and our ongoing efforts to minimise adverse environmental impact across our value chain.

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.

13

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	Confederation of Indian industry	National
2	Indian Wind Turbine Association	National
3	Textile Machinery Manufacturer Association	National
4	Indian Machine Tools Manufacturers Association	National
5	Swedish Chambers of Commerce	National
6	Condition Monitoring Society of India	National
7	Bangalore Chamber of Industry and Commerce	State
8	Institute of Internal Auditors	National
9	National Safety Council	National
10	Quality Circle Forum of India	National
11	International Chamber of Commerce	National

2. Provide 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.

NIL

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 current financial year

Not Applicable

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

At SKF, we have established multiple mechanisms to receive and address grievances from the community. Beneficiaries can easily file grievances by sending an email to our dedicated address, socialconnect@skf.com. Additionally, we have installed feedback and suggestion boxes at relevant offices, schools, and centres to provide an accessible avenue for submitting grievances.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	40.94%	38.69%
Directly from within India	84.56%	84.67%

Business Responsibility and Sustainability Reporting (contd.)

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24	FY 2022-23
Rural	0	0
Semi-urban	0	0
Urban	0.25%	0.25%
Metropolitan	99.75%	99.75%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	Aspirational District	Aspirational District	Amount Spent (In INR)
1	Bihar	Muzaffarpur	INR 6,09,400
2	Bihar	Sitamarhi	INR 6,09,400
3	Uttarakhand	Haridwar	INR 96,10,681
4	Maharashtra	Osmanabad	INR 21,50,292
5	Jharkhand	West Singhbhum	INR 33,71,688

3. Details of beneficiaries of CSR Projects:

S. No	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Education – WeGyaan	17268	100%
2	Education-Udaan	236	100%
3	Skill Development-YES	1833	90%
4	Environment – Water Sustainability	36353	80%
5	Others-Sports	18	100%

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.

SKF India leverages customer feedback to continuously improve products and services. We have a mechanism to collect customer complaints in the form of Technical, Sales & Delivery related complaints Customer care, and a website for customers to raise their concerns. SKF prioritizes timely resolution of all customer complaints and inquiries.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage of total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

Business Responsibility and Sustainability Reporting (contd.)

3. Number of consumer complaints in respect of the following:

	FY 2023-24			FY 2022-23		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy						
Advertising						
Cyber security						
Delivery of essential services		NIL			NIL	
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	-
Forced recalls	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.

The growing prevalence of information security threats, heightened customer awareness, and evolving regulatory requirements for data protection have prompted SKF India to prioritise robust due diligence practices. These practices aim to prevent customer data loss.

SKF India leverages a comprehensive Risk Management Policy. This policy assesses and identifies potential risks across various areas, including financial, operational, sectoral, sustainability, information security, cyber security, and any other emerging risks. The Risk Management Committee actively identifies additional potential threats. In addition, Risk and Security Assessment connecting to integrated security architecture drives the management of cyber risks. This assessments are also extended to suppliers and partners.

To mitigate information security risks, cyber security risks, and data privacy risks, SKF India is committed to the ongoing implementation of its Information Security Program. This program encompasses a set of controls outlined within SKF's Information Security Management System (ISMS). In 2023, Information security is merged with Group Infrastructure & Security to drive the effective implementation of controls. We have implemented the security platforms for security monitoring of workplace, on premise/cloud server environments, network, and identities through SKF's landscape including events and alerts, collecting data for asset management repository, and enabling security resolution in SKF environments. The program team implemented a Security Information and Event Management and Security Incident Response for SKF to cover the entire SKF estate.

6. Provide 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.

There were no such instances recorded during the reporting year.

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches:

0

b. Percentage of data breaches involving personally identifiable information of customers:

Nil

c. Impact, if any, of the data breaches:

Nil

ANNEXURE – N

To,
The Board of Directors of,
SKF India Limited
Chinchwad, Pune 411033,
Maharashtra, India

CERTIFICATE PURSUANT TO REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We, the undersigned in our respective capacity as Managing Director and Chief Financial Officer of SKF India Limited (“Company”), to the best of our knowledge and belief certify that: -

- a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2024 and that to the best of their knowledge and belief and we state that:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - ii. These statements together present a true and fair view of the listed entity’s affairs and are in compliance with existing accounting standards, applicable laws and regulations
- b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year ended 31st March 2024 which are fraudulent, illegal or violative of the Company’s code of conduct
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies
- d) We have indicated to the Auditors and the Audit Committee that:
 - i. There are no significant changes in internal control over financial reporting during the year ended 31st March 2024, as Company has good internal controls, if any in future, same will be indicated
 - ii. There are no changes in accounting policies during the year, hence, same is not disclosed in the notes to the financial statements and
 - iii. There are no instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system over financial reporting

**For and on behalf of the
Board of Directors of SKF India Limited**

**Mukund Vasudevan
Managing Director**

**DIN: 05146681
Date: 08th May 2024
Place: Gothenburg, Sweden**

**Ashish Saraf
Chief Financial Officer**

**Date: 08th May 2024
Place: Bangalore**

NOTICE OF 63RD ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Sixty-Third (“63rd”) Annual General Meeting (“AGM”)** of the Members of SKF India Limited (“the Company”) will be held on **Tuesday, 13th August 2024, at 3.00 p.m. IST** through **Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”)** to transact the following business:

ORDINARY BUSINESS:

To consider and if thought fit, to pass, the item no. 1 to 3 Resolution as an **Ordinary Resolution**:

1. To receive, consider and adopt:
 - a) the Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2024 together with Reports of the Board of Directors and the Auditors thereon; and
 - b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2024 together with the Report of the Auditors thereon.
2. To approve and declare final dividend of Rs. 130.00/- per equity share having face value of Rs. 10 each fully paid up for the financial year ended 31st March 2024.
3. To appoint a Director in place of Mr. Karl Robin Joakim Landholm (DIN 09651911), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. [Approval of Material Related Party Transactions with SKF GmbH, Schweinfurt, Germany, \(Fellow Subsidiary\)](#)

To consider and if thought fit, to pass, the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 (‘the Act’) and other applicable provisions, if any, read with Rules made thereunder, other applicable laws/ statutory provisions, if any, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), and Regulation 23, and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (‘SEBI LODR’) as amended till date, Foreign Exchange and Management Act, 1999 read with rules & regulations made thereunder, (including any statutory modifications or amendments or re-enactment thereof, for the time being in force), and the Company’s policy on Related Party transaction(s), and subject to

such approval(s), consent(s), permission(s) as may be necessary from time to time and on basis the recommendation and approval of the Audit Committee and Board of Directors, approval of the Members of the Company be and is hereby accorded to Board of Directors, if required to enter / continue to enter into the Material Related Party Transaction(s)/ contracts / arrangement(s) / Agreement(s) with **SKF GmbH, Schweinfurt, Germany (‘SKF Germany’)**, Fellow Subsidiary and a ‘Related Party’ as defined under Section 2(76) of the Act and Regulation 2(1)(zb) of SEBI LODR, in the nature of related to Administrative and Service Fees, Purchase of Capital Goods and Services, purchase of raw material, components, spares and finished goods, reimbursements paid, reimbursement received, technical and service income and sale of goods and services and any other business transactions on continuous basis up to **7,375.35 MINR** (‘Related Party Transactions’) as detailed in the explanatory statement, on such terms as may be mutually agreed between SKF India and the SKF GmbH, Schweinfurt, Germany, for FY 2024-25 and thereafter up to the date of the next annual general meeting of the Company to be held for FY 2024-25 or fifteen months from the date of 63rd Annual General Meeting, whichever is earlier such that the maximum value of the Material Related Party Transactions with SKF GmbH, Schweinfurt, Germany, in aggregate, does not exceed **7,375.35 MINR** during the aforesaid period and upon such terms and conditions as may be mutually agreed between the Company and SKF GmbH, Schweinfurt, Germany.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the ‘Board’, which term shall be deemed to include any of its duly constituted Committee or any officer/ executive/ representative and/ or any other person so authorised by the Board) be and is hereby authorised by the members of the Company to do all such acts and deeds to finalise the terms and conditions as may be considered necessary, expedient or desirable and to give effect to this Resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred hereto

Notice of 63rd Annual General Meeting (contd.)

or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects.”

5. Approval of Material Related Party Transactions with SKF Engineering and Lubrication India Private Limited, (Fellow Subsidiary)

To consider and if thought fit, to pass, the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 (“the Act”) read with Rules made thereunder, other applicable laws/ statutory provisions, if any, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force) and Regulation 23 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”), as amended till date, including any statutory modifications or re-enactments thereof, the Company’s policy on Related Party transaction(s), and subject to such approval(s), consent(s), permission(s) as may be necessary from time to time and on basis the recommendation and approval of the Audit Committee & Board of Directors, approval of the Members of the Company be and is hereby accorded to Board of Directors of the Company, if required to enter/ continue to enter into the Material Related Party Transaction(s)/ contract(s) / arrangement(s)/ Agreement(s) with M/s SKF Engineering and Lubrication India Private Limited (“SELIPL”), Fellow Subsidiary and a ‘Related Party’ as defined under Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI LODR, in the nature of purchase of capital goods & services, purchase of raw material, components, spares & finished goods, reimbursements of expenses, grant of loan, interest income on loan, rent income on leased property, sale of goods and services, technical and service Income, trade advance on continues basis (“Related Party Transactions”) on such terms as may be mutually agreed between SKF India and the SELIPL, for FY 2024-25 and thereafter up to the date of the next annual general meeting of the Company to be held for FY 2024-25 or fifteen months from the date of 63rd Annual General Meeting, whichever is earlier such that the maximum value of

the Material Related Party Transactions with SELIPL in aggregate, does not exceed **8,424.71 MINR** during the aforesaid period.

RESOLVED FURTHER THAT pursuant to the provisions of Section 186 and other applicable provisions, if any applicable, of the Companies Act 2013 read with the rules made thereunder (including any statutory modifications or re-enactments or amendments made thereof), pursuant to the provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on basis of the recommendation of the Audit Committee and Board of Directors, the approval of the members of the Company be and is hereby accorded to the Board of Directors to grant / execute / extend / disbursed the loan of 1,300 MINR (this loan amount is part of the aforesaid Material Related Party Transaction Limit of 8,424.71 MINR) in one or more tranche(s) to M/s SKF Engineering and Lubrication India Private Limited (“SELIPL”) FY 2024-25 for a period of not exceeding 7 (seven) years, at an interest rate equivalent to 7 (seven) years Government Security (7.5% GS rate currently) or, FD/Term deposit rate, whichever is higher + 150 bps (to be reviewed every 6 months), and on such terms and conditions as may be mutually agreed between the Company and SELIPL which shall be utilised by SELIPL for its principal business activities only.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include any of its duly constituted Committee(s) or any officer(s)/ executive(s)/ representative(s) and/ or any other person(s) so authorised by the Board) be and is hereby authorised by the members of the Company to do all such acts, deeds and things (including finalisation of the terms and conditions) as may be considered necessary, expedient or desirable to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise on this effect and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

Notice of 63rd Annual General Meeting (contd.)

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred hereto or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects.”

6. Ratification of Remuneration to Cost Auditor for FY 2024-25

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to Section 148 and other applicable provisions if any of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee and Board of Directors, members of the Company hereby ratify and approve the remuneration of INR 450,000/- (rupees four lakhs and fifty thousand only) plus applicable

taxes and reimbursement of out-of-pocket expenses incurred in connection with the cost audit at actuals, if any, payable to M/s. Joshi Apte and Associates Cost Accountant (Firm Registration No: 000240), who have been appointed as Cost Auditors by the Board of Directors of the Company on recommendation of Audit Committee, to conduct cost audit of the cost records of the Company for the financial year ending 2024-25.

**By Order of the Board
SKF India Limited**

**Ranjan Kumar
Company Secretary & Compliance Officer
Membership no.: 16192**

Registered Office:

Chinchwad, Pune 411033, Maharashtra, India

CIN No.: L29130PN1961PLC213113

E-mail: investors@skf.com

Website: www.skf.com/in

Telephone No.:020- 66112500

Date: 8th May 2024

Notice of 63rd Annual General Meeting (contd.)

NOTES

1. The Ministry of Corporate Affairs ("MCA") vide its General Circular no. 14/2020 dated 08th April 2020, General Circular no. 17/2020 dated 13th April 2020 and General Circular no. 20/2020 dated 05th May 2020, General Circular no. 02/2021 dated 13th January 2021, General Circular No. 19/2021 dated 08th December 2021, Circular No. 21/2021 dated 14th December 2021, General Circular no 2/2022 dated 05th May 2022, and read with General Circular No 10/2022 dated 28th December 2022 and General Circular no. 09/2023 dated 25th September, 2023 (collectively referred to as the "MCA Circulars") has allowed to hold the Annual General Meeting ("AGM" or "meeting") of the Company during the year 2023 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") without the physical presence of the Members at a common venue. Therefore, in compliance with the MCA Circulars, applicable provisions of the Companies Act, 2013 ("Act"), and all applicable SEBI Circulars and Regulations, this 63rd AGM of the Company is scheduled to be held through VC / OAVM in the manner given below. The deemed venue of this meeting shall be considered at the Registered Office of the Company situated at Chinchwad, Pune 411033, Maharashtra, India.
2. In view of relaxation given by MCA Circulars and SEBI Circular no. SEBI / HO / CFD / CMD1 / CIR / P / 2020 / 79 dated 12th May 2020 read with SEBI circular no. CIRCULAR SEBI / HO / CFD / CMD2 / CIR / P / 2021 / 11 dated 15th January 2021, SEBI / HO / CFD / CMD2 / CIR / P / 2022 / 62 dated 13th May 2022, and SEBI / HO / CFD / PoD-2/P/VCIR/2023/4 dated 05th January 2023 and recent relevant SEBI circular, and (hereinafter referred to as "SEBI circulars"), the Annual Report including Financial statements, Auditor's report, Board's report, Notice of AGM along with all the annexures and attachments thereof are being sent through email to those Members whose email addresses are registered with the Company / Depositories as on 04th July 2024 and no physical copy of the same will be sent by the Company. Members may note that the Notice and Annual Report of the Company for the financial year 2023-24 will also be available on the Company's website www.skf.com/in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and will also be available on the website of National Securities Depository Limited www.evoting.nsdl.com (agency for providing the remote e-voting facility).
3. The Explanatory Statement, pursuant to Section 102(1) of the Companies Act, 2013 ("The Act"), setting out the material facts concerning the Business(s) mentioned in Item nos. 4 to 6 of the Notice is annexed hereto. The relevant details, pursuant to regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") in respect Directors seeking appointment/re-appointment at this meeting are also annexed as **Annexure-A**.
4. The 63rd AGM of the Company is being held in accordance with the MCA and SEBI Circulars through VC/OAVM, therefore, the requirement of physical attendance of members has been dispensed, therefore, the facility to appoint proxy to attend and cast vote for the members will not be available for this AGM and the Proxy Form, Attendance Slip and route map are not annexed to this Notice.
5. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Pursuant to Section 113 of the Act, Institutional / Corporate members are requested to send a duly certified scanned copy (JPG / PDF Format) of the Board Resolution, governing body Resolution or Authorisation letter authorising their representative to participate in remote e-voting or to attend and vote at the AGM at jbbhave@gmail.com with a copy marked to evoting@nsdl.com before e-voting/ attending AGM from their registered email address.
7. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialised form with effect from, 01st April 2019. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company or Company's Registrars and Share Transfer Agents, M/s Link Intime India Private Limited ("RTA") for assistance in this regard. In respect of shares held in dematerialised form, the nomination form may be filed with the respective Depository Participant.
8. Pursuant to Section 72 of the Act, member(s) of the Company may nominate a person in whose name the

Notice of 63rd Annual General Meeting (contd.)

shares held by him/them shall vest in the event of his/their unfortunate death. Member(s) holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrars and Share Transfer Agents, M/s Link Intime India Private Limited ("RTA"). In respect of shares held in dematerialised form, the nomination form may be filed with the respective Depository Participant.

9. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company, as on the cut-off date will be entitled to vote at the AGM and the dividend will be paid in the name of such first holder in the order of names.
10. The Record date is fixed **as Thursday, 04th July 2024** for the purpose of determining the eligibility of member(s) entitled to receive dividend, if declared at the AGM.
11. The final dividend of Rs. 130/- per equity shares of INR 10/- each for FY 2023-24, as recommended by the Board of Directors of the Company, if declared at AGM, will be paid on or before the 30th day from the date of declaration of dividend, to the below members:
 - (i) in respect of shares held in physical form, to those members whose names stand in the Register of Members of the Company after giving effect to valid transmission or transposition requests lodged with the Company as of the end of day, on **Thursday, 04th July 2024** and
 - (ii) in respect of shares held in the dematerialised form, to those members whose names appear in the statement of Beneficial Owners furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose as of the end of the day, on **Thursday, 04th July 2024**
12. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. 1st April 2020 and the Company is required to deduct tax at source ("TDS") from dividends paid to the Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company by sending email to the Company's Registrars and Share Transfer Agent's email address at csg-unit@linkintime.co.in
13. Beneficial Owners holding shares in demat form are advised to get particulars of their bank account updated with the Depository Participant (DP) in terms of SEBI Guidelines and the regulations of NSDL & CDSL for the purpose of payment of dividends. The Company or RTA will not entertain requests for change of such bank details printed on their dividend warrants. Member(s) holding shares in physical form are requested to notify the Company or Company's RTA, of any change in their addresses/Bank Mandates.
14. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. For details, please refer to corporate governance report which is a part of this Annual Report.
15. The amount outstanding in the unpaid dividend account in respect of FY 2016-17 and shares where the dividend had remained unpaid for last consecutive seven years will be transferred to the 'Investor Education and Protection Fund' maintained with the Central Government.
The Company has placed on its website <https://www.skf.com/in/investors/shareholder-information>, the information on unclaimed dividends.
16. Members who would like to express their views/ask questions before or during the meeting may send an email at Company's email address investors@skf.com from their registered email id with the Company or RTA mentioning their views/questions along with their full name, demat account number/folio number, registered email id, mobile number and such other details as may be deemed fit by **01st August 2024**. Only the views/questions of those shareholders will be taken-up who has mailed it to the Company within prescribed time and will be replied suitably.
The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to SEBI Circular No. SEBI/HO/MIRSD/

Notice of 63rd Annual General Meeting (contd.)

MIRSDRTAMB/P/CIR/2021/655 dated 03rd November 2021 in Form ISR-1. The Form ISR-1 is also available on the website of the Company at <https://www.skf.com/in/investors/shareholder-information> Attention of the Members holding shares of the Company in physical form is invited to go through and submit the said Form ISR-1.

- (l) Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSDRTAMB/P/CIR/2022/8 dated 25th January 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition.

Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's <https://www.skf.com/in/investors/shareholder-information> and on the website of the Company's RTA may be noted that any service request can be processed only after the folio is KYC compliant. SEBI vide its notification dated 24th January 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

17. Members desiring any information relating to the accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.

18. Instructions for remote-voting, e-voting and joining the AGM through VC/OAVM as per MCA Circulars are as follows:

- (i) The Company shall be providing two-way teleconferencing facility for the ease of participation of the members.
- (ii) Members are requested to participate on first come first serve basis. However, the participation of members holding 2% or more, promoters, institutional investors, directors, key managerial personnel, chairperson of audit committee, nomination and remuneration committee and

stakeholders' relationship committee, the statutory auditors and the secretarial auditors of the Company is not restricted on first come first serve basis. Participation is restricted up to 1000 members only.

- (iii) The facility for joining AGM through VC/OAVM will be opened 15 minutes before the scheduled time i.e. 2:45 p.m. IST and the Company may close the window for joining the VC/OAVM facility 15 minutes after the scheduled time to start the 63rd AGM.
- (iv) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All other documents referred to in the Notice and Explanatory Statement will also be available for electronic inspection without any fee by the members up to the date AGM. Members seeking to inspect such documents are requested to send an email to investors@skf.com in advance.
- (v) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the MCA Circulars and SEBI Circulars the Company is providing (i) facility of remote e-voting for voting before the AGM and (ii) facility of e-voting at the AGM to its Members in respect of the business to be transacted at the 63rd AGM to be held through VC / OAVM. For the purpose of providing remote e-voting and facility of e-voting at the AGM, the Company has entered into an agreement with **National Securities Depository Limited ("NSDL")** as the authorised agency.
- (vi) The voting rights of Members for remote e-voting and for e-voting at AGM shall be in proportion to the paid-up value of their shares in the equity share capital of the Company as on **cut-off date** i.e. closing of business hours of **Tuesday, 06th August 2024**.
- (vii) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the **cut-off date** i.e. **Tuesday, 06th August 2024** only shall be

Notice of 63rd Annual General Meeting (contd.)

entitled to avail the facility of remote e-voting / e-voting facility during the AGM. Any person who is not a member as on the Cut-off date should treat this notice for information purpose only.

The Members can opt for only one mode of voting i.e. remote e-Voting or e-voting at the AGM. In case of voting by both the modes, vote cast through remote e-Voting will be considered final and e-Voting at the AGM will not be considered.

(viii) The remote e-voting facility will be available during the following period for all the members who are either holding shares in physical mode or in demat mode:

(a) Commencement of remote e-voting: 09th August 2024 (Friday) at 9:00 a.m. (IST)

(b) End of remote e-voting : 12th August 2024 (Monday) at 5:00 p.m. (IST)

(ix) During this period, Members holding shares either in physical form or in dematerialised form as on cut-off date, may cast their vote through remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. Those Members, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM as per the process mentioned below in the Notice.

(x) Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.com

(xi) The Board of Directors of the Company has appointed Mr Jayavant Bhav (Membership FCS 4266/CP 3068) of M/s J B Bhav and Co, Practicing Company Secretaries, as the Scrutiniser to scrutinise the voting process electronically or otherwise for remote e-Voting and e-Voting at the AGM in a fair and transparent manner.

(xii) The Scrutiniser shall on conclusion of the voting at the AGM first count the votes cast at the meeting and thereafter, unblock the votes cast through remote e-voting and make,

2 working days from the conclusion of the meeting, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same. The Chairman or the person authorised by him in writing shall forthwith on receipt of the consolidated Scrutiniser's Report, declare the Results of the voting. The results declared along with the Scrutiniser's Report shall be placed on the Company's website <https://www.skf.com/in> and on the website of NSDL www.evoting.nsdl.com and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed. The results of the voting shall also be placed on the Notice Board at the Registered Office of the Company.

(xiii) The helpline number / contact person regarding any technical query/assistance for remote e-voting or participation and e-voting in the AGM through VC/OAVM is 022-4886 7000, Mr. Sanjeev Yadav, Assistant Manager email at evoting@nsdl.com.

(xiv) Members who have not yet registered their email addresses or want to update their registered email address are requested to register / update the same by providing their Folio No., Name of shareholder, scanned copy of the share certificate(s) (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company's RTA at csg-unit@linkintime.co.in in case the shares are held by them in physical form. Further, if shares are held in demat mode, then the members may contact the Depository Participants (DPs) for registering / updating their email address as per the process advised by your DPs.

(xv) For receiving the dividend directly in their bank accounts, Members are requested to register / update their bank details by providing their Folio No., Name of shareholder, scanned copy of the share certificate(s) (front and back), self-attested copy of their PAN original copy of cancelled cheque etc. to Company's RTA at csg-unit@linkintime.co.in in case the shares are held by them in physical form. Further, if shares are held on demat mode, then the members may contact their Depository Participant (DP) for registering / updating the bank account details as per the process advised by your DP.

Notice of 63rd Annual General Meeting (contd.)

- (xvi) Any person who is not a member as on the cut-off date should treat this notice for information purpose only. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently.
- (xvii) The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on closing of business hours of Tuesday, 06th August 2024. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date shall be entitled to avail the facility of e-voting, as well as voting at the meeting through electronic voting system.
- (xviii) Any person who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of cut-off date i.e. closing of business of hours of (Tuesday 06th August 2024) may obtain the login id and password by sending a request at evoting@nsdl.com. However, if he/she is already registered with NSDL for e-voting then he/she can use his/her existing User ID and password for casting vote. If you forget your password, you can reset your password by using “Forgot user Details/Password” option or “Physical User Reset Password?” available on www.evoting.nsdl.com. If you are already registered with NSDL for e-voting, then you can use your existing User ID and Password/PIN for casting your vote.
- (xix) In case Shareholders are holding shares in demat mode, USER ID is the combination of (DPID + Client ID). In case, Shareholders are

holding shares in Physical mode, USER ID is the combination of (EVEN No. + Folio No).

- (xx) A Member may participate in the AGM even after exercising his/her right to vote through remote e-voting but shall not be entitled to vote again.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Friday, 09th August 2024 at 9:00 A.M. and ends on Monday, 12th August 2024 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 06th August 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 06th August 2024.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated 09th December 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Notice of 63rd Annual General Meeting (contd.)**Login method for Individual shareholders holding securities in demat mode is given below:**

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; align-items: center; gap: 20px;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> <div style="display: flex; justify-content: center; align-items: center; gap: 20px; margin-top: 10px;">   </div>

Notice of 63rd Annual General Meeting (contd.)

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by Company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Notice of 63rd Annual General Meeting (contd.)**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022-4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**How to Log-in to NSDL e-Voting website?**

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you
- Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password
How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the Company, your 'initial

password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

Notice of 63rd Annual General Meeting (contd.)

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsd.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsd.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to jbbhave@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-Voting” tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsd.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsd.com or call on.: 022 - 4886 7000 or send a request to Mr. Sanjeev Yadav at evoting@nsdl.com.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to csg-unit@linkintime.co.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to csg-unit@linkintime.co.in. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

Notice of 63rd Annual General Meeting (contd.)

- Alternatively, shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
- In terms of SEBI circular dated 09th December 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

The Instructions for members for e-voting on the day of the AGM are as under:-

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against Company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- Members are encouraged to join the Meeting through Laptops for better experience.

- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investors@skf.com. The same will be replied by the Company suitably.
- The shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.

EXPLANATORY STATEMENT SETTING OUT MATERIAL FACTS UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No.3

To appoint a Director in place of Mr. Karl Robin Joakim Landholm (DIN 09651911) who retires by rotation and being eligible offers himself for re-appointment

As per the provisions of Section 152 (6) of the Companies Act 2013, except for Independent Directors, not less than two-thirds of the total number of remaining directors shall be the persons whose period of office is liable to determination by rotation and at least one-third of such Directors are liable to retire by rotation at every AGM. As per Article of Association of the Company, the Managing Director is not liable to retire by rotation.

The Board of Directors ("Board") on recommendation of Nomination and Remuneration Committee appointed Mr. Karl Robin Joakim Landholm (DIN 09651911) as Additional Director of the Company with effect from 28th June 2022 and shareholders had approved his appointment as Director of the Company at 61st Annual general meeting held on 27th July 2022.

Mr. Karl Robin Joakim Landholm, who holds the office for the longest period is liable to retire by rotation at the ensuing AGM. Accordingly, the Board places the resolution as provided in Item No. 3 of the Notice, before the members to be passed as Ordinary Resolution.

A brief profile and other information of Mr. Karl Robin Joakim Landholm (DIN 09651911), as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2, is provided in the **Annexure-A** to this Notice.

Notice of 63rd Annual General Meeting (contd.)

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 3 of the Notice except Mr. Karl Robin Joakim Landholm (DIN 09651911).

Item No.4

Approval of Material Related Party Transactions with SKF GmbH, Schweinfurt, Germany, (Fellow Subsidiary)

The Company is a subsidiary of Aktiebolaget SKF ("AB SKF"). M/s SKF GmbH, Schweinfurt, Germany ("SKF Germany") is also a subsidiary of AB SKF and is a 'Related Party' as per the definition under Section 2(76) of the Act and Regulation 2(1)(zb) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR").

As per the provisions of Section 188 (1) of the Companies Act, 2013 read with rules made thereunder and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (amended from time to time), the Material Related Party Transactions requires prior approval of the Shareholders by Ordinary Resolution where transactions proposed to be entered fall under threshold limit i.e., if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds INR 1000 Crores or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

The Company enters into contract with SKF Germany for Administrative and Service Fees, Purchase of Capital Goods and Services, Purchase of Raw Material, Components, Spares and Finished Goods, Reimbursements Paid, Reimbursements Received, Technical and Service Income and Sale of Goods and services and any other business transactions on a continuous basis for business profitability. Considering business opportunities, aforesaid transactions might exceed aforesaid threshold limit.

In compliance to the aforesaid provision of the Companies Act, 2013 and rules made thereunder and SEBI Regulations, aforesaid transactions require approval of the members by way of an ordinary resolution.

All the transactions carried out by SKF India Limited with SKF Germany are in the ordinary course of business and at arm's length basis and hence it is recommended for approval by the members for FY 2024-25 and thereafter up to the date of the next annual general meeting of the Company to be held for the FY 2024-25 or fifteen months from the date of 63rd Annual General Meeting, whichever is earlier.

Pursuant to Section 188 of the Companies Act 2013 including Rules made thereunder and SEBI circular no. SEBI/HO/CFD/ CMD1/CIR/P/2021/662 dated 22nd November 2021, as amended from time to time, particulars of the transactions with SKF Germany enclosed herewith for perusal of shareholders. The same was also presented before the Audit Committee/ Independent Directors and Board of Directors for its approval (which has been duly approved & recommended to the Shareholders for approval):

Sr. No.	Particulars	Remarks
1	Name of Related Party	SKF GmbH, Schweinfurt
2	Nature of relationship with the SKF India Limited nature of its concern or interest (financial or otherwise)	Fellow Subsidiary, a 'Related Party' as defined under Regulation 2(1)(zb) of SEBI LODR Fellow subsidiary
3	Name of the Director or Key managerial personnel who is related, if any	None of the Directors and Key Managerial Personnel or their relatives except Mr. David Leif Henning Johansson and Mr. Karl Robin Joakim Landholm representing SKF Group are concerned or interested in this resolution.
4	Value of the proposed transaction;	7,375.35 MINR
5	Type, Material terms, particulars of proposed Transaction	Administrative & Service Fees, Purchase of Capital Goods & Services, Purchase of Raw Material, components, spares & Finished Goods, Reimbursements Paid, Technical & Service Income and Sale of Goods and services on continuous basis. Monetary value of proposed aggregate transactions during FY 2024-25 and thereafter upto the date of the next annual general meeting of the Company to be held for FY 2024-25 or fifteen months from the date of 63 rd Annual General Meeting, whichever is earlier, is expected to be 7,375.35 MINR.

Notice of 63rd Annual General Meeting (contd.)

Sr. No.	Particulars	Remarks
6	Tenure of the proposed transaction (particular tenure shall be specified);	<ul style="list-style-type: none"> The Related Party Transactions as aforesaid are necessary, normal and incidental to business as also play significant role. Tenure of aforesaid transactions for the financial year 2024-25 and thereafter upto the date of the next annual general meeting of the Company to be held for FY 2024-25 or fifteen months from the date of 63rd Annual General Meeting, whichever is earlier, on such terms and conditions as may be mutually agreed between the Company and SKF, Germany wherein the value of proposed transaction is disclosed in the Annual Financial Statement.
7	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (Turn over 45,701 MINR)	16.1%
8	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity	NA
8(i)	details of the source of funds in connection with the proposed transaction	NA
8(ii)	where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments, <ul style="list-style-type: none"> nature of indebtedness; cost of funds; and tenure; 	NA
8(iii)	applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and	NA
8(iv)	the purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the RPT.	NA
9 (a)	Justification as to why the RPT is in the interest of the listed entity	<p>Considering the dynamic business environment where demand cannot be predicted in advance, the Company expects the level of transactions to be above the materiality threshold as prescribed under the SEBI Regulations, for the period for which the approval of Members is sought as stated above.</p> <p>To sustain quality standards of the SKF Group and to ensure quantitative benefits to enable operational efficiency, this needs to be considered as an enabling resolution. The details of the Related Party Transactions will continue to be disclosed in the Annual Financial Statements in the Company's business operations.</p>
9 (c)	Any advance paid or received for the contract or arrangement, if any	NIL
9 (d)	Details about valuation/ arm's length and ordinary course of business	The transactions are on an arms-length basis and in the ordinary course of business of the Company.

The Related Party Transactions as aforesaid are necessary, normal and incidental to business and also plays significant role in the Company's business operations and accordingly the Board recommends the Ordinary Resolution set forth in Item No. 4 of the Notice for the approval of the Members in terms of Regulations 23 of SEBI Regulations.

Disclosure of Interest: None of the Directors and Key Managerial Personnel or their relatives except Mr. David Leif Henning Johansson and Mr. Karl Robin Joakim Landholm (being employed by AB SKF / SKF Group) are concerned or interested in this resolution.

Notice of 63rd Annual General Meeting (contd.)

Members may note that the aforesaid Related Party Transaction, placed for members approval, shall, at all times, be subject to prior approval of the Audit Committee/ Independent Directors of the Company and shall continue to be in the ordinary course of business and at arm's length. As per the amended SEBI LODR Regulations, all the related party transactions shall be approved only by those Members of the audit committee, who are Independent Directors. The transactions shall also be reviewed/ monitored on quarterly basis by the Audit Committee of the Company as per Regulation 23(2) and 23(3) of the SEBI LODR and Section 177 of the Act and shall remain within the proposed amount(s) being placed before the Members. Any subsequent material modifications in the proposed transactions, as may be defined by the Audit Committee as a part of Company's Policy on Related Party Transactions, shall be placed before the Members for approval, in terms of Regulation 23(4) of the SEBI LODR.

The proposed transactions shall not, in any manner, be detrimental to the interest of minority shareholders and be in the best interest of the Company and its shareholders.

The Board of Directors of the Company, at its meeting held on 08th May 2024, on the approval and recommendation of the Audit Committee and subject to the approval of the Members, approved the above proposal such that the maximum value of the Related Party Transactions during the aforesaid period does not exceed the amount stated in the aforesaid resolution. Pursuant to Regulation 23 of the SEBI LODR, Members may also note that no related party of the Company shall vote to approve this resolution whether the entity is a related party to the particular transaction or not.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives is deemed to be concerned or interested, financially or otherwise in the said resolution except to the extent of their shareholding and common directorships, if any. The Board accordingly recommends an ordinary resolution set forth in Item no. 4 for the approval of the Members of the Company.

Item No. 5

Approval of Material Related Party Transactions with SKF Engineering and Lubrication India Private Limited, (Fellow Subsidiary)

The Company is a subsidiary of Aktiebolaget SKF ("AB SKF"), M/s SKF Engineering and Lubrication India Private Limited is also a subsidiary of AB SKF and is a 'Related Party' as per the definition under Section 2(76) of the Act and Regulation 2(1)(zb) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR").

As per the provisions of Section 188 (1) of the Companies Act, 2013 read with rules made thereunder and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (amended from time to time), the Material Related Party Transactions requires prior approval of the Shareholders by Ordinary Resolution where transactions proposed to be entered fall under the threshold limit i.e., if the transaction(s) to be entered into individually or taken together with previous transactions during the financial year, exceeds INR 1,000 Crores or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

The Members are apprised that in last year's AGM held for FY 2022-23, the Company had obtained shareholders' approval for granting loan up to 1,200 MINR in one or more tranches, it was proposed to grant a loan of 1,200 MINR in FY 2023-24 and 1,300 MINR in FY 2024-25.

In continuation of above mentioned transactions, it is proposed for FY 2024-25 to carry out various transactions including but not limited to the purchase of capital goods and services, raw material, components, spares and finished goods, reimbursements of expenses, grant of loan, interest income on loan to related party, rent income on leased property, sale of goods and services, technical & service Income, trade advance on continues basis with M/s SKF Engineering and Lubrication India Private Limited (a fellow subsidiary) (hereinafter referred as "SELIPL") in aggregate, does not exceed **8,424.71 MINR (including Loan of 1,300 MINR for FY 2024-25)** during the aforesaid period. This makes it a material related party transaction.

All the transactions carried out by SKF India Limited with SELIPL are in the ordinary course of business and at arm's length basis and hence it is recommended for approval by the Members for FY 2024-25 and thereafter up to the date of the next Annual General Meeting of the Company to be held for the FY 2024-25 or fifteen months from the date of 63rd Annual General Meeting, whichever is earlier, such that the maximum value of the related party transactions with SELIPL, in aggregate, does not exceed the limit.

In compliance to the aforesaid provision of the Companies Act, 2013 and rules made thereunder and SEBI Regulations, aforesaid transaction requires approval of the Members by way of an ordinary resolution.

Pursuant to Section 188 of the Companies Act 2013 including Rules made thereunder and SEBI circular no. SEBI/HO/CFD/ CMD1/CIR/P/2021/662 dated 22nd November 2021, as amended from time to time, particulars of the transactions with SELIPL enclosed herewith for perusal of shareholders. The same was also presented before Audit Committee/ Independent Directors and Board of Directors

Notice of 63rd Annual General Meeting (contd.)

for its approval (which has been duly approved and recommended to the Shareholders for approval):

Sr. No	Particulars	Remarks
1.	Name of Related Party	SKF Engineering and Lubrication India Private Limited (SELIPL).
2.	Nature of relationship with the Company (SKF India Limited) Nature of its concern or interest (financial or otherwise)	SKF Group entity and a 'Related Party' of the Company as defined under Regulation 2(1) (zb) of SEBI LODR. Fellow subsidiary
3.	Name of the Director or Key managerial personnel who is related, if any.	None of the Directors and Key Managerial Personnel or their relatives except Mr David Leif Henning Johansson and Mr Karl Robin Joakim Landholm representing SKF Group are concerned or interested in this resolution.
4.	Value of the proposed transaction;	8,424.71 MINR (including Loan of 1300 MINR)
5.	Type, material terms, particulars of proposed transaction	<ul style="list-style-type: none"> • Purchase of Capital Goods & Services, Purchase of Raw Material, components, spares & Finished Goods, Reimbursements of expenses, Interest Income on Loan to related party, Rent Income on leased property, Sale of Goods and services, Technical & Service Income on continuous basis. • Monetary value of proposed aggregate transactions during FY 2024-25, is expected to be INR 8,424.71 MINR. • Granting Loan up to 1,300 MINR, (this loan is part of 8,424.71 MINR). • Terms of the fresh loan as per the agreement: <ul style="list-style-type: none"> ➤ Interest rate will be equivalent to 7 years government security rate (7.5% GS rate currently) or, FD/Term deposits rate, whichever is higher + 150 bps (to be reviewed every 6 months). ➤ Entire loan will be secured by creation of charge on the assets of SELIPL. ➤ Additionally, Corporate Guarantee from AB SKF (Holding Company) will be obtained in security of these loans.
6.	Tenure of the proposed transactions (particulars & tenure);	<ul style="list-style-type: none"> • The Related Party Transactions as aforesaid are necessary and incidental to the business of the Company which play significant role in its business plan. • Tenure of aforesaid transactions for the FY 2024-25 and thereafter up to the date of the next annual general meeting of the Company to be held for FY 2024-25 or fifteen months from the date of 63rd Annual General Meeting, whichever is earlier, on such terms and conditions as mutually agreed as per agreement wherein the value of proposed transaction is disclosed in the Annual Financial Statement. • Grant of fresh Loan of 1,300 MINR; Tenure 7 Years i.e., up to 2029.
7.	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (Turn over 45,701.1 MINR).	18.4%
8.	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity.	The Company, being a fellow subsidiary, provides financial assistance/support to its vendors & suppliers (in existing proposal to SELIPL) in the form of loan/advance from time to time ('financial assistance') in order to meet their cash flow needs. Such financial assistance by the Company ensures continuity of its supplies & strengthen its supply chain. The current proposal of material related party transaction will be taken forward with the prior approval of the Audit Committee, Board of Directors and shareholders of the Company.

Notice of 63rd Annual General Meeting (contd.)

Sr. No	Particulars	Remarks
8(i)	Details of the source of funds in connection with the proposed transaction.	Company's own fund.
8(ii)	Where any financial indebtedness is incurred to make or give loans, inter- corporate deposits, advances or investments: <ul style="list-style-type: none"> • nature of indebtedness. • cost of funds; and • tenure; 	Not Applicable, since no financial indebtedness shall be incurred by the Company to provide such financial assistance. The transactions will be carried out of Company's own fund.
8(iii)	Applicable terms, including covenants, tenure, interest rate and repayment schedule of loans, whether secured or unsecured; if secured, the nature of security; and	Fresh Loan: Amount 1300 MINR (as per Loan agreement): <ul style="list-style-type: none"> ➤ Interest rate: Interest rate will be equivalent to 7 Years Government security rate (7.5% GS rate currently) or, FD/Term deposits rate, whichever is higher + 150 bps (To be reviewed every 6 months) ➤ Tenure: 7 Years i.e., up to 2029 ➤ Repayment Schedule: as per Loan Agreement ➤ Security: Creation of Charge on assets of the SELIPL (Fellow Subsidiary) and, Corporate Guarantee from AB SKF (Holding Company)
8(iv)	The purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the RPT.	Funds shall be utilised by SELIPL for its Capex and Working Capital needs to support its principal business activities in India.
9 (a)	Justification as to why the RPT is in the interest of the listed entity (i.e Other than Loan and Extension of Loan)	<ul style="list-style-type: none"> • Considering the dynamic business environment where demand cannot be predicted in advance, the Company expects the level of transactions to be above the materiality threshold as prescribed under the SEBI Regulations, for the period for which the approval of Members is sought as stated above. • This transaction will help meeting its customer's needs timely & without any disruption. • To sustain quality standards of SKF and to ensure quantitative benefits to enable operational efficiency, this needs to be considered as an enabling resolution. The details of the Related Party Transactions will continue to be disclosed in the Annual Financial Statements.
9 (b)	Justification as to why the RPT is in the interest of the listed entity (i.e. For Loan and extension of loan)	<ul style="list-style-type: none"> • Better utilisation of existing funds. Earn higher rate of Interest • Secured liability – First Charge on existing assets of SELIPL, AB SKF Corporate Guarantee in case of SELIPL Default • Higher Sales with assured margins • Strengthens its supply chain, reduces Supply Chain Constraints and improves lead times for deliveries • Creates a competitive edge in Indian Market
9 (c)	Any advance paid or received for the contract or arrangement, if any	Routine trade advance extended by the Company to SELIPL, periodically.
9 (d)	Details about valuation/ arm's length and ordinary course of business	The transactions are on arms-length basis and in the ordinary course of business of the Company.

The Related Party Transactions as aforesaid are necessary, normal and incidental to business and also plays significant role in the Company's business operations and accordingly the Board recommends the Ordinary Resolution set forth in Item No. 5 of the Notice for the approval of the Members in terms of Regulations 23 of SEBI Regulations.

Disclosure of Interest: None of the Directors and Key Managerial Personnel or their relatives except Mr. David Leif Henning Johansson and Mr. Karl Robin Joakim Landholm (being employed by AB SKF / SKF Group) are concerned or interested in this resolution.

Notice of 63rd Annual General Meeting (contd.)

Members may note that the aforesaid Related Party Transaction, placed for Members approval, shall, at all times, be subject to prior approval of the Audit Committee/ Independent Directors of the Company and shall continue to be in the ordinary course of business and at arm's length. As per the amended SEBI LODR Regulations, all the related party transactions shall be approved only by those Members of the Audit Committee, who are Independent Directors. The transactions shall also be reviewed / monitored on quarterly basis by the Audit Committee of the Company as per Regulation 23(2) and 23(3) of the SEBI LODR and Section 177 of the Act and shall remain within the proposed amount(s) being placed before the members. Any subsequent material modifications in the proposed transactions, as may be defined by the audit committee as a part of Company's Policy on Related Party Transactions, shall be placed before the members for approval, in terms of Regulation 23(4) of the SEBI LODR.

The proposed transactions shall not, in any manner, be detrimental to the interest of minority shareholders and be in the best interest of the Company and its shareholders.

The Board of Directors of the Company, at its meeting held on 08th May 2024, on the approval and recommendation of the Audit Committee and subject to the approval of the Members, approved the above proposal such that the maximum value of the Related Party Transactions during the aforesaid period does not exceed the amount stated in the aforesaid resolution.

Pursuant to Regulation 23 of the SEBI LODR, members may also note that no related party of the Company shall vote to approve this resolution whether the entity is a related party to the particular transaction or not.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives is deemed to be concerned or interested, financially or otherwise in the said resolution except to the extent of their shareholding and common directorships, if any. The Board accordingly recommends an ordinary resolution set forth in Item no. 5 for the approval of the members of the Company.

Item No. 6**Ratification of Remuneration to Cost Auditor for the financial year 2024-25**

The Company is required to have its cost records audited by Cost Accountant in practice. Accordingly, the Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment of M/s. Joshi Apte and Associates, Cost Accountants, having Firm Registration No. 000240 as Cost Auditors of the Company for FY 2024-25 at its Board meeting held on 08th May 2024 at a remuneration INR 4,50,000/- (Four Lakh and Fifty Thousand Only), plus out of pocket expenses as actual, if any and applicable taxes. The detailed profile of the Cost Auditor is as per **Annexure-B**.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as amended, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought by way of an Ordinary Resolution No. 6 of this Notice for ratification and approval of remuneration payable to the Cost Auditors for the FY 2024-25.

The Board accordingly recommends the Ordinary Resolution as set out at Item No. 6 of this Notice for your approval.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested in the resolution except to the extent of their shareholding in the Company, if any.

**By Order of the Board
SKF India Limited**

**Ranjan Kumar
Company Secretary & Compliance Officer
Membership no.:16192**

Registered Office:

Chinchwad, Pune 411033, Maharashtra, India

CIN No.: L29130PN1961PLC213113

E-mail: investors@skf.com

Website: www.skf.com/in

Telephone No.:020- 66112500

Date: 08th May 2024

Annexure - A

Information pursuant to the Regulation 36(3) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India of Directors seeking re-appointment / appointment at the 63rd Annual General Meeting.

Name of the Director	Mr. Karl Robin Joakim Landholm
Director Identification Number	09651911
Date of Birth	10 th June 1969
Age	55 Years
Nationality	Swedish
Date of first Appointment on Board of the Company	28 th June 2022
Qualification	Master's degree in B.A and Economics. Major: Corporate Finance Exchange programme at University of Michigan (MBA)
Experience	<ul style="list-style-type: none"> · He is having overall experience of above 30 years. He has worked in past with Axholmen Consulting · Hector Rail Group, SAS – Scandinavian Airlines · Journey in SKF Managing SKF's Group Operations function covering manufacturing, supply chain, IT, quality, EHS, sustainability and strategy
Terms & conditions of appointment/ re-appointment	As per the appointment letter
Remuneration sought to be paid	NA
Remuneration last drawn	NA
Number of Board Meeting attended during the FY 2023-24	4
Shareholding in the Company (self and beneficial basis only)	Nil
List of Directorship held in other Listed Companies	Nil
Listed companies from which the person has resigned in the past three years	Nil
Nature of expertise in specific functional areas	Please refer to the Corporate Governance Report
Chairmanship / Membership of Audit and Stakeholders Relationship Committee of SKF India Limited	Nil
Listed entities from which Director has resigned in last three years	Nil
Chairmanships / Memberships of the Committees of Boards of other Companies	Nil
Inter-se Relationship between the Directors, Manager and other Key Managerial personnel of the Company	None

Note: Committee membership includes only the Audit Committee and Stakeholders' Relationship Committee of Public Limited Company (whether Listed or not). Other directorships do not include directorships of foreign companies.

Annexure - B

Profile - Cost Auditors – Joshi Apte and Associates:

M/s Joshi Apte and Associates (Firm Registration No. 000240) has a track record of providing expert services in Cost Management Accountancy for the last 15 years. They have a dynamic team which is mix of seasoned practitioners with rich experience and young professionals with their youthful exuberance. Firm also observes diversity with majority of woman partners. The Firm provides profession services like, Cost Audit, Costing Systems, Cost Study and analysis, etc.

INFORMATION AT A GLANCE

Sr. No.	Particulars	Details
1.	Day, Date and Time of AGM	Tuesday, 13 th August 2024 at 15:00 Hrs (IST)
2.	Mode	Video Conference (VC) and Other Audio Visual Means (OAVM)
3.	Participation through VC/OAVM	Members can login from 03.00 P.M (IST) on the date of the AGM at https://evoting.nsdl.com
4.	Helpline Number for VC/OAVM participation	022 - 2499 7000
5.	Submission of Questions/Queries before AGM	Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 01 st August 2024 through email on investors@skf.com . The same will be replied by the Company suitably.
6.	Speaker Registration before AGM	Members may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number to investors@skf.com on or before 01 st August 2024.
7.	Recorded Transcript	Will be made available post AGM at https://www.skf.com/in
8.	Dividend for FY 2023-24 recommended by the Board	INR 130/-per equity share of the face value of INR 10/- each
9.	Dividend -Record Dates	04 th July 2024 (Thursday)
10.	Dividend Payment Date	On or before 11 th September 2024
11.	Cut-off date for e-voting	06 th August 2024 (Tuesday)
12.	Remote e-voting start time and date	09 th August 2024 (Friday at 9:00 am IST)
13.	Remote e-voting end time and date	12 th August 2024 (Monday at 5:00 p.m. IST)
14.	Remote e-voting website	<p>Shares held in Demat mode with NSDL:</p> <ol style="list-style-type: none"> Shareholders registered for NSDL IDeAS facility: https://eservices.nsdl.com/ Others: https://evoting.nsdl.com <p>Shares held in Demat mode with CDSL:</p> <ol style="list-style-type: none"> Shareholders who have opted for Easi facility of CDSL: https://web.cdslindia.com/myeasi/home/login Others: www.cdslindia.com <p>Logging in through Depository Participants:</p> <p>Members can also login using the login credentials of their demat account through your DP registered with NSDL /CDSL for e-voting facility.</p>

Annexure - B (contd.)

Sr. No.	Particulars	Details
15.	Name, address and contact details of e-voting service provider and registrar and transfer agent	<p>Registrar and Transfer Agent</p> <p>M/s Link Intime India Private Limited (TSR Consultants Private Limited, has been merged with Link Intime India Private Limited with effect from 22nd December 2023)</p> <p>C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083</p> <p>Tel: +91 22 66568484</p> <p>E-voting Service Provider</p> <p>National Securities Depositories Limited (“NSDL”)</p> <p>Trade World, A wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai - 400013</p> <p>Tel No: 1800-1020-990/1800-22-44-30</p>
16	Email Registration and Contact Updation Process	<p>Demat Shareholders:</p> <p>Contact respective Depository Participant</p> <p>Physical Shareholders:</p> <p>M/s Link Intime India Private Limited website – csg-unit@linkintime.co.in</p> <p>C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083</p>

Independent Auditor's Report

To the Members of SKF India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **SKF India Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material 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 standalone 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, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, 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 standalone 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 Standalone 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 standalone 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 standalone 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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 matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Evaluation of uncertain tax position pertaining to Transfer Pricing Matters (Refer Note 37)</p> <p>The Company has material uncertain tax positions pertaining to Transfer Pricing related matters. The management's assessment is supported by their tax experts' views on whether or not a provision is required against these matters. These matters involve significant management judgement and estimation with respect to interpretations of the legal aspects, tax legislations and judgements previously made by income tax authorities to determine the likelihood and/or timing of the cash outflows, if any.</p>	<p>Principal audit procedures performed included the following:</p> <ul style="list-style-type: none"> We assessed management's processes and tested the internal controls implemented for the identification, recognition and measurement of tax positions and its assessment with respect to interpretations of the legal aspects, tax legislations and judgements previously made by income tax authorities to determine the likelihood and/or timing of the cash outflows; We received a year-wise statement of all ongoing disputes/litigations along with the initial notice/ Order from income tax department and supporting evidencing the dispute / litigation; We obtained and verified management's assessments on the dispute / litigated matters, with respect to likelihood of the cash outflows; We have also obtained independent external confirmation from the Company's Tax consultant; We involved our internal tax specialist to review the management's position on the disputes / litigated matters and to consider management assessment of the likelihood of cash outflows in evaluating its position on these tax positions; <p>We have assessed the adequacy of disclosures provided in the standalone financial statements.</p>

Independent Auditor's Report (contd.)

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 Management's Report and Analysis and Board's Report including Annexures to Board's Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 Standalone 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 standalone 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 accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors 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 intend 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 controls 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 standalone 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

Independent Auditor's Report (contd.)

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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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 financial controls 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 standalone 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.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to standalone 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 standalone financial statements.
 - g) 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.
 - h) 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

Independent Auditor's Report (contd.)

- in its standalone financial statements. Refer Note 37 to the standalone financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company, except Rs. 0.20 million which is held in abeyance due to legal cases pending. Refer Note 20 of the standalone financial statements.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, 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, 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 34(b)(ii) to the standalone 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. Such dividend proposed is in accordance with section 123 of the Act, as applicable.
 - vi. Based on our examination, which included test checks, the Company has used an accounting software(s) for maintaining its books of account for the financial year ended 31 March, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software(s). Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

Independent Auditor's Report (contd.)

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)

Kedar Raje

Partner

(Membership No. 102637)

UDIN: 24102637BKELWW5233

Place: Cairo

Date: May 8, 2024

Annexure “A” to the independent auditor’s report

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

Report on the Internal Financial Controls with reference to standalone 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 standalone financial statements of **SKF India Limited** (“the Company”) as at March 31, 2024 in conjunction with our audit of the standalone 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 standalone financial statements based on the internal control with reference to standalone 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 standalone 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 standalone 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 standalone 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone 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.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company’s internal financial control with reference to standalone 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 standalone 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 standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone 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

Annexure "A" to the independent auditor's report (contd.)

controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone 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 standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to standalone 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)

Place: Cairo
Date: May 8, 2024

Kedar Raje
Partner
(Membership No. 102637)
UDIN: 24102637BKELWW5233

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) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (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, 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 physical 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 and Land Allotment letter (SANAD and 7/12 form) 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, 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, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories (except goods in transit) 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, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters.
- (iii) The Company has made investments in, and granted secured loans to companies during the year, in respect of which:
- (a) The Company has provided loans during the year and details of which are given below:

	Loan (Rs. in Million)
A. Aggregate amount granted / provided during the year:	900
- Others (Fellow Subsidiary)	
B. Balance outstanding as at balance sheet date in respect of above case:*	1,576
- Others (Fellow Subsidiary)	

*(Also refer note 44 of the financial statements)

The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured to firms, Limited Liability Partnerships or any other parties during the year.

- (b) The investments made, and the terms and conditions of the grant of all the above-mentioned loans, during the year are, in our opinion, prima facie, not prejudicial to the Company’s interest.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

Annexure “B” to the independent auditor’s report (contd.)

- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) None of the loans granted by the Company have fallen due during the year.
- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted and investments made. The Company has not provided any guarantees and securities during the year.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(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 Act. We have broadly reviewed the cost records maintained by the Company pursuant to the

Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (vii) According to the information and explanations given to us, 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 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 in all cases 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 Excise, Value added tax, cess and other material statutory dues in arrears as at March 31, 2024 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, 2024 on account of disputes are given below:

Name of Statute	Nature of Dues	Amount (MINR)	Amount Paid under protest	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty (Including interest and Penalty, if Applicable)	221.66	28.68	Various year	Customs Excise and service tax Appellate Tribunal (CESTAT)
The Customs Act, 1962	Custom Duty including interest and penalty	189.84	-	FY 1997-98	Dy. Commissioner of Customs, Mumbai
Finance Bill, 1994	Service Tax	17.75	0.89	From October 2014 to June 2017	Divisional Commissioner Office, Pune
Good and Service Tax	Good and Service Tax, Interest and Penalty	19.90	0.73	F.Y. 2017-18 (Including Tran-1)	

Annexure "B" to the independent auditor's report (contd.)

Name of Statute	Nature of Dues	Amount (MINR)	Amount Paid under protest	Period to which the amount relates	Forum where the dispute is pending
Sales tax Act	Sales Tax (including interest and penalty, if applicable)	25.04	6.17	F.Y. 2005-06, 2006-07, 2007-08, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16	Assessing Officer
Sales tax Act		4.14	2.95	F.Y. 2008-09, 2010-11, 2011-12, 2012-13, 2015-16, 2017-18	Appellate Tribunal
Sales tax Act		63.39	3.63	F.Y. 2007-08, 2013-14	Appellate Revision Board
Sales tax Act		77.35	2.92	F.Y. 2011-12, 2012-13, 2013-14, 2015-16, 2016-17, 2017-18	Deputy Commissioner Appeal
Sales tax Act		0.34	0.34	F.Y. 2003-04	Deputy Commissioner of Commercial Taxes- Audit
Sales tax Act		3.17	2.30	F.Y. 2012-13, 2015-16	Joint Commissioner (Appeal)
Sales tax Act		12.43	0.30	F.Y. 2008-09, 2009-10, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17	Objection Authority Department of Trade & Taxes, New Delhi
Income Tax Act, 1961		Income Tax (including interest and penalty, if applicable)	2,998.98	622.51	AY 2004-2005, 2007 - 2008, 2012 - 2013, 2013 - 2014, 2014 - 2015, 2015 - 2016, 2016 - 2017, 2017 - 2018, 2018 - 2019
	397.70		136.74	A.Y. 2000-2001, 2008 - 2009, 2009 - 2010, 2011 - 2012, 2015 - 2016	Commissioner of Income-tax (Appeals)

(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) The Company has not taken any loans or other borrowings from any lender. Hence reporting

under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

Annexure "B" to the independent auditor's report (contd.)

- (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 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, there are no funds raised on short-term basis which have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associates.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(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 3(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 3(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 up to 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 3(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 covering the period upto (December 2023) and the draft of the internal audit reports, where issued after the balance sheet date covering the period (January to March 2024) for the period under audit.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its 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 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) The Group does not have any CIC as part of the group and accordingly reporting under clause 3(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

Annexure “B” to the independent auditor’s report (contd.)

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) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the

said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

(xxi) According to the information and explanations given to us, in respect of the following companies included in the consolidated financial statements of the Company, whose audits under section 143 of the Act has not yet been completed, the CARO report as applicable in respect of those entities are not available and consequently have not been provided to us as on the date of this audit report:

Name of the Company	CIN	Nature of relationship
Sunstrength Renewables Private Limited	U40106MH2020PTC337107	Associate
Clean Max Taiyo Private Limited	U40107MH2022PTC389268	Associate

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

Place: Cairo
Date: May 8, 2024

Kedar Raje
Partner
(Membership No. 102637)
UDIN: 24102637BKELWW5233

Standalone Balance Sheet

as at March 31, 2024

(INR in Million)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current Assets			
Property, plant and equipment	3 (a)	4,377.5	3,874.7
Right-of-use assets	3 (b)	94.0	133.7
Capital work-in-progress	3 (a)	886.9	633.8
Investment properties	4	250.7	229.2
Intangible assets	5	1.5	3.2
Financial assets			
Investments	6	90.1	24.8
Loans	7	1,576.0	676.0
Others Financial assets	8	337.3	306.6
Deferred tax assets (net)	9	311.1	208.2
Non-Current Tax Asset (net)	10	289.9	207.4
Other non-current assets	11	887.8	997.0
Total non-current assets		9,102.8	7,294.6
Current Assets			
Inventories	12	6,838.8	6,860.3
Financial Assets			
Trade receivables	13	7,513.3	6,786.5
Cash and cash equivalents	14	12,174.6	9,552.8
Bank balance other than above	15	46.5	26.8
Others Financial assets	8	245.6	269.1
Other Current Assets	11	593.3	990.1
Total current assets		27,412.1	24,485.6
TOTAL ASSETS		36,514.9	31,780.2
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	494.4	494.4
Other Equity	17	26,334.0	22,920.6
Total Equity		26,828.4	23,415.0
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Lease Liabilities	3 (b)	37.5	81.4
Provisions	18	369.4	341.5
Total non-current liabilities		406.9	422.9
Current Liabilities			
Financial Liabilities			
Lease Liabilities	3 (b)	80.1	63.0
Trade Payables	19		
Outstanding dues of micro and small enterprises		370.2	306.3
Outstanding dues other than micro and small enterprises		6,761.2	5,772.8
Other Financial liabilities	20	1,333.8	1,219.3
Provisions	18	475.7	370.5
Other current liabilities	21	258.6	210.4
Total current liabilities		9,279.6	7,942.3
Total Liabilities		9,686.5	8,365.2
TOTAL EQUITY AND LIABILITIES		36,514.9	31,780.2

Material accounting policies

1

Significant accounting judgements, estimates and assumptions

2

The accompanying notes are an integral part of these Standalone financial statements

In terms of our report of even date

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

Kedar Raje

Partner

Place: Cairo

Date: May 08, 2024

**For and on behalf of the Board of Directors of
SKF India Limited**

Gopal Subramanyam

Chairman

DIN :- 06684319

Place :- Gothenberg

Ashish Saraf

Chief Financial Officer

PAN :- AVEPS0176L

Place :- Bangalore

Date: May 08, 2024

Mukund Vasudevan

Managing Director

DIN :- 05146681

Place :- Gothenberg

Ranjan Kumar

Company Secretary

PAN :- AMEPK5869R

Place :- Gothenberg

Standalone Statement of Profit and Loss

for the year ended March 31, 2024

(INR in Million)

Particulars	Notes	Year ended March 31, 2024	Year ended March 31, 2023
1 Revenue from Operations	22	45,701.3	43,049.2
Other Income	23	940.1	518.7
Total Income		46,641.4	43,567.9
2 Expenses			
(a) Cost of materials consumed	24	11,600.7	10,416.9
(b) Purchases of stock-in-trade	25	16,325.5	15,536.5
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(143.3)	(295.2)
(d) Employee benefit expense	27	3,433.7	2,996.3
(e) Finance costs	28	12.1	15.1
(f) Depreciation and amortisation expense	29	746.0	668.4
(g) Other expenses	30	7,308.8	6,900.6
Total Expenses		39,283.5	36,238.6
3 Profit before Tax		7,357.9	7,329.3
4 Income tax expense :	31		
Current tax (including tax relating to earlier years)		1,900.4	2,075.7
Deferred tax (credit)/ charge		(60.2)	5.7
Total tax expense		1,840.2	2,081.4
5 Profit for the year (3 - 4)		5,517.7	5,247.9
6 Other comprehensive income			
Items that will not be reclassified to profit and loss			
Remeasurement of defined benefits obligation		(169.5)	33.4
Income tax credit / (charge) relating to these items		42.7	(8.4)
Other comprehensive (loss)/ income for the year (net of tax)		(126.8)	25.0
7 Total comprehensive income for the year (5 + 6)		5,390.9	5,272.9
8 Earnings per equity share [nominal value of share INR 10]			
(previous year : INR 10)	35		
Basic and Diluted EPS		111.6	106.2

Material accounting policies 1

Significant accounting judgements, estimates and assumptions 2

The accompanying notes are an integral part of these Standalone financial statements

In terms of our report of even date

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Kedar Raje
Partner

Place: Cairo
Date: May 08, 2024

**For and on behalf of the Board of Directors of
SKF India Limited**

Gopal Subramanyam
Chairman
DIN :- 06684319
Place :- Gothenberg

Mukund Vasudevan
Managing Director
DIN :- 05146681
Place :- Gothenberg

Ashish Saraf
Chief Financial Officer
PAN :- AVEPS0176L
Place :- Bangalore

Ranjan Kumar
Company Secretary
PAN :- AMEPK5869R
Place :- Gothenberg

Date: May 08, 2024

Standalone Statement of Changes in Equity

for the year ended March 31, 2024

A) Equity Share Capital

(INR in Million)

	Notes	Amount
March 31, 2023	16	
Balance as at March 31, 2022		494.4
Changes in equity share capital due to prior period errors		-
Restated balance at the beginning of the current reporting period		494.4
Changes in equity share capital during the current year		-
Balance as at March 31, 2023		494.4
March 31, 2024	16	
Balance as at March 31, 2023		494.4
Changes in equity share capital due to prior period errors		-
Restated balance at the beginning of the current reporting period		494.4
Changes in equity share capital during the current year		-
Balance as at March 31, 2024		494.4

B) Other Equity

(INR in Million)

	Retained earnings	Capital redemption reserve	General reserve	Total Other Equity
Balance as at March 31, 2022	15,492.8	32.9	2,838.9	18,364.6
Profit for the year ended March 31, 2023	5,247.9	-	-	5,247.9
Other comprehensive income for the year ended March 31, 2023	25.0	-	-	25.0
Total comprehensive income for the year ended March 31, 2023	5,272.9	-	-	5,272.9
Transactions with owners in their capacity as owners				
Dividend paid (Rs 14.50 per share)	(716.9)	-	-	(716.9)
Balance as at March 31, 2023	20,048.8	32.9	2,838.9	22,920.6
Profit for the year ended March 31, 2024	5,517.7	-	-	5,517.7
Other comprehensive income for the year ended March 31, 2024	(126.8)	-	-	(126.8)
Total comprehensive income for the year ended March 31, 2024	5,390.9	-	-	5,390.9
Transactions with owners in their capacity as owners				
Dividend paid (Rs 40 per share)	(1,977.5)	-	-	(1,977.5)
Balance as at March 31, 2024	23,462.2	32.9	2,838.9	26,334.0

The above Standalone statement of changes in equity should be read in conjunction with the accompanying notes.

In terms of our report of even date

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Kedar Raje
Partner

Place: Cairo
Date: May 08, 2024

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

Gopal Subramanyam **Mukund Vasudevan**
Chairman Managing Director
DIN :- 06684319 DIN :- 05146681
Place :- Gothenberg Place :- Gothenberg

Ashish Saraf **Ranjan Kumar**
Chief Financial Officer Company Secretary
PAN :- AVEPS0176L PAN :- AMEPK5869R
Place :- Bangalore Place :- Gothenberg
Date: May 08, 2024

Standalone Cashflow Statement

for the year ended March 31, 2024

(INR in Million)

	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Cash flow from Operating Activities		
Profit before tax	7,357.9	7,329.3
Adjusted for :		
Depreciation and amortisation expenses	746.0	668.4
Provision for bad and doubtful debts	90.1	5.4
Provision for other receivables	43.0	-
Profit on sale of Property Plant & Equipment (net)	(8.1)	(5.4)
Finance costs	12.1	15.1
Liabilities and Provisions no longer required written back	-	49.3
Interest income		
- Fixed deposits with banks	(639.4)	(306.3)
- On loan given to related party	(73.3)	(53.8)
	170.4	372.7
Operating Profit before working capital changes	7,528.3	7,702.0
Adjusted for :		
Decrease / (increase) in inventories	21.5	(92.1)
(Increase) / Decrease in trade receivables	(816.9)	65.4
Decrease in current & non-current assets	361.6	215.6
Increase in trade payables	1,052.7	945.4
Increase in other liabilities and provisions	76.5	185.1
	695.4	1,319.4
Cash generated from operations	8,223.7	9,021.4
Income taxes paid	(1,982.8)	(2,119.1)
Net cash flow from Operating Activities (A)	6,240.9	6,902.3
B. Cash flow from Investing Activities		
Investment in associate companies (March 31, 2023 INR 26,000)	(65.3)	0.0
Payments for Property Plant & Equipment (Including Capital Work-in-progress)	(1,303.9)	(1,067.2)
Payments for Investment properties	(31.5)	(16.9)
Proceed from sale of Property Plant & Equipment	22.8	13.9
Deposits matured during the year	-	108.5
Interest Received	623.1	278.7
Interest received on loan to related party	73.3	53.8
Loan given/ repayment of loan by related party	(900.0)	180.0
Net cash outflow from Investing Activities (B)	(1,581.5)	(449.2)
C. Cash flow from Financing Activities		
Dividend paid	(1,974.0)	(719.4)
Principal elements of lease payments	(51.5)	(51.0)
Finance cost	(12.1)	(15.1)
Net cash outflow from Financing Activities (C)	(2,037.6)	(785.5)
Net changes in Cash and Cash Equivalents (A+B+C)	2,621.8	5,667.6
Cash and Cash Equivalents at beginning of the year	9,552.8	3,885.2
Cash and Cash Equivalents at the end of the year	12,174.6	9,552.8
Net changes in Cash and Cash Equivalents	2,621.8	5,667.6

Material accounting policies 1

Significant accounting judgements, estimates and assumptions 2

The accompanying notes are an integral part of these Standalone financial statements

In terms of our report of even date

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Kedar Rajee
Partner

Place: Cairo
Date: May 08, 2024

**For and on behalf of the Board of Directors of
SKF India Limited**

Gopal Subramanyam
Chairman
DIN :- 06684319
Place :- Gothenberg

Mukund Vasudevan
Managing Director
DIN :- 05146681
Place :- Gothenberg

Ashish Saraf
Chief Financial Officer
PAN :- AVEPS0176L
Place :- Bangalore

Ranjan Kumar
Company Secretary
PAN :- AMEPK5869R
Place :- Gothenberg

Date: May 08, 2024

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2024

Background

SKF India Limited (the 'Company') is a company, listed in India on recognised stock exchanges, limited by shares, incorporated and domiciled in India. The Company is a leading supplier of products, solutions & services within rolling bearing, seals, mechatronics, and lubrication systems. The Company's manufacturing facilities are located at Pune, Bangalore & Haridwar.

1 Material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- a) certain financial assets and liabilities that are measured at fair value;
- b) assets held for sale – measured at fair value less cost to sell;
- c) defined benefit plans – plan assets measured at fair value;

1.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of segments, has been identified as the Board of Directors.

1.3 Foreign currency translation

i) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Financial statements are presented in Indian Rupee (INR) which is the Company's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange

rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other expenses.

1.4 Revenue recognition

Revenue is recognized when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

Revenue recognition policy

The Company has following streams of revenue:

- (i) Sale of goods
- (ii) Sale of Services

If a contract is separated into more than one performance obligation, the Company allocates the total transaction price to each performance obligation in an amount based on the estimated relative standalone selling prices of the promised goods or services underlying each performance obligation.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

The Company assesses for the timing of revenue recognition in case of each distinct performance obligation. The Company first assesses whether the revenue can be recognized over time as it performs if any of the following criteria is met:

- (a) The customer simultaneously consumes the benefits as the Company performs, or
- (b) The customer controls the work-in-progress, or

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2024 (contd.)

- (c) The Company's performance does not create an asset with alternative use to the Company and the Company has right to payment for performance completed till date.

If none of the criteria above are met, the Company recognized revenue at a point-in-time. The point-in-time is determined when the control of the goods or services is transferred which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Company also considers its present right to payment, the legal title to the goods, the physical possession and the customer acceptance in determining the point in time where control has been transferred.

Contracts are modified to account for changes in contract specifications and requirements. The Company considers contract modifications to exist when the modification either creates new or changes the existing enforceable rights and obligations. Most of the contract modifications are for goods or services that are not distinct from the existing contract due to the significant integration service provided in the context of the contract and are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price and our measure of progress for the performance obligation to which it relates, is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

Revenue recognized at a point-in-time:

For sale of products and sale of services, revenue is recognized at point in time when control of goods is transferred and service is rendered to the customer - based on delivery terms, payment terms, customer acceptance and other indicators of control as mentioned above.

1.5 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted by the end of the reporting period. Management periodically evaluates position taken in tax return under applicable tax regulations which is subject to interpretation. It establishes appropriate tax provisions on likely tax liabilities for the accounting period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are assumed to continue to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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 the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

1.6 Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.7 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2024 (contd.)

institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

1.8 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

1.9 Inventories

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of first-in first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

1.10 Financial assets and financial liabilities

Financial assets and financial liabilities are recognized in the balance sheets when the Company becomes a party to the contractual provisions of a financial instrument. Financial instruments are initially recorded at fair value, which is normally equal to transaction price. Transaction costs are included in the initial measurement of financial assets and liabilities that are not subsequently measured at fair value through the income statement.

Financial assets categorized as loans and receivables are measured at amortized cost using the effective interest method. Impairment losses (primarily allowance for doubtful accounts) are recognized if management believes that sufficient objective evidence exists indicating that the asset may not be recovered. For disclosure purposes, fair values have been calculated using valuation techniques, mainly discounted cash flow analyses based on observable market data. For current receivables and liabilities (such as trade receivables and payables) the carrying amount is considered to correspond to fair value.

Where discounted cash flow techniques are used, the future cash flows are determined (if not stated explicit in the contract) based on the best assessment by management and discounted using the market interest rate for similar instruments. Financial liabilities are measured at amortized cost using the effective interest method.

Financial assets are derecognized when the contractual rights to the cash flow have expired or been transferred together with substantially all risks and rewards. Financial liabilities are derecognized when they are extinguished.

Investment in government securities that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment extension, call and similar options) but does not consider the expected credit losses.

1.11 Property, plant and equipment (PPE), Investment Properties and Intangible assets

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2024 (contd.)

derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The company has adopted deemed cost of Property, plant and equipment (PPE) as its carrying value as per earlier GAAP.

Depreciation is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over the estimated useful lives.

The useful lives are:

Particulars	Useful Life (in years)
Buildings	33
Plant and equipments	5/10/14/16/20
Furniture and fixtures	4
Office equipments	3/4
Vehicles	5

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income.

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives.

Investment properties generally have a useful life of 33 years. The useful life has been determined based on technical evaluation performed by the management's expert.

Intangible assets

Intangible assets are stated at initial cost less any accumulated amortization and any impairment. Amortization is made on a straight line basis over the estimated useful lives and begins once the asset is ready for its intended use. The useful lives are based to a large extent on historical experience, the expected application, as well as other individual characteristics of the asset. The useful lives are:

- Software in use - 3 years

1.12 Leases

a) As lessee

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2024 (contd.)

measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by 'SKF India Limited, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Company use that rate as a starting point to determine the incremental borrowing rate.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability.
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

b) As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

1.13 Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are paid as per the terms of payments. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

1.14 Provisions

Provisions for legal claims, service warranties, volume discounts and returns are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2024 (contd.)

1.15 Post employment benefits

Employee benefits

i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

iii) Post-employment obligations

The company operates the following post-employment schemes:

- a) defined benefit plans such as gratuity and provident fund (for employees who are members of SKF India Limited Provident Fund Scheme)
- b) defined contribution plans such as superannuation and provident fund (for other employees who are not members of SKF India Limited Provident Fund Scheme)

Defined Benefit Plans

The liability or asset recognised in the balance sheet in respect of gratuity and provident fund is the present

value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

With respect to employees who are members of SKF India Limited Provident Fund Scheme ('the Trust') contribution for provident fund to the Trust is a defined benefit plan as the Company has an obligation to make good the shortfall, if any, between the return from investments made by the Trust and notified interest rate. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the employee's salary. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

Contributions to the Provident Fund and Superannuation Fund which are defined contribution schemes, are recognised as an expense in the Statement of Profit and Loss in the period in which the contribution is due. For employees other than members of SKF India Limited Provident Fund Scheme, both the Company's and employees' contribution is paid to Regional Provident Fund Commissioner (RPFC) on a monthly basis. The Company has no further payment obligations once the contributions have been paid.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2024 (contd.)

iv) Bonus Plans

The Company recognises a liability and an expense for bonuses. The company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

v) Employee Stock Awards:

Certain employees of the Company receive remuneration in the form of equity settled instruments given by the ultimate holding company (AB SKF), for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The expense is recognized in the statement of profit and loss with a corresponding increase to the share based payment reserve, as a component of equity. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants. The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

vi) Termination benefits

Voluntary Retirement Scheme costs are charged off to the Statement of Profit and Loss in the year in which they are incurred.

1.16 Contributed Equity

Equity shares are classified as equity

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.17 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and not paid as at the end of the reporting period.

1.18 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and equivalent diluted equity shares outstanding during the year, except where the result would be anti dilutive.

1.19 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III, unless otherwise stated.

2 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. This note provide an overview of the areas that involve a higher degree of judgement or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is mentioned below.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

2(A) Significant Judgement

a) Tax Contingencies

The Company has received orders and notices from tax authorities in respect of direct taxes and indirect taxes. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyzes current information about these matters and provides provisions for probable contingent losses including the estimate of legal expense to resolve the matters. In making the decision regarding the need for loss provisions, management considers the degree of probability of an unfavourable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the Company or the disclosure of any such suit or assertions, does not automatically indicate that a provision for a loss may be appropriate.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2024 (contd.)

2(B) Significant estimate

a) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates and timing of the cash flows. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

b) Fair valuation of financial instruments

c) Defined benefit plan

The cost of the defined benefit gratuity plan, other retirement benefits, the present value of the gratuity obligation and other retirement benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly

sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on Indian Assured Lives Mortality (2006-08) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note 36(II).

d) Fair Valuation of Investment Property

The Company obtains independent valuations for its investment properties at least annually. The Valuation is performed using Income approach-Rent capitalisation method as per Ind AS 113- Fair value measurement.

2(C) Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2024.

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

3. a) **Property Plant & Equipment (Refer Note-46(x))**

Description	Freehold Land	Building	Furniture & Fixtures*	Office Equipment	Plant & Machinery*	Vehicles	Total	Capital work in progress
Year ended March 31, 2023								
Gross carrying amount as at April 1, 2022	269.1	689.5	199.5	92.6	5,600.7	98.7	6,950.1	515.2
Additions	-	37.0	14.6	13.7	711.3	62.0	838.6	957.2
Disposals	-	-	-	-	(50.1)	(32.5)	(82.6)	-
Transfers	-	-	-	-	-	-	-	(838.6)
Closing gross carrying amount	269.1	726.5	214.1	106.3	6,261.9	128.2	7,706.1	633.8
Accumulated Depreciation as at April 1, 2022	-	152.5	150.7	71.8	2,879.2	48.5	3,302.8	-
Depreciation charged during the year	-	24.6	27.9	1.9	523.0	25.3	602.8	-
Disposal	-	-	-	-	(43.8)	(30.4)	(74.1)	-
Closing accumulated depreciation	-	177.1	178.7	73.7	3,358.4	43.4	3,831.5	-
Net carrying amount as at March 31, 2023	269.1	549.4	35.4	32.6	2,903.5	84.8	3,874.7	633.8
Year ended March 31, 2024								
Gross carrying amount as at April 1, 2023	269.1	726.5	214.1	106.3	6,261.9	128.2	7,706.1	633.8
Additions	-	40.6	28.6	14.8	1,043.2	60.0	1,187.2	1,440.3
Disposals	-	(1.8)	-	-	(6.4)	(39.1)	(47.3)	-
Transfers	-	-	-	-	-	-	-	(1,187.2)
Closing gross carrying amount	269.1	765.3	242.7	121.1	7,298.7	149.1	8,846.0	886.9
Accumulated Depreciation as at April 1, 2023	-	177.1	178.7	73.7	3,358.4	43.4	3,831.5	-
Depreciation charged during the year	-	26.3	16.9	18.3	575.6	32.5	669.6	-
Disposal	-	(0.0)	-	-	(4.4)	(28.2)	(32.6)	-
Closing accumulated depreciation	-	203.4	195.6	92.0	3,929.6	47.7	4,468.5	-
Net carrying amount as at March 31, 2024	269.1	561.9	47.1	29.1	3,369.1	101.4	4,377.5	886.9

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

3. a) Property Plant & Equipment (Refer Note-46(x)) (contd.)

Ageing of CWIP:

	March 31, 2023				
	Amounts in capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	627.8	5.7	0.3	-	633.8
Projects temporarily suspended	-	-	-	-	-
Total	627.8	5.7	0.3	-	633.8

	March 31, 2024				
	Amounts in capital work-in-progress for a Period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	841.5	40.6	3.1	1.7	886.9
Projects temporarily suspended	-	-	-	-	-
Total	841.5	40.6	3.1	1.7	886.9

*The Company has leased following assets to SKF Engineering and Lubrication India Private Limited (related party) [formerly known as SKF Technologies (India) Private Limited] under operating lease. The carrying amount of the assets given on operating lease and depreciation thereon for the period are:

Description	Plant & Machinery	Furniture & Fixtures
Year ended March 31, 2023		
Gross carrying amount as at April 1, 2022	60.0	7.0
Additions	0.2	-
Closing gross carrying amount	60.2	7.0
Accumulated Depreciation as at April 1, 2022	51.1	4.8
Depreciation charged during the year	2.1	0.1
Closing accumulated depreciation	53.2	4.9
Net carrying amount as at March 31, 2023	7.0	2.1
Year ended March 31, 2024		
Gross carrying amount as at April 1, 2023	60.2	7.0
Addition	-	1.4
Closing gross carrying amount	60.2	8.4
Accumulated Depreciation as at April 1, 2023	53.2	4.9
Depreciation charged during the year	1.5	0.3
Closing accumulated depreciation	54.7	5.2
Net carrying amount as at March 31, 2024	5.5	3.2

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

b) Leases

This note provides information for leases where the Company is a lessee. The Company has taken buildings on lease and the lease contracts are typically made for fixed periods of 1 year to 8 years.

i) Amounts recognised in the Balance sheet

The balance sheet shows the following amounts relating to lease:

Right-of-use of assets	March 31, 2024	March 31, 2023
Buildings at various location	94.0	133.7
Total	94.0	133.7

Lease Liabilities	March 31, 2024		March 31, 2023	
	Current	Non-Current	Current	Non-Current
Buildings	80.1	37.5	63.0	81.4
Total	80.1	37.5	63.0	81.4

ii) Movement in ROU:

Description	Amount
Year ended March 31, 2023	
Gross carrying amount as at April 1, 2022	316.5
Additions	34.4
Closing gross carrying amount	350.9
Accumulated amortization as at April 1, 2022	162.8
Amortised during the year	54.4
Closing accumulated amortization	217.2
Net carrying amount as on March 31, 2023	133.7
Year ended March 31, 2024	
Gross carrying amount as at April 1, 2023	350.9
Additions	24.8
Closing gross carrying amount	375.7
Accumulated amortization as at April 1, 2023	217.2
Amortised during the year	64.5
Closing accumulated amortization	281.7
Net carrying amount as on March 31, 2024	94.0

iii) Movement in Lease Liability:

Description	March 31, 2024	March 31, 2023
At the commencement of the year	144.4	161.0
Additions/Deletions during the year	24.8	34.4
Payments made during the year	(51.6)	(51.0)
Closing Balance	117.6	144.4

iv) Amounts recognised in the Statement of Profit & Loss

The statement of profit and loss shows the following amounts relating to lease:

Description	March 31, 2024	March 31, 2023
Depreciation charge on right-of-use assets	64.5	54.4
Interest expense (included in Finance cost)	12.1	12.9
Expense relating to short-term leases /leases of low-value assets (Refer Note 30)	13.4	7.5
Total	90.0	74.8

The total cash outflow for leases for the year was INR 51.6 Million (March 31, 2023 was INR 51 Million).

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

4. Investment properties

Description	March 31, 2024	March 31, 2023
Gross carrying amount		
Opening gross carrying amount	286.1	269.2
Additions	31.5	16.9
Closing gross carrying amount	317.6	286.1
Accumulated depreciation		
Opening accumulated depreciation	56.9	47.9
Depreciation	10.0	9.0
Closing accumulated depreciation	66.9	56.9
Net carrying amount	250.7	229.2

Amount recognised in profit & loss for investment properties given on operating lease to related party

Description	March 31, 2024	March 31, 2023
Rental Income	38.4	38.4
Depreciation	10.0	9.0
Profit from Investment properties	28.4	29.4

Leasing arrangements

Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:

Description	March 31, 2024	March 31, 2023
Within one year	38.4	38.4
Later than one year but less than 5 year	153.6	153.6
More than 5 years	105.6	144.0

Fair Value

Description	March 31, 2024	March 31, 2023
Investment properties	513.0	483.0

The Company has obtained an independent valuations for its investment properties by registered valuer as defined under rule 2 of Companies (Registered valuers and valuation) Rules, 2017. Fair value of investment property is arrived using Income Approach - Rent Capitalisation method. It is determined by capitalizing the market lease rent at an appropriate rate (yield) as on date of valuation.

5. Intangible assets

Description	Computer Software
Year ended March 31, 2023	
Gross carrying amount as at April 1, 2022	8.1
Additions	2.9
Closing gross carrying amount	11.0
Accumulated amortization as at April 1, 2022	5.6
Amortised during the year	2.2
Closing accumulated amortization	7.8
Net carrying amount as on March 31, 2023	3.2
Year ended March 31, 2024	

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

Description	Computer Software
Gross carrying amount	
Gross carrying amount as at April 1, 2023	11.0
Additions	0.2
Disposals/write off	0.7
Closing gross carrying amount	10.5
Accumulated amortization as at April 1, 2023	7.8
Amortised during the year	1.9
Disposals/write off	0.7
Closing accumulated amortization	9.0
Net carrying amount as on March 31, 2024	1.5

6. Financial Assets

Investments	March 31, 2024	March 31, 2023
Investment in associates accounted for using the equity method		
Sunstrength Renewables Private Limited		
599,625 equity shares (March 31, 2023 - 309,750) of INR 10/- each fully paid	47.9	24.8
CleanMax Taiyo Private Limited		
28,867 equity shares (March 31, 2023 - 2,600) of INR 10/- each fully paid (INR, 26,000)	42.2	0.0
	90.1	24.8

During the year ended March 31, 2021, the Company had subscribed to 26.74% equity shares in Sunstrength Renewables Private Limited (SRPL) (the 'associate company'), a Company incorporated pursuant to the requirements of the Electricity Act, 2002 and its rules.

In current year, the Company has subscribed 289,875 equity shares of SRPL vide issuance of equity shares. The equity shareholding of 26.74% remains the same.

During the year ended March 31, 2023, the Company has subscribed to 26.00% equity shares in CleanMax Taiyo Private Limited (CTPL) (the 'associate company'), a Company incorporated pursuant to the requirements of the Electricity Act, 2002 and its rules.

In current year, the Company has subscribed 26,267 equity shares of CTPL vide issuance of equity shares. The equity shareholding of 26.00% remains the same.

7. Loans

	March 31, 2024		March 31, 2023	
	Current	Non-Current	Current	Non-Current
Loan to related party* [refer note 44(iii)]	-	1,576.0	-	676.0
	-	1,576.0	-	676.0

*Details of loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013):

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

	March 31, 2024	
	Amount outstanding	% to the total loans and advances in the nature of loans
Loans - Secured, considered good		
Other related parties	1,576.0	100%
Total	1,576.0	100%

	March 31, 2023	
	Amount outstanding	% to the total loans and advances in the nature of loans
Loans - Secured, considered good		
Other related parties	676.0	100%
Total	676.0	100%

(*) Loan given to SKF Engineering and Lubrication India Private Limited (a fellow subsidiary) (formerly known as SKF Technologies (India) Private Limited) with original repayment starting from financial year 2014 onwards. During the previous year, the repayment terms of the loan are extended till 2029.

The said loan together with interest is secured by first charge by way of hypothecation on all the fixed assets of the borrower and corporate guarantee given by AB SKF.

Loan is considered to be recoverable considering favourable loan to security ratio, no defaults in repayment in the past, improved operational performance of the borrower, support by the borrower's holding company in the past and supported by reasonable assumption used for future cash flow. The rate of interest on the loan is the Average Deposit and lending rate (higher of the two) for the period of the loan and prevailing yield for the government securities closest to the tenure of the loan, whichever is higher.

8. Other Financial assets

	March 31, 2024		March 31, 2023	
	Current	Non-Current	Current	Non-Current
Security Deposits	-	109.8	-	102.1
EMD and other deposits				
- Unsecured, considered good	-	227.5	-	183.8
- Unsecured, considered doubtful	-	112.2	-	102.2
	-	339.7	-	286.0
Less: Allowance for doubtful deposits	-	(112.2)	-	(102.2)
	-	227.5	-	183.8
Gratuity Asset	-	-	-	20.3
Other receivables				
Related party (refer note 44 (iii))	186.9	-	222.4	-
Other than related party	14.1	-	17.9	0.4
Interest accrued:				
On fixed deposits with banks	44.6	-	28.3	-
On loan given to related party	-	-	0.5	-
	245.6	337.3	269.1	306.6

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

9. Deferred tax asset / (liabilities) net

	March 31, 2024	March 31, 2023
Deferred tax assets		
Provision for employee benefits	138.3	72.4
Provision for doubtful trade receivables	60.4	40.1
Other timing differences	112.0	100.3
	310.7	212.8
Deferred tax liabilities		
Written down value of Property, plant and equipment	0.4	(4.6)
	0.4	(4.6)
Net deferred tax assets	311.1	208.2

Movements in deferred tax asset/(liabilities) net

	Provision for employee benefits	Provision for doubtful trade receivables	Other timing differences	Written Down Value of Property, plant and equipment	Total
As at April 1, 2022	116.5	36.8	95.6	(26.5)	222.4
(Charged)/credited :					
- to profit and loss a/c	(35.7)	3.3	4.7	21.9	(5.8)
- to other comprehensive income	(8.4)	-	-	-	(8.4)
As at March 31, 2023	72.4	40.1	100.3	(4.6)	208.2
(Charged)/credited :					
- to profit and loss a/c	23.2	20.3	11.7	5.0	60.2
- to other comprehensive income	42.7	-	-	-	42.7
As at March 31, 2024	138.3	60.4	112.0	0.4	311.1

10. Non - Current Tax Asset /(Liability) Net

	March 31, 2024	March 31, 2023
Tax Assets (net of provision INR 22,591 millions, March 31, 2023 - INR 20,455 millions)	289.9	207.4
	289.9	207.4

Movement of Tax

	March 31, 2024	March 31, 2023
Opening Balance (Tax Asset /(Liability) (Net))	207.4	248.2
Add: Taxes paid	1,983.0	2,034.9
Less: Current tax payable	(1,900.4)	(1,853.5)
Less: Current Tax adjustment of earlier years*	-	(222.2)
Closing Balance	290.0	207.4

* The Company had filed MAP application with CBDT for AY 2011-12 and AY 2012-13 regarding transfer pricing adjustments. During the year ended March 31, 2023 the Company had received an intimation from department and based on the letter the Company has accepted certain disallowances for AY 2011-12 and AY 2012-13. This has resulted in additional provision of INR 177 million which is included in Current Tax adjustment of earlier years for the year ended March 31, 2023.

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

11. Other assets

	March 31, 2024		March 31, 2023	
	Current	Non-Current	Current	Non-Current
Capital Advance	-	56.4	-	166.8
Prepaid Expenses	124.9	20.6	117.8	19.4
Advances for supply of goods and rendering of services	80.1	-	405.7	-
Export benefits / duty entitlements				
- Unsecured, considered good	14.3	-	46.2	-
- Unsecured, considered doubtful	33.0	-	-	-
	47.3	-	46.2	-
Less: Allowance for doubtful receivables	(33.0)	-	-	-
	14.3	-	46.2	-
Balances with Sales tax / Excise authorities	370.6	-	280.3	-
Amount paid under protest/dispute				
- Direct Tax	-	759.3	-	759.3
- Indirect Tax	-	51.5	-	51.5
	-	810.8	-	810.8
Other receivables				
- Unsecured, considered good	3.4	-	140.1	-
- Unsecured, considered doubtful	-	4.9	-	4.9
	3.4	4.9	140.1	4.9
Less: Allowance for doubtful receivables	-	(4.9)	-	(4.9)
	3.4	-	140.1	-
	593.3	887.8	990.1	997.0

Current Assets**12. Inventories at cost or NRV whichever is lower (FIFO)**

	March 31, 2024	March 31, 2023
Raw Materials and Bought-Out Components	670.3	969.0
including material in transit INR 87.8 millions (March 31, 2023 INR 109.6 millions)		
Stores and Spares	658.6	524.7
including material in transit INR 53.8 millions (March 31, 2023 INR 11.5 millions)		
Work-in-progress	29.9	141.1
Finished Products	5,480.0	5,225.5
including Goods in transit INR 1,145.0 millions (March 31, 2023 INR 1,042.0 millions)		
	6,838.8	6,860.3

The cost of inventories recognised as an expense during the year in respect of continuing operations was INR 245.5 million (March 31, 2023 INR 216.1 million).

13. Trade receivables

	March 31, 2024	March 31, 2023
Trade receivables from contract with customers – billed	6,793.8	6,445.7
Trade receivables from contract with customers – unbilled	13.8	-
Trade receivables from contract with customers – related parties	930.3	500.3

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

	March 31, 2024	March 31, 2023
Less: Loss allowance	(224.6)	(159.5)
Total receivables	7,513.3	6,786.5
Current portion	7,513.3	6,786.5
Non-current portion	-	-
	7,513.3	6,786.5
Break-up of security details		
Trade receivables considered good – unsecured	7,513.3	6,786.5
Trade receivables which have significant increase in credit risk	224.6	159.5
Total	7,737.9	6,946.0
Loss allowance	(224.6)	(159.5)
Total trade receivables	7,513.3	6,786.5

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

Aging of trade receivables:

	March 31, 2024							
	Outstanding for following periods from the due date of payment							
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables								
considered good other than related parties	13.8	5,556.3	990.1	22.9	-	-	-	6,583.1
considered good - related parties (Refer note 44 (iii))	-	927.2	-	3.1	-	-	-	930.3
which have significant increase in credit risk	-	-	47.7	-	-	-	-	47.7
credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables								
considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	59.3	22.9	25.0	69.6	176.8
credit impaired	-	-	-	-	-	-	-	-
Total	13.8	6,483.5	1,037.8	85.3	22.9	25.0	69.6	7,737.9
Less: Loss allowance								(224.6)
Total receivables								7,513.3

	March 31, 2023							
	Outstanding for following periods from the due date of payment							
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables								
considered good other than related parties	-	6,077.8	193.7	3.6	-	-	11.1	6,286.2
considered good - related parties (Refer note 44 (iii))	-	361.5	127.3	10.4	-	0.8	0.3	500.3
which have significant increase in credit risk	-	-	31.8	-	-	-	-	31.8
credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables								
considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	28.3	33.4	11.4	54.6	127.7
credit impaired	-	-	-	-	-	-	-	-

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

	March 31, 2023							
	Outstanding for following periods from the due date of payment							
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Total	-	6,439.3	352.8	42.3	33.4	12.2	66.0	6,946.0
Less: Loss allowance								(159.5)
Total receivables								6,786.5

14. Cash and cash equivalents

	March 31, 2024	March 31, 2023
Balances with Banks		
- On Current Account	185.9	167.8
- On EEFC Account	37.7	9.0
On Deposit Account (with original maturity of 3 months or less)	11,951.0	9,376.0
Cash & Bank Balances	12,174.6	9,552.8

15. Bank balances other than the above

	March 31, 2024	March 31, 2023
Bank deposits with original maturity of more than 3 months and remaining maturity of less than 12 months.		
Unclaimed Dividend Account*	0.5	0.5
CSR Unspent Account*	46.0	26.1
	-	0.2
	46.5	26.8

*Unclaimed dividend account and CSR Unspent account represent amounts held for dividend remittance and CSR unspent expenditure of FY 2021-22. Amounts held for dividend remittance are not available for use and amounts held in CSR Unspent Account is for specific purpose only.

16. Equity Share Capital

	No of shares (in million)	Amount
Authorised Equity share capital		
As at March 31, 2022	100.0	1,000.0
Changes during the year	-	-
As at March 31, 2023	100.0	1,000.0
Changes during the year	-	-
As at March 31, 2024	100.0	1,000.0
Movement in issued, subscribed and paid up Equity share capital		
As at March 31, 2022	49.4	494.4
Changes during the year	-	-
As at March 31, 2023	49.4	494.4
Changes during the year	-	-
As at March 31, 2024	49.4	494.4

The Company has only one class of equity shares having a par value of INR 10 per share. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the equity shareholders are eligible to receive remaining assets of the Company, after distribution of all preferential amounts, in the proportion to their shareholding.

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

Shares of the Company held by holding company and their subsidiaries

	March 31, 2024		March 31, 2023	
	Number of shares (Million)	Amount	Number of shares (Million)	Amount
Equity shares of INR 10 each fully paid up held by				
(a) Holding company				
Aktiebolaget SKF (AB SKF)	22.7	226.7	22.7	226.7
(b) Subsidiaries of holding company				
SKF U.K. Limited	3.1	31.3	3.1	31.3
SKF Forvaltning AB	0.2	2.0	0.2	2.0
	26.0	260.0	26.0	260.0

Particulars of shareholders holding more than 5% shares of a class of shares

	March 31, 2024		March 31, 2023	
	Number of shares (Million)	% of total shares in the class	Number of shares (Million)	% of total shares in the class
Equity shares of INR 10 each fully paid up held by				
Aktiebolaget SKF, holding company	22.7	45.8%	22.7	45.8%
SKF U.K. Limited, fellow subsidiary company	3.1	6.3%	3.1	6.3%

Details of Shareholding of Promoters

Name of the promoter	March 31, 2024			March 31, 2023		
	Number of shares (Million)	% of total shares in the class	% of change during the year	Number of shares (Million)	% of total shares in the class	% of change during the year
Aktiebolaget SKF (AB SKF)	22.7	45.8%	-	22.7	45.8%	-
SKF U.K. Limited	3.1	6.3%	-	3.1	6.3%	-
SKF Forvaltning AB	0.2	0.4%	-	0.2	0.4%	-

For the period of 5 years immediately preceeding March 31, 2024;

- (i) The Company has not allotted any shares as fully paid up bonus shares
- (ii) The Company has not allotted any shares as fully paid up pursuant to contract(s) without payment being received in cash.
- (iii) The Company has not bought back any shares.

17. Reserves and surplus*

	March 31, 2024	March 31, 2023
General reserve	2,838.9	2,838.9
Capital redemption reserve	32.9	32.9
Retained earnings	23,462.2	20,048.8
	26,334.0	22,920.6
General reserve**		
At the commencement of the year	2,838.9	2,838.9
Closing Balance	2,838.9	2,838.9

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

	March 31, 2024	March 31, 2023
Capital redemption reserve		
At the commencement of the year	32.9	32.9
Closing Balance	32.9	32.9
At the commencement of the year	20,048.8	15,492.8
Profit for the year	5,517.7	5,247.9
Other comprehensive income recognised directly in retained earning :-		
Remeasurements of post-employment benefit obligation, net of tax	(126.8)	25.0
Less : Appropriations		
Dividend on Equity shares INR 40 per share (Previous year INR 14.5 per share)	(1,977.5)	(716.9)
Closing Balance	23,462.2	20,048.8

*There are no changes due to changes in accounting policies or prior period errors.

** Nature and Purpose of Other Reserves :

This reserve represents amounts transferred from retained earnings in earlier years as per the requirements of the erstwhile Companies Act, 1956, now Companies Act 2013

The reserve is a free reserve.

18. Provisions

	March 31, 2024		March 31, 2023	
	Current	Non-Current	Current	Non-Current
Disputed statutory and other matters	-	76.8	-	81.3
Warranty	13.7	7.4	18.2	7.4
Coupons & Incentives	261.0	-	286.2	-
Provision for employee benefits				
Compensated absences	101.6	285.2	66.1	252.8
Gratuity (Refer note 36)	99.4	-	-	-
	475.7	369.4	370.5	341.5

Movements in provisions

Movements in each class of provision during the financial year

	Disputed statutory and other matters	Warranty	Coupons & Incentives	Total
As on April 1, 2022	61.2	20.5	129.9	211.6
Provision made during the year	23.5	3.3	869.7	896.5
Provision utilised during the year	(3.4)	-	(713.4)	(716.8)
As on March 31, 2023	81.3	23.8	286.2	391.3
Provision made during the year	0.5	-	647.8	648.3
Provision utilised during the year	(5.0)	(2.7)	(673.0)	(680.7)
As on March 31, 2024	76.8	21.1	261.0	358.9

All provisions are measured at carrying values since the impact of discounting is not significant.

- (i) Provision for disputed statutory and other matters: This represents provisions made for probable liabilities/ claims arising out of pending disputes/litigations with various regulatory authorities and those arising out of commercial transactions with vendors/others. Above provisions are affected by numerous uncertainties and management has taken all efforts to make a best estimate. Timing of outflow of resources will depend upon timing of decision of cases.

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

- (ii) Provision for warranties: A provision is estimated for expected warranty claims in respect of products sold during the year on the basis of a technical evaluation and past experience regarding failure trends of products and costs of rectification or replacement. The timing and amount of cash flows that will arise from these matters will be determined at the time of receipt of claims.
- (iii) The provision for other obligations is on account of coupons given on products sold by the Company and other retailers and distributors incentive schemes. The provision for coupons is based on the historical data/ estimated figures. The timing and amount of the cash flows that will arise will be determined at the time of receipt of claims from customers, which is generally upto 18 months.

Financial Liabilities**19. Trade payables**

	March 31, 2024	March 31, 2023
Current		
(i) Outstanding dues of micro and small enterprises (refer note 38)	370.2	306.3
(ii) Outstanding dues of creditors other than micro and small enterprises & related parties	1,751.5	1,555.0
(iii) Payable to related parties (Refer note 44 (iii))	5,009.7	4,217.8
	7,131.4	6,079.1

Aging of trade payables:

	March 31, 2024						
	Outstanding for following periods from the due date of payment						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade payables							
Micro enterprises and small enterprises	-	316.1	50.5	1.4	1.2	1.0	370.2
Others	940.0	4,825.5	897.2	21.0	13.0	64.5	6,761.2
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	940.0	5,141.6	947.7	22.4	14.2	65.5	7,131.4

	March 31, 2023						
	Outstanding for following periods from the due date of payment						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade payables							
Micro enterprises and small enterprises	-	290.1	12.2	2.7	-	1.3	306.3
Others	1,819.6	2,851.9	876.1	73.1	67.1	85.0	5,772.8
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	1,819.6	3,142.0	888.3	75.8	67.1	86.3	6,079.1

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

20. Other current financial liabilities

	March 31, 2024	March 31, 2023
Salaries and Incentives	224.0	248.3
Liabilities for dealer incentives	855.4	802.1
Unclaimed dividend *	46.0	22.6
Payables on account of capital purchases	101.4	75.6
Other liabilities **	107.0	70.7
	1,333.8	1,219.3

*There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2024 except INR 0.2 million (March 31, 2023 INR 0.2 million) which is held in abeyance due to legal cases pending.

**includes amount payable towards retention amount for trade payables, etc.

21. Other current liabilities

	March 31, 2024	March 31, 2023
Statutory dues payable (TDS,PF, ESIC,PT, etc.)	195.3	165.7
Liability towards corporate social responsibility [Refer note 30(II)]	-	0.2
Advances received from customers	63.3	44.6
	258.6	210.5

22. Revenue from operations (Refer note 42)

	For year ended March 31, 2024	For year ended March 31, 2023
Revenue from contracts with customers :-		
Sale of products :-		
Manufactured goods	25,688.2	20,435.8
Traded goods	18,122.2	20,948.2
Sale of products (total)	43,810.4	41,384.0
Sale of services	1,066.9	955.2
Other operating revenue :-		
Scrap sales	98.6	94.9
Technical and other service income	618.5	502.4
Miscellaneous Operating Income (includes export benefits etc)	106.9	112.7
	45,701.3	43,049.2

23. Other income

	For year ended March 31, 2024	For year ended March 31, 2023
Interest Income from Financial assets at amortised cost		
- Fixed deposits with banks	639.4	306.3
- On loan given to related party	73.3	53.8
Rental income	38.4	38.4
Discount on license purchased	5.2	34.0
Profit on sale of Property Plant & Equipment (net)	8.1	5.4
Liabilities and Provisions no longer required written back	-	49.3

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

	For year ended March 31, 2024	For year ended March 31, 2023
Net Exchange gain	52.4	-
Miscellaneous Income	123.3	31.5
	940.1	518.7

24. Cost of material consumed

	For year ended March 31, 2024	For year ended March 31, 2023
Inventory at the beginning of the year	969.0	1,188.8
Purchases during the year	11,302.0	10,197.1
Inventory at the end of the year	(670.3)	(969.0)
Cost of material consumed	11,600.7	10,416.9

25. Purchase of stock in trade

	For year ended March 31, 2024	For year ended March 31, 2023
Purchases of traded goods	16,325.5	15,536.5
	16,325.5	15,536.5

26. Changes in inventories of finished goods, work-in-progress and stock-in-trade

	For year ended March 31, 2024	For year ended March 31, 2023
Increase in inventory of finished goods :		
Opening inventory	1,387.0	1,418.0
	1,468.3	1,387.0
	(81.3)	31.0
Increase in inventory of work in progress :		
Opening inventory	141.1	133.3
Less : Closing inventory	29.9	141.1
	111.2	(7.8)
Increase in inventory of traded goods :		
Opening inventory	4,011.7	3,838.5
Less : Closing inventory	(173.2)	(318.4)
	(143.3)	(295.2)

27. Employee benefit expense

	For year ended March 31, 2024	For year ended March 31, 2023
Salaries, Wages and Bonus	2,655.2	2,353.4
Share based payments (Refer Note 39)	16.2	6.4
Contribution to Provident and Other Funds (Refer note 36)	194.8	178.1
Gratuity (Refer note 36)	36.5	41.1
Compensated absences	106.9	23.8
Staff welfare expenses	424.1	393.5
	3,433.7	2,996.3

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

28. Finance costs

	For year ended March 31, 2024	For year ended March 31, 2023
Interest and finance charges on lease liability	12.1	15.1
	12.1	15.1

29. Depreciation and amortisation expense

	For year ended March 31, 2024	For year ended March 31, 2023
Depreciation of Property, Plant & Equipment	669.6	602.8
Depreciation on right-of-use assets	64.5	54.4
Amortisation of Intangible assets	1.9	2.2
Depreciation of Investment property	10.0	9.0
	746.0	668.4

30. Other expenses

	For year ended March 31, 2024	For year ended March 31, 2023
Consumption of stores and spare parts	1,592.0	1,405.7
Power and Fuel	570.6	561.7
Repairs and maintenance		
Building	43.1	48.6
Machinery	544.9	528.2
Royalty	713.0	659.7
IT Services	773.6	623.1
Trade mark fees	442.8	413.8
Rental charges	13.4	7.5
Insurance	82.6	84.5
Rates and Taxes	15.8	28.4
Travel and conveyance	334.8	265.6
Legal and professional fees	71.6	85.0
Payment to auditors (Refer note I below)	5.8	4.9
Advertising and sales promotion	231.8	228.2
Logistic Cost	423.8	546.3
Provision for bad and doubtful debts	80.9	4.1
Bad debts written off	9.2	1.3
Directors' Commission / Sitting Fees	7.9	7.5
Expenditure incurred for Corporate Social Responsibility (Refer note II below)	110.9	85.9
Net Exchange Loss	-	406.8
Miscellaneous expenses	1,240.3	903.8
	7,308.8	6,900.6

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

	For year ended March 31, 2024	For year ended March 31, 2023
I) Note : Payments to auditors		
As auditor		
- Statutory audit (including limited reviews and certification)	4.8	3.9
- Other audit services	1.0	1.0
	5.8	4.9
	March 31, 2024	March 31, 2023
II) Corporate social responsibility expenditure		
Details of ongoing CSR projects under Section 135 (6) of the Act		
Amount required to be spent by the company during the year	110.1	85.3
Amount of expenditure incurred	110.9	85.9
(Excess) / Shortfall for the year	(0.8)	(0.6)
Shortfall for previous years	-	0.2
Reason for shortfall	Refer note below	Refer note below
Nature of CSR activities:		
Contribution towards Youth Empowerment	41.4	37.1
Contribution towards Women Empowerment	35.4	28.0
Contribution towards Education	15.6	2.7
Others	18.5	18.1
Total	110.9	85.9
Amount spent during the year on		
(i) Construction/acquisition of an Assets	-	-
(ii) On purpose other than (i) above	110.9	85.9
	110.9	85.9
Details of related party transactions	NA	NA
Provision with respect to a liability incurred by entering into a contractual obligation.	NA	NA

Note: During the year, the Company has spent the unspent amount of INR 0.2 million for FY 2021-22.

31. Income Tax expense

	For year ended March 31, 2024	For year ended March 31, 2023
(a) Current Tax		
Current tax on profit during the year	1,900.4	1,853.5
Adjustments for current tax of prior periods	-	222.2
Total Current Tax expense	1,900.4	2,075.7
Deferred Tax		
Deferred tax expense	(60.2)	5.7
Income tax expense	1,840.2	2,081.4
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit from continuing operations before income tax expense	7,357.9	7,329.3
Tax at the Indian tax rate of 25.17 %	1,852.0	1,844.8
Tax effect of amounts which are not deductible (taxable) in calculating taxable income :		

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

	For year ended March 31, 2024	For year ended March 31, 2023
Adjustments for current tax of prior periods	-	222.2
Corporate social responsibility expenditure	27.9	21.6
Others	(39.7)	(7.2)
Income tax expense	1,840.2	2,081.4
(c) Tax impact of remeasurement of post employment benefits obligation recognised in OCI	42.7	(8.4)

Fair Value Measurement

32. Financial instruments by category

The carrying value and fair value of financial instrument by categories were as follows :

	March 31, 2024		March 31, 2023	
	Amortised Cost	Carrying Amount	Amortised Cost	Carrying Amount
Financial assets				
Trade receivables	7,513.3	7,513.3	6,786.5	6,786.5
Cash and bank balances	12,221.1	12,221.1	9,579.6	9,579.6
Loan to related party	1,576.0	1,576.0	676.0	676.0
Other Financial assets	582.9	582.9	575.7	575.7
Total Financial Assets	21,893.3	21,893.3	17,617.8	17,617.8
Financial Liabilities				
Trade Payables	7,131.4	7,131.4	6,079.1	6,079.1
Other Financial Liabilities	1,333.8	1,333.8	1,219.3	1,219.3
	117.7	117.7	144.4	144.4
Total Financial Liabilities	8,582.9	8,582.9	7,442.8	7,442.8

The fair values of all financial instruments carried at amortised cost are not materially different from their carrying amounts since they are either short-term in nature or the interest rate applicable are equal to the current market rate of interest.

There are no financial instruments measured under the category of Fair value through Profit and Loss account and Fair value through OCI.

i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level are as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 – If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2024

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

	Level 1	Level 2	Level 3	Total March 31, 2024
Financial assets				
Trade receivables	-	-	7,513.3	7,513.3
Cash and bank balances	-	-	12,221.1	12,221.1
Loan to related party	-	-	1,576.0	1,576.0
Other Financial assets	-	-	582.9	582.9
Total Financial assets	-	-	21,893.3	21,893.3
Financial Liabilities				
Trade Payables	-	-	7,131.4	7,131.4
Other Financial Liabilities	-	-	1,333.8	1,333.8
Lease Liabilities	-	-	117.7	117.7
Total Financial liabilities	-	-	8,582.9	8,582.9

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2023

	Level 1	Level 2	Level 3	Total March 31, 2023
Financial assets				
Trade receivables	-	-	6,786.5	6,786.5
Cash and bank balances	-	-	9,579.6	9,579.6
Loan to related party	-	-	676.0	676.0
Other Financial assets	-	-	575.7	575.7
Total Financial assets	-	-	17,617.8	17,617.8
Financial Liabilities				
Trade Payables	-	-	6,079.1	6,079.1
Other Financial Liabilities	-	-	1,219.3	1,219.3
Lease Liabilities	-	-	144.4	144.4
Total Financial liabilities	-	-	7,442.8	7,442.8

(ii) **Valuation processes**

The Company performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.

33. Financial risk management

In the course of its business, the Company is exposed primarily to market risk, liquidity risk and credit risk, which may impact the fair value of its financial instruments. The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as credit risks. The risk management policy is approved by the board of directors.

The Risk Management framework aims to create a stable business planning environment by reducing the impact of market related risks, credit risks & currency fluctuations on the Company's earnings.

33 (A) Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the, foreign currency exchange rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

i) Foreign currency risk

The Company transacts internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR and SEK. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR).

The Company has both Import and Export transactions in Foreign currency. The Imports are higher than the exports and hence the Company has foreign currency exposure to the extent of purchases being higher than exports, but any material variation in currency is recovered from the customers, through on going negotiation process. Thus the risk for currency fluctuation is mitigated.

The company's exposure to foreign currency risk at the end of the reporting period, are as follows

	Exchange Rates		Exposure in Foreign Currency	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Financial Assets				
Trade Receivables				
EURO	90.0	89.5	125.3	13.3
USD	83.4	82.2	263.3	118.1
SEK	7.8	7.9	222.5	105.4
SGD	61.7	61.9	181.6	137.8
CNY	11.5	12.0	63.3	16.2
AUD	54.1	54.9	9.3	16.5
THB	2.3	2.4	80.0	39.1
CAD	61.3	60.7	-	6.8
Total			945.3	453.2
Bank balance in EEFC				
EURO	90.0	89.5	9.6	5.5
USD	83.4	82.2	28.0	3.6
Total			982.9	462.3

	Exchange Rates		Exposure in Foreign Currency	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Financial Liabilities				
Trade Payables				
EURO	90.0	89.5	2,874.5	3,212.2
USD	83.4	82.2	535.7	316.3
SEK	7.8	7.9	120.3	(77.5)
GBP	105.1	101.7	0.1	0.2
YEN	0.6	0.6	4.9	11.4
CHF	92.0	89.9	0.1	2.0
CNY	11.5	12.0	-	1.7
SGD	61.7	-	0.9	-
Total			3,536.5	3,466.3

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

ii) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

	Impact on profit after tax	
	March 31, 2024	March 31, 2023
EURO sensitivity		
INR/EURO increased by 5 %	(137.5)	(159.9)
INR/EURO decreased by 5 %	137.5	159.9
USD sensitivity		
INR/USD increased by 5 %	(13.6)	(9.9)
INR/USD decreased by 5 %	13.6	9.9
SEK sensitivity		
INR/SEK increased by 5 %	5.1	9.1
INR/SEK decreased by 5 %	(5.1)	(9.1)
SGD sensitivity		
INR/SGD increased by 5 %	9.1	6.9
INR/SGD decreased by 5 %	(9.1)	(6.9)

iii) Interest rate risk

The Company's has very limited exposure to borrowings.

The loan to related party is carried at amortised cost. The Company recovers interest as per the terms of the agreement. The interest rate approximates the market rate of interest and hence the interest risk for loan given to related party is not considered to be substantial.

33 (B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to pay out obligations. Due to the dynamic nature of the underlying businesses, Company ensures availability of funds by managing the investments.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet this. The Company invests its surplus funds in bank fixed deposit and in quoted government debt securities.

Maturities of financial liabilities

Contractual maturities of financial liabilities	Less than 1 year	1-3 years	Over 3 years
31-Mar-2023			
Lease Liabilities (undiscounted)	63.0	79.6	1.8
Total liabilities	63.0	79.6	1.8
	Less than 1 year	1-3 years	Over 3 years
31-Mar-2024			
Lease Liabilities (undiscounted)	80.1	36.2	1.3
Total liabilities	80.1	36.2	1.3

All the financial liabilities are due within 12 months. The carrying value of all the financial liabilities as on respective dates is considered as its maturity value since the impact of discounting is not significant.

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

33 (C) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness.

Credit risk management

For banks and financial institutions, only high rated banks/institutions are accepted.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty ability to meet its obligations
- actual or expected significant changes in the operating results of the counterparty
- significant increase in credit risk on other financial instruments of the same counterparty
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements

The definition of default is determined by considering the business environment in which entity operates and other macro-economic factors. All receivables past due are analysed and based on scrutiny provisions for Bad Debts are made on specific identification basis.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk, being the total of the carrying amount of balances with bank, short term deposits with banks, trade receivables and other financial assets is disclosed at the end of the each reporting period. Refer relevant notes for details.

Financial assets that are neither past due nor impaired

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade receivables and other receivables, and other financial assets that are neither impaired nor past due, there were no indications at the end of each reporting period, that defaults in payment obligations will occur.

The Company follows 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date) model for recognition of impairment loss on financial assets measured at amortised cost other than trade receivables. The Company follows lifetime expected credit loss model (simplified approach) for recognition of impairment loss on trade receivables.

The ageing of trade receivable as on balance sheet date is given below. The age analysis has been considered from the date when the invoices were due for payment.

	As at March 31, 2024			As at March 31, 2023		
	Gross	Allowance	Net	Gross	Allowance	Net
Trade receivables						
Period (in months)						
Not due	6,497.3	-	6,497.3	6,439.3	-	6,439.3
Overdue up to 3 months	1,016.0	-	1,016.0	347.2	-	347.2

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

	As at March 31, 2024			As at March 31, 2023		
	Gross	Allowance	Net	Gross	Allowance	Net
Overdue 3-6 months	21.8	(21.8)	-	5.6	(5.6)	-
Overdue more than 6 months	202.8	(202.8)	-	153.9	(153.9)	-
Total	7,737.9	(224.6)	7,513.3	6,946.0	(159.5)	6,786.5

Reconciliation of loss allowance provision – Trade receivables

	Amount (INR in million)
Loss allowance on April 1, 2022	160.3
Change in loss allowance	(0.8)
Loss allowance on March 31, 2023	159.5
Change in loss allowance	65.1
Loss allowance on March 31, 2024	224.6

34. Capital management

(a) Risk management

The company's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and short-term borrowings.

(b) Dividends

	March 31, 2024	March 31, 2023
i) Equity shares		
Dividend paid		
March 31, 2023 (INR 40 per share)	1,977.5	-
March 31, 2022 (INR 14.5 per share)	-	716.9
ii) Dividends not recognised at the end of reporting period		
In addition to the dividend in point (i) above, post year end the directors have recommended the payment of a dividend of INR 130.0 per fully paid equity share (March 31, 2023 – INR 40). This proposed dividend is subject to the approval of shareholders in the Annual General meeting.	6,426.9	1,977.5

35. Earnings per share (EPS)

Basic and diluted earnings per share

The earnings per share (basic & diluted), computed as per the requirement under Indian Accounting Standard (IND AS 33) on 'Earnings per Share' is as under:

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

	For year ended March 31, 2024	For year ended March 31, 2023
Profit attributable to Equity Shareholders (Rupees in Million)	5,517.7	5,247.9
Basic/Weighted average number of Equity Shares outstanding during the year	49,437,963	49,437,963
Nominal value of Equity Shares (INR)	10.0	10.0
Basic Earnings per share (INR)	111.6	106.2
Diluted Earnings per share (INR)*	111.6	106.2
*There are no dilutive potential equity shares		

36. Employee benefits: Post-employment benefit plans

I Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions in case of employees not covered under SKF Bearings India Limited, Provident Fund Scheme. The contributions are charged to the profit and loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund and Superannuation fund is as follows:

Particulars	For year ended March 31, 2024	For year ended March 31, 2023
Employee Provident Fund - Regional Provident Fund Contribution	59.1	42.2
Superannuation fund	53.7	49.4
	112.8	91.6

II Defined Benefit plans

i) Gratuity

The Company operates a post-employment defined benefit plan that provides gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive between 15 days to one month's salary for each year of completed service at the time of retirement/exit.

The following table summarises the position of assets and obligations.

	Present value of obligation	Fair value of plan assets	Net Amount
Opening balance as on April 1, 2022	1,057.0	1,013.2	43.8
Current service cost	40.1	-	40.1
Interest cost/income	67.7	66.0	1.7
Total amount recognised in profit & loss	107.8	66.0	41.8
Remeasurements			
Return on plan assets less interest on plan assets	-	(10.3)	10.3
changes in demographic assumptions	(11.0)	-	(11.0)
(Gain)/loss from change in financial assumptions	9.6	-	9.6
Experience (gains)/losses	(32.0)	-	(32.0)
Total amount recognised in other comprehensive income	(33.4)	(10.3)	(23.1)
Employer contributions	-	82.8	(82.8)
Benefit payments	(95.0)	(95.0)	-
Closing balance as on March 31, 2023	1,036.4	1,056.7	(20.3)
Opening balance as on April 1, 2023	1,036.4	1,056.7	(20.3)

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

	Present value of obligation	Fair value of plan assets	Net Amount
Current service cost	37.9	-	37.9
Interest cost/income	67.8	69.3	(1.5)
Total amount recognised in profit & loss	105.7	69.3	36.4
Remeasurements			
Return on plan assets less interest on plan assets	-	(5.8)	5.8
changes in demographic assumptions	1.2	-	1.2
(Gain)/loss from change in financial assumptions	5.3	-	5.3
Experience (gains)/losses	156.2	-	156.2
Total amount recognised in other comprehensive income	162.7	(5.8)	168.5
Employer contributions	-	85.4	(85.4)
Benefit payments	(97.3)	(97.3)	-
Closing balance as on March 31, 2024	1,207.5	1,108.3	99.2

The net liability disclosed above relates to funded and unfunded plans are as follows:

	March 31, 2024	March 31, 2023
Present value of funded obligations	1,207.5	1,036.4
Fair value of plan assets	1,108.3	1,056.7
Deficit / (Surplus) of funded plan	99.2	(20.3)

Principal actuarial assumptions used as at the reporting date:

The significant actuarial assumptions were as follows:

	March 31, 2024	March 31, 2023
Discount rate	7.25%	7.35%
Salary growth rate		
for Management employees	10.00%	10.00%
for Non-Management employees	7.00%	7.00%
Attrition Rate:		
for Management employees		
Age From 21 to 30 years	30.00%	26.00%
Age From 31 to 40 years	18.00%	17.00%
Age From 41 to 50 years	11.00%	12.00%
Age From 51 to 59 years	16.00%	17.00%
for Non-Management employees		
Age From 21 to 30 years	1.00%	1.00%
Age From 31 to 40 years	2.00%	2.00%
Age From 41 to 50 years	0.00%	0.00%
Age From 51 to 59 years	9.00%	9.00%
Mortality table used	Indian Assured Lives Mortality (2012-2014)	Indian Assured Lives Mortality (2012-2014)

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

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in each territory. These assumptions translate into an average life expectancy in years for a pensioner.

Expected contribution to post employment benefit plans for the FY 2024-25 is INR 80 Million.

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

ii) **Provident Fund**

The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors. The actuary has provided a valuation and based on the below provided assumptions, shortfall recognised in the Statement of Profit and Loss during the year is NIL (previous year NIL MINR).

	Present value of obligation	Fair value of plan assets	Net Amount
Opening balance as on April 1, 2022	2,081.6	2,209.8	(128.2)
Current service cost	67.3	-	67.3
Interest cost/income	162.8	171.6	(8.8)
Total amount recognised in profit & loss	230.1	171.6	58.5
Remeasurements			
Return on plan assets less interest on plan assets	-	(760.6)	760.6
(Gain)/loss from change in financial assumptions	63.9	-	63.9
Experience (gains)/losses	(661.1)	-	(661.1)
Total amount recognised in other comprehensive income	(597.2)	(760.6)	163.4
Employer contributions	-	67.3	(67.3)
Employee contributions	148.9	148.9	-
Assets Distributed on Settlements / acquired on acquisition	87.3	87.3	-
Benefit payments	251.1	251.1	-
Closing balance as on March 31, 2023	2,201.9	2,175.5	26.4
Opening balance as on April 1, 2023	2,201.9	2,175.5	26.4
Current service cost	71.1	-	71.1
Interest cost/income	162.3	160.4	1.9
Total amount recognised in profit & loss	233.4	160.4	73.0
Remeasurements			
Return on plan assets less interest on plan assets	-	86.2	(86.2)
(Gain)/loss from change in financial assumptions	70.9	-	70.9
Experience (gains)/losses	(75.7)	-	(75.7)
Total amount recognised in other comprehensive income	(4.8)	86.2	(91.0)
Employer contributions	-	71.1	(71.1)
Employee contributions	148.6	148.6	-
Assets Distributed on Settlements / acquired on acquisition	(9.8)	(9.8)	-
Benefit payments	(197.0)	(197.0)	-
Closing balance as on March 31, 2024	2,372.3	2,435.0	(62.7)

The fair value of plan assets is INR 2,435.0 millions (March 31, 2023 INR 2,175.5 million). Gain of INR 62.7 million (March 31, 2023 Deficit of INR 26.4 million) is not recognised.

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

The net liability disclosed above relates to funded and unfunded plans are as follows:

	March 31, 2024	March 31, 2023
Present value of funded obligations	2,372.3	2,201.9
Fair value of plan assets	2,435.0	2,175.5
Deficit of funded plan	(62.7)	26.4

Principal actuarial assumptions used as at the reporting date:

The significant actuarial assumptions were as follows:

	March 31, 2024	March 31, 2023
Discount rate	7.25%	7.35%
Expected rate of return on plan assets	8.60%	8.07%
Discount rate for the remaining term to maturity of the investment	7.25%	7.35%
Average historic yield on the investment	8.60%	8.07%
Guaranteed rate of return	8.25%	8.15%
Attrition Rate:		
for Management employees		
Age From 21 to 30 years	30.00%	26.00%
Age From 31 to 40 years	18.00%	17.00%
Age From 41 to 50 years	11.00%	12.00%
Age From 51 to 59 years	16.00%	17.00%
for Non-Management employees		
Age From 21 to 30 years	1.00%	1.00%
Age From 31 to 40 years	2.00%	2.00%
Age From 41 to 50 years	0.00%	0.00%
Age From 51 to 59 years	9.00%	9.00%
Mortality table used	Indian Assured Lives Mortality (2012-2014)	Indian Assured Lives Mortality (2012-2014)

iii) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation							
	Change in assumption			Increase in Valuation			Decrease in Valuation	
	March 31, 2024	March 31, 2023		March 31, 2024	March 31, 2023		March 31, 2024	March 31, 2023
Discount rate - Gratuity	0.50%	0.50%	Decrease by	26.8	23.9	Increase by	-27.1	22.8
Salary growth rate - Gratuity	0.50%	0.50%	Increase by	26.8	23.7	Decrease by	25.8	22.8
RPFC guaranteed rate	1.00%	1.00%	Increase by	84.2	78.2	Decrease by	43.9	40.7

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

iv) (a) The major categories of plans assets for Gratuity are as follows:

	March 31, 2024				March 31, 2023			
	Quoted	Unquoted	Total	in %	Quoted	Unquoted	Total	in %
<i>Debt instruments</i>	9.5	-	9.5	1%	9.6	-	9.6	1%
Government of India securities	146.4	-	146.4	13%	147.1	-	147.1	14%
Sub Total	155.9	-	155.9		156.7	-	156.7	
Insurer Fund	-	902.9	902.9	82%	-	897.9	897.9	85%
Others *	-	47.8	47.8	4%	-	0.5	0.5	0%
Total	155.9	950.7	1,106.6	100%	156.7	898.4	1,055.1	100%

* Includes payable to SKF India Limited

(b) The major categories of plans assets for Provident Fund are as follows:

	March 31, 2024				March 31, 2023			
	Quoted	Unquoted	Total	in %	Quoted	Unquoted	Total	in %
Equity instruments	261.5	-	261.5	11%	181.8	-	181.8	8%
<i>Debt instruments</i>								
Corporate bonds	305.3	-	305.3	13%	305.4	-	305.4	14%
Government of India securities	1,104.3	-	1,104.3	45%	978.3	-	978.3	45%
Sub Total	1,409.6	-	1,409.6		1,283.7	-	1,283.7	
Others	-	761.1	761.1	31%	-	710.0	710.0	33%
Total	1,671.1	761.1	2,432.2	100%	1,465.5	710.0	2,175.5	100%

The weighted average duration of the defined benefit obligation is 4.39 years (March 31, 2023– 4.52 years). The expected maturity analysis of undiscounted gratuity is as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2024					
Defined benefit obligation	284.7	384.8	489.4	640.0	1,798.9
March 31, 2023					
Defined benefit obligation	224.1	333.1	411.3	594.3	1,562.8

v) Risk exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility: The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk to minimise risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit. The company has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The company intends to maintain the above investment mix in the continuing years.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

Changes in bond yields: A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

The company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans.

Within this framework, the company's ALM objective is to match assets to the gratuity obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due.

The company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The company has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

37. Contingent liabilities and commitments

(to the extent not provided for)

a) Contingent liabilities:

	March 31, 2024	March 31, 2023
Claims against the Company not acknowledged as debts		
(i) Income-tax *	3,469.6	3,248.2
(ii) Excise & Customs duty	411.5	221.7
(iii) GST, Service Tax and Sales tax	223.5	189.1
	1,144.4	1,142.4
	5,249.0	4,801.4

* Including interest of INR 1,342 Million (March 31, 2023 INR 1,227 Million) as per the demand order.

(i) Income Tax :- The Company has outstanding disputes with Direct Tax authorities mainly relating to tax treatment of certain expenses claimed as deduction, computation or allowances and transfer pricing matters.

During the year, the Company has received draft assessment order u/s 143(3) read with section 144C of the Income Tax Act, 1961 ("Act") from the Assessing officer proposing an adjustment for

1. INR 827.8 Million (INR 799.6 Million addition made by the TPO under section 92CA(3) of the Act and INR 28.2 Million towards income tax matters) for FY 2019-20.
2. INR 591.2 Million (INR 554.6 Million addition made by the TPO under section 92CA(3) of the Act and INR 36.6 Million towards income tax matters) for FY 2020-21.

The company has filed its objections with Dispute resolution panel under section 144C of the Act. The matter shall be heard and directions shall be issued to the Assessing officer who shall, in conformity with the directions, pass the final order under section 144C(13) of the Act. Given the fact that the company has not received final assessment order and that the hearings are pending before the Dispute resolution panel, the management is of the opinion that there is no tax liability against the company as on the balance sheet date.

Also, the Company has received a final assessment order for the Financial Year 2014-15 (Assessment Year 2015-16) u/s 147 read with section 144C(13) of the Income Tax Act, 1961 ("Act") from the Assessing officer resulting in an adjustment of MINR 284.2 towards Transfer Pricing addition and an adjustment of MINR 30.2 towards income tax issue. The company has preferred an appeal before the Income-tax Appellate Tribunal against the adjustment, and the same is pending to be heard.

(ii) GST Service Tax -Sales Tax :- The Company has outstanding disputes with Indirect Tax authorities mainly relating to VAT, Service tax and GST.

(iii) Customs Duty :- During the year Company has received show cause cum demand notice from customs authority of India to enforce bond u/s 143 of the customs act 1962 w.r.t advance license issued during FY 1997-98. The Company has successfully closed part of the licenses. For the closure of remaining licenses, the Company is co-ordinating with DGFT and Customs Authorities.

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

- (iv) Others :- The Company has disclosed other claims relating to civil cases considering similar industry practices.
- (v) The Company has evaluated the impact of the recent supreme court judgment in case of “Vivekananda Vidyamandir and Others Vs The Regional Provident Fund Commissioner (II), West Bengal” and the related circular (Circular No. -C-I/1(33)2019/Vivekananda Vidya Mandir /284) dated March 20, 2019 issued by the Employees’ Provident Fund Organization in relation to non-exclusion of certain allowances from the definition of “basic wages” of the relevant employees for the purposes of determining contribution to provident fund under the Employees’ Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management, the aforesaid matter is not likely to have a significant impact and accordingly, no provision is recorded as at March 31, 2024.

b) Commitments:

	March 31, 2024	March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances of INR 56.4 million (March 31, 2023 INR 166.8 million)	539.7	327.4
	539.7	327.4

38. (a) Dues to micro and small suppliers

	March 31, 2024	March 31, 2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end (Refer note (b) below *)	386.1	326.2
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	34.6	30.1
Principal amount paid to suppliers registered under the MSMED Act beyond the appointed day during the year	297.3	634.9
Interest paid other than under Section 16 of MSMED Act to suppliers registered under the MSMED Act beyond the appointed day during the year	Nil	Nil
Interest paid under Section 16 of MSMED Act to suppliers registered under the MSMED Act beyond the appointed day during the year	Nil	Nil
Interest due and payable towards suppliers registered under MSMED Act for payment already made	4.6	12.3
Further interest remaining due and payable for earlier years	30.1	17.0

*Includes amount of INR 330.7 million (March 31, 2023 INR 310.1 million) outstanding, but not overdue to micro and small as on March 31, 2024.

Note : The above information has been compiled by the Company on the basis of information made available by vendors during the year ended March 31, 2024 and year ended March 31, 2023.

(b) 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:

Reconciliation to trade payable total outstanding dues of micro and small enterprises and MSME disclosure principal amount :

	March 31, 2024	March 31, 2023
Total Outstanding dues to Micro And Small Enterprises	386.1	326.2
Capital Creditors	15.9	19.9
MSME Principal	370.2	306.3

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

39. Share Based Payments

SKF's Performance Share Programme

Aktiebolaget SKF (AB SKF), Sweden the ultimate holding company, as part of its Performance Share Program (PSP) offers stock awards to selected employees of its subsidiaries.

The shares of AB SKF, Sweden are listed with Nasdaq Stockholm Stock Exchange, Sweden. The awards issued are vested for a period of 3 years from the date of grant depending on the performance conditions. The terms and other conditions applicable to each award granted under the PSP are generally determined by the Group Management of AB SKF. The programme covers a maximum of 225 senior managers and key employees in the SKF Group, including Group Management, with the opportunity of being allotted, free of charge, SKF shares of series B. Under the programme, no more than 1,000,000 SKF shares of series B, may be allotted. Fulfilment % is decided by the Group Management based on the performance conditions met. The number of shares definitively vested will be calculated according to the fulfilment %.

The allotment of shares shall be related to the level of achievement of the Total Value added (TVA) target level, as defined by the Board of Directors, and the SKF Group Net Zero 2030 objective. 90% of the maximum allocation of shares under the programme is based on the level of TVA increase. The allocation of shares is based on the level of TVA increase during the financial years 2022–2024 compared to the financial year 2021. In order for allocation of shares to take place the TVA increase must exceed a certain minimum level (the threshold level). In addition to the threshold level a target level is set. Maximum allotment is awarded if the target level is reached or exceeded.

10% of the maximum allocation is based on the reduction of CO₂e emissions. After the expiry of the financial year 2024, a comparison will be made of the level of CO₂e emissions reduction achieved during the programme period and the net zero 2030 objective trajectory. If the trajectory reduction level is met or exceeded full allotment is awarded, i.e. 10% of the total maximum allotment under the programme. If the reduction does not meet the trajectory level, no allotment is awarded in relation to this part of the programme.

Provided that the TVA increase reaches the target level and that the Net Zero 2030 objective is met, the participants of the programme may be allotted the following maximum number of shares per person within the various key groups:

- CEO and President: shares corresponding to a value of 75% of the fixed base salary
- Other members of Group Management: shares corresponding to 55% of the fixed base salary or 13,000 shares, whichever is higher
- Managers of large business units and similar: 4,500 shares
- Other senior managers: 3,000 shares
- Other key persons: 1,250 shares

The share-based compensation programmes of the Group are mainly equity-settled through the SKF Group's Performance Share programmes.

The fair value of the SKF B share at grant date is calculated as the market value of the share excluding the present value of expected dividend payments for the next three years. Allotment of shares under SKF's Performance Share Programme requires that the persons covered by each of the programmes are employed in the SKF Group during the entire three year calculation period.

The inputs used in the measurement of the fair values at grant date of the stock awards were as follows.

Grant Date	30-Apr-20	30-Apr-21	30-Apr-22	30-Apr-23
Exercise Price (SEK)	-	-	-	-
Exercise Price in equivalent INR*	-	-	-	-
Expected Volatility	1.65%	0.46%	-2.40%	2.17%
	3.0%	3.3%	4.4%	3.7%
Expected Life	NA	NA	NA	NA
Risk Free Interest Rate	-0.3%	0.0%	2.6%	2.6%
Fair Value per share (SEK)	125.0	226.6	139.8	183.0
Fair Value per share in equivalent INR*	992.1	1,798.4	1,109.5	1,426.3
Awards Exercisable at the end of the year	NA	6,708.3	3,552.1	5,510.4

* Converted into INR using exchange rate 7.79

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

The following share based payment arrangements were in existence during the current and previous year

Award Series Stock Awards	Number	Grant Date	Expiry Date / Year	Fair Value at grant date (SEK)	Equivalent Fair Value INR*
PSP2020	10,500	30-Apr-20	2023	125.0	992.1
PSP2021	10,500	30-Apr-21	2024	226.6	1,798.4
PSP2022	23,250	30-Apr-22	2025	139.8	1,109.5
PSP2023	17,250	30-Apr-23	2026	183.0	1,426.3

*Converted using exchange rate 7.79

Movement in stock awards during the year	Employee Stock Award Plan			
	31-Mar-24		31-Mar-23	
	No. of Awards	Weighted Average Exercise Price	No. of Awards	Weighted Average Exercise Price
Balance at the beginning of year	14,927	NA	10,033	NA
Granted during the year	58,073		34,217	
Adjustment during the year*	(38,868)		(26,496)	
Forfeited during the year	-		-	
Exercised during the year	(10,500)		-2,827	
Expired during the year	-		-	
Balance at end of year	23,632		14,927	

* Represents adjustments made by AB SKF, the ultimate holding company, pursuant to realignment of employees' entitlement in accordance with the fulfilment %.

Since the plan is administered and controlled by the Holding Company, the above information is presented only to the extent available with the Company.

40. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief operating decision maker. The Board of Directors has been identified as the Chief operating decision maker (CODM).

The Company operates in only one business segment viz. 'Bearings'. This is the principal activity for the Company. The segment revenue is measured in the same way in Statement of Profit and Loss.

Information about geographical segments

	March 31, 2024	March 31, 2023
Segment revenue		
Within India	41,325.1	39,322.0
Outside India	4,376.2	3,727.2
	45,701.3	43,049.2
Segment assets*		
Within India	6,878.4	6,103.7
Outside India	-	-
	6,878.4	6,103.7

* Non Current Assets excludes Deferred Tax assets and Financial Instruments

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

41. The Company has facility from banks for

Fund based and non-fund based facility (including working capital / working capital demand loan) sanctioned amounting to 1,729.4 MINR and 5 MINR, but not utilised any time during the year.

The working capital / working capital demand loans is secured by fixed deposits of the Company held with the bank to the tune of 5 MINR as at March 31, 2024.

The Company is filing returns / statements in compliance with facility agreement with the bank.

42. Ind AS 115 :- Revenue from contracts with customers

	March 31, 2024	March 31, 2023
Reconciliation of revenue with contract price :-		
Revenue as per statement of Profit & Loss	45,701.3	43,049.2
Add: Incentive/rebates etc	1,603.1	1,661.8
Add: Discounts	6.9	7.6
Add: Liquidated damages	43.0	15.4
Contract price	47,354.3	44,734.0

43. Code on Social Security, 2020

The code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact after the Code becomes effective.

44. Related party disclosures**(i) List of Related Parties & relationship:****a) Ultimate Parent Entity / Ultimate Controlling Party and Immediate Parent Entity / Immediate Controlling Party:**

Sr. No.	Name of the Related Party
1	Aktiebolaget SKF (AB SKF)

Associates:

Sr. No.	Name of the Related Party
1	Sunstrength Renewables Private Limited
2	CleanMax Taiyo Private Limited w.e.f March 23, 2023

b) Names of the related parties with whom transactions were carried out and description of relationship:**Fellow subsidiary Companies (All under the common control of AB SKF)**

1	SKF GMBH
2	SKF INDUSTRIE SPA
3	SKF Sverige AB
4	SKF USA Inc
5	SKF Argentina S.A.
6	SKF OESTERREICH AG
7	PEER BEARING COMPANY
8	SKF (Xinchang) Bearings and Precision Technologies Co, Ltd.
9	SKF Recondoil AB
10	SKF Metal Stamping S.r.l.

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

Fellow subsidiary Companies (All under the common control of AB SKF)

11	LINCOLN INDUSTRIAL CORP
12	ALEMITE LLC
13	STEWART WARNER CORPORATION OF CANADA
14	SKF Engineering and Lubrication India Private Limited
15	Blohm Voss Industries (Singapore) Pte Ltd
16	KAYDON CORPORATION
17	COOPER ROLLER BEARINGS COMPANY LTD
18	SKF AB SWEDEN
19	SKF International AB (Treasury Centre), Göteborg
20	SKF MEKAN AB
21	SKF Eurotrade AB
22	SKF DANMARK AS
23	Oy SKF AB
24	SKF (U.K.) Limited
25	SKF FRANCE S.A.
26	RKS S.A.S
27	SKF BELGIUM NV SA
28	SKF ESPANOLA S.A., INT. MARK.
29	RFT SPA
30	SKF CZ a.s.
31	SKF BEARINGS BULGARIA EAD
32	SKF European Distribution Centre (EDC), Tongeren
33	VENTURE AEROBEARINGS LLC
34	BFW COUPLING SERVICES LTD
35	SKF Canada Ltd
36	SKF MAGNETIC BEARINGS
37	SKF DE MEXICO S.A.DE C.V.
38	SKF Sealing Solutions, S.A. DE C.V (DOH)
39	SKF Latin Trade S.A.
40	SKF del Peru S.A.
41	SKF DO BRAZIL LTDA
42	Peer Bearing Company-Changshan
43	SKF TÜRK SANAYI VE TICARET LIMITED
44	SKF Asia Pacific Pte Ltd
45	SKF (Thailand) Ltd, Bangkok
46	SKF Bearing Services Taiwan, Taipei
47	SKF Japan Ltd., Tokyo
48	SKF KOREA LTD.
49	SKF PHILLIPINES INC
50	SKF BEARING INDUSTRIES SDN BHD
51	SKF MALAYSIA SDN.BHD.
52	SKF SEALING SOLUTIONS (WUHU) CO LTD
53	PT SKF INDONESIA
54	SKF Sealing Solutions Korea Co Ltd
55	SKF VIETNAM CO LTD
56	PT SKEFINDO PRIMATAMA

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

Fellow subsidiary Companies (All under the common control of AB SKF)

57	SKF (Shanghai) Automotive Technologies Co Ltd
58	SKF (China) Sales Co Ltd
59	SKF(DALIAN) BEARINGS & PREC.CO
60	SKF (Jinan) Bearing & Precision Technology Co. Ltd.
61	SKF Distribution Shanghai Co Ltd
62	SKF Australia PTY Ltd.
63	PILGRIM INTERNATIONAL LTD.
64	SKF B.V.
65	SKF SEALING SOLUTIONS GMBH
66	SKF SOUTH AFRICA (PTY) LTD.
67	SKF Sealing Solutions Austria GmbH
68	SKF Sealing Solutions (Schweiz) GmbH
69	SKF Economos India Pvt. Ltd
70	SKF FORVALTNING AB
71	SKF CHILENA S.A.I.C.
72	SKF Coupling Systems AB
73	SKF Magnetic Mechatronics SAS
74	SKF SEALS AMERICAS
75	SKF SEALS ITALY SPA
76	SKF Seals Leverkusen
77	Beijing Nankou SKF Railway Bearings Co Ltd
78	M3M SAS
79	Ningbo General Bearing Co Ltd (NGBC)
80	SKF AEROENGINE FRANCE
81	SKF Aerospace France S.A.S
82	SKF Financial Services Poland sp. z o.o
83	SKF MFR Technology
84	SKF POLSKA S.A.
85	SKF PORTUGAL ROLAMENTOS, LDA
86	SKF REINSURANCE CO LTD.
87	VESTA SI SWEDEN AB

Interested Entities (Firms / Companies where the close member of KMP of the Company is interested)

1	Khaitan & Co
2	AZB Partners
3	The Council of EU Chamber

Key Management Personnel

1	Mr Gopal Subramanyam (Chairman)
2	Mr.Mukund Vasudevan (Managing Director -w.e.f April 8, 2024)
3	Mr Manish Bhatnagar (Managing Director - till March 31, 2024)
4	Mr Aldo Cedrone (Director)
5	Ms Anu Wakhlu (Director)
6	Mr Shailesh Sharma (from 10 th February, 2022) (Director)
7	Mr Karl Robin Joakim Landholm (from 28 th June 2022) (Director)
8	Mr David Leif Henning Johansson (from 28 th June 2022) (Director)
9	Mr Ashish Saraf (Chief Financial officer)
10	Mr Ranjan Kumar (Company Secretary)

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

Close Member of Key Management Personnel

1	Udayarkar Rangarajan
2	Nanditha Gopal

Employees' Benefit plans where there is Significant influence

1	SKF India Limited Provident Fund Scheme
2	SKF Bearings India Limited Superannuation Scheme
3	SKF Bearings India Limited Bangalore Superannuation Scheme
4	SKF Bearings India Limited Employees Gratuity Fund
5	SKF Bearings India Limited Bangalore Employees Gratuity Fund

(ii) Disclosure of related party transactions:

Sr. No.	Nature of transaction / relationship / major parties	For year ended March 31, 2024		For year ended March 31, 2023	
		Amount	Amount	Amount	Amount
A	Purchases				
i	Raw Materials, components, spares and Finished Goods	16,041.7		14,648.5	
	SKF GMBH		3,517.6		3,772.7
	SKF Engineering and Lubrication India Private Limited		3,711.0		2,990.4
	SKF Sverige AB		1,252.0		1,565.4
	SKF France S.A.		1,561.5		1,062.4
	SKF INDUSTRIE SPA		1,105.1		1,269.9
	Others		4,894.5		3,987.7
ii	Property, Plant and Equipment	62.6		123.5	
	SKF Osterreich AG		9.2		32.5
	SKF Engineering and Lubrication India Private Limited		36.6		32.8
	SKF GMBH		0.7		1.2
	SKF Recondoil AB		-		22.8
	SKF ESPANOLA S.A., INT. MARK.		16.1		18.0
	Others		0.0		16.2
B	Services received				
i	Administrative and Service Fees	43.2		42.0	
	SKF International AB		23.2		19.8
	SKF AB Sweden		12.4		4.7
	SKF GMBH		0.7		9.1
	Others		6.9		8.4
ii	IT services	416.1		282.8	
	AB SKF		416.1		282.8
C	Royalty	713.0		659.7	
	AB SKF		713.0		659.7
D	Trade Mark Fees	442.8		413.8	
	AB SKF		442.8		413.8
E	Sales				
i	Goods and Services	3,630.5		3,034.1	
	SKF International AB EDC		615.9		586.3
	SKF GMBH		713.7		457.4

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

Sr. No.	Nature of transaction / relationship / major parties	For year ended March 31, 2024		For year ended March 31, 2023	
		Amount	Amount	Amount	Amount
	SKF Do Brazil Ltda		-		183.2
	SKF USA Inc		560.0		352.2
	SKF Industrie Spa		-		102.9
	SKF Asia Pacific Pte Ltd		464.6		242.3
	SKF (Thailand) Ltd, Bangkok		360.2		135.5
	Others		916.1		974.3
ii	Technical and other service income	628.0		502.4	
	AB SKF		486.3		413.0
	Others		141.7		89.4
F	Other Income				
i	Rent Income	38.4		38.4	
	SKF Engineering and Lubrication India Private Limited		38.4		38.4
ii	Commission Income	-		0.3	
	SKF Asia Pacific Pte Ltd		-		0.3
G	Reimbursements				
i	Received	217.6		196.1	
	SKF Engineering and Lubrication India Private Limited		167.4		108.2
	Others		50.2		87.9
ii	Paid	2.8		2.7	
	SKF GMBH		1.4		2.4
	Others		1.4		0.3
H	Inter Corporate Loan & Interest				
i	Loan Received Back	-		180.0	
	SKF Engineering and Lubrication India Private Limited		-		180.0
ii	Loan Given	900.0			
	SKF Engineering and Lubrication India Private Limited		900.0		
iii	Interest Income on Loan	73.3		53.8	
	SKF Engineering and Lubrication India Private Limited		73.3		53.8
I	Dividend Paid	1,039.7		376.9	
	AB SKF		906.6		328.7
	SKF (UK) Ltd.		125.2		45.4
	SKF Forvaltning AB		7.9		2.8
J	Trade Advance given	-		2,110.0	
	SKF Engineering and Lubrication India Private Limited		-		2,110.0
K	Trade advance adjusted against purchase	-		2,110.0	
	SKF Engineering and Lubrication India Private Limited		-		2,110.0
L	Managerial Remuneration :-	114.2		77.7	
	Short-term employee benefits		109.3		72.8
	Long-term employee benefits		4.9		4.9

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

Sr. No.	Nature of transaction / relationship / major parties	For year ended March 31, 2024		For year ended March 31, 2023	
		Amount	Amount	Amount	Amount
M	Payment to Directors	7.9		7.5	
	Sitting fees & Commission		7.9		7.5
N	Investment in equity shares of Associate Company	65.4		0.0	
	Sunstrength Renewables Private Limited		23.2		-
	CleanMax Taiyo Private Limited		42.2		0.0
O	Employees' Benefit plans where there is Significant influence				
i	Contributions Paid	353.8		339.3	
	SKF India Limited Provident Fund Scheme		219.1		215.5
	SKF Bearings India Limited Superannuation Scheme		40.2		35.6
	SKF Bearings India Limited Bangalore Superannuation Scheme		9.0		7.1
	SKF Bearings India Limited Employees Gratuity Fund		54.2		81.1
	SKF Bearings India Limited Bangalore Employees Gratuity Fund		31.3		-
ii	Reimbursements Received For Settlements	103.4		199.0	
	SKF Bearings India Limited Employees Gratuity Fund		86.2		163.9
	SKF Bearings India Limited Bangalore Employees Gratuity Fund		17.2		35.1

(iii)

Sr. No.	Nature of transaction / relationship	March 31, 2024		March 31, 2023	
		Amount	Amount	Amount	Amount
1	Trade receivables	930.3		500.3	
	SKF International AB		891.6		420.0
	Others		38.7		80.3
2	Other receivable	187.0		216.3	
	AB SKF		139.1		114.3
	Others		47.9		102.0
3	Trade payables	5,009.7		4,217.8	
	SKF International AB		2,963.7		3,101.4
	AB SKF		304.7		269.5
	Others		1,741.3		846.9
4	Loans	1,576.0		676.0	
	SKF Engineering and Lubrication India Private Limited		1,576.0		676.0
5	Inter corporate Interest receivable	-		0.5	
	SKF Engineering and Lubrication India Private Limited		-		0.5
6	Employees' Benefit plans where there is Significant influence				
	Other Receivable	100.2		26.3	
	SKF Bearings India Limited Employees Gratuity Fund		0.0		4.1

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

Sr. No.	Nature of transaction / relationship	March 31, 2024		March 31, 2023	
		Amount	Amount	Amount	Amount
	SKF Bearings India Limited Bangalore Employees Gratuity Fund		-		2.0
	SKF Bearings India Limited Employees Gratuity Fund		99.4		20.2
	SKF Bearings India Limited Superannuation Scheme		0.8		-
	Other Payable	85.0		-	
	SKF Bearings India Limited Employees Gratuity Fund		23.4		-
	SKF Bearings India Limited Employees Provident Fund		19.3		-
	SKF Bearings India Limited Superannuation Scheme		42.3		-
7	Director's commission	6.5	6.5	6.2	6.2

45. Financial ratios

Ratio	Numerator	Denominator	Current year	Previous year	Change %	Remarks for variance more than 25%
Current ratio (in times)	Total current assets	Total current liabilities	3.0	3.1	-4.2%	Not Applicable
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities	Total Equity	0.00	0.01	-28.9%	This ratio has decreased primarily on account of increase in retained earnings by way of profit for the year and a reduction in lease liability.
Debt service coverage ratio (in times)	Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments	48.3	38.9	24.2%	This ratio has increased primarily on account of increase in retained earnings by way of profit for the year and a reduction in lease liabilities.
Return on equity ratio (in %)	Profit for the year	Average total equity ((Opening + Closing)/2)	22.0%	24.8%	-11.5%	Not Applicable
Inventory Turnover Ratio	COGS	Average Inventory ((Opening + Closing)/2)	4.1	3.8	7.7%	Not Applicable
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables ((Opening + Closing)/2)	6.4	6.3	1.3%	Not Applicable
Trade payables turnover ratio (in times)	Cost of goods sold	Average trade payables ((Opening + Closing)/2)	4.2	4.6	-8.3%	Not Applicable

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	2.5	2.6	-3.1%	Not Applicable
Net profit ratio (in %)	Profit for the year	Revenue from operations	12.1%	12.2%	-1.0%	Not Applicable
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities	27.4%	31.3%	-12.2%	Not Applicable
Return on investment (in %)	Profit before tax and finance costs	Average total assets ((Opening + Closing)/2)	21.6%	25.4%	-15.0%	Not Applicable

46. Additional regulatory information required by Schedule III

(i) Details of benami property held

No proceedings have been initiated on or are pending against the company under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

The Company has no borrowings from banks and financial institutions except for working capital limit sanctioned from banks.

(iii) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(vi) Compliance with approved scheme(s) of arrangements

(vii) Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- a. 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
- b. 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 or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

- a. 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
- b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

Notes to the Standalone Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

(ix) Details of crypto currency or virtual currency

The company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of PP&E, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

47. The figures for the previous year have been regrouped/reclassified wherever necessary to conform to the current year's presentation.

**For and on behalf of the Board of Directors of
SKF India Limited**

Gopal Subramanyam

Chairman
DIN :- 06684319
Place :- Gothenberg

Mukund Vasudevan

Managing Director
DIN :-05146681
Place :- Gothenberg

Ashish Saraf

Chief Financial Officer
PAN :-AVEPS0176L
Place :- Bangalore

Ranjan Kumar

Company Secretary
PAN :-AMEPK5869R
Place :- Gothenberg

Date: May 08, 2024

Independent Auditor's Report

To the Members of SKF India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **SKF India Limited** ("the Parent") which includes the Parent's share of profit in its associates, which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material 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 consolidated 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, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Parent as at March 31, 2024, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Parent and its associates 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 consolidated 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 consolidated 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Evaluation of uncertain tax position pertaining to Transfer Pricing Matters (Refer to Note 37 to the consolidated financial statements)</p> <p>The Parent has a material uncertain tax positions pertaining to Transfer Pricing related matters. The management's assessment as supported by their tax experts' views is that no provision is required against these matters. These matters involve significant management judgement and estimation to determine the likelihood and timing of the cash outflows and interpretations of the legal aspects, tax legislations and judgements previously made by income tax authorities.</p>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> • We assessed management's processes and tested the internal controls implemented for the identification, recognition and measurement of tax positions and its assessment with respect to interpretations of the legal aspects, tax legislations and judgements previously made by income tax authorities to determine the likelihood of the cash outflows; • We received a year-wise statement of all ongoing disputes/ litigations along with the initial notice/ Order from income tax department and supporting evidencing the dispute / litigation; • We obtained and verified management's assessments on the dispute / litigated matters, including advice/ opinion obtained from external consultants/legal advisors, where applicable, with respect to likelihood and/or timing of the cash outflows; • We have also obtained independent external confirmation from the Parent's tax consultant; • We involved our internal specialist to independently validate the management's position on the disputes / litigated matters and to consider management assessment in evaluating its position on these tax positions; <p>We have assessed the adequacy of disclosures provided in the consolidated financial statements.</p>

Independent Auditor's Report (contd.)

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Board's Report including Annexures to Board's Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Parent including its Associates in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Parent and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Parent and its associates 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 statements that give a true and fair view and are free

from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Parent and of its associates are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Parent and of its associates are also responsible for overseeing the financial reporting process of the Parent and of its associates.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under

Independent Auditor's Report (contd.)

section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to consolidated 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 ability of the Parent and its associates 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 consolidated 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 Parent and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the branches, entities or business activities within the Parent and its associates to express an opinion on the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls 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 consolidated 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.

Other Matters

The consolidated financial statements also include the Parent's share of net profit of Rs. 0.3 million for the year ended March 31, 2024, as considered in the consolidated financial statements, in respect of two associates. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Parent.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to the financial information certified by the Management.

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 of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law maintained by the Parent and its associates including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

Independent Auditor's Report (contd.)

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated 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 of the Parent as on March 31, 2024 taken on record by the Board of Directors of the Company, none of the directors of the Parent Company and its associates incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.
- g) 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 Parent to their respective directors during the year is in accordance with the provisions of section 197 of the Act.
- h) 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Parent - Refer Note 37 to the consolidated financial statements;
- ii) The Parent and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent, except Rs. 0.02 million which is held in abeyance due to legal cases pending. Refer Note 20 to the consolidated financial statements.
- iv) (a) The Management of the Parent have represented to us, 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 Parent 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 Parent ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Managements of the Parent have represented to us that, to the best of their knowledge and belief, no funds have been received by the Parent from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent 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, performed by us, nothing has come to our notice that has caused us or the other auditors to believe that the representations under

Independent Auditor's Report (contd.)

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 Parent during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 34 (b)(ii) to the consolidated financial statements, the Board of Directors of the Parent have proposed final dividend for the year which is subject to the approval of the members of the Parent at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

- vi) Based on our examination which included test checks, the Parent, has used accounting softwares for maintaining their respective books of account for the financial year

ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software(s). Further, during the course of audit, we have not come across any instance of the audit trail feature being tampered with.

In respect of two associates where the accounts are unaudited, we are unable to comment on the reporting requirement under Rule 11 (g).

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kedar Raje

Partner

(Membership No. 102637)

UDIN: 24102637BKELWX3738

Place: Cairo

Date: May 8, 2024

Annexure “A” to the independent auditor’s report

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as at and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of **SKF India Limited** (hereinafter referred to as “Parent”), as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to consolidated financial statements is not applicable to the associate incorporated in India namely Sunstrength Renewables Private Limited and Clean Max Taiyo Private Limited, pursuant to MCA notification GSR 583(E) dated 13 June 2017, as of that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Parent is responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on “the internal control with reference to consolidated 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 (“the ICAI)”. 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 Parent’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 Parent’s internal financial controls with reference to consolidated financial statements 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 consolidated 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 consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 Parent’s internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company’s internal financial control with reference to consolidated 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 consolidated 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.

Annexure “A” to the independent auditor’s report (contd.)

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated 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, Parent has, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to consolidated 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.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

Place: Cairo
Date: May 8, 2024

Kedar Raje
Partner
(Membership No. 102637)
UDIN: 24102637BKELWX3738

Consolidated Balance Sheet

as at March 31, 2024

(INR in Million)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current Assets			
Property, plant and equipment	3 (a)	4,377.5	3,874.7
Right-of-use assets	3 (b)	94.0	133.7
Capital work-in-progress	3 (a)	886.9	633.8
Investment properties	4	250.7	229.2
Intangible assets	5	1.5	3.2
Financial assets			
Investments	6	89.2	23.6
Loans	7	1,576.0	676.0
Others Financial assets	8	337.3	306.6
Deferred tax assets (net)	9	311.1	208.2
Non-Current Tax Asset (net)	10	289.9	207.4
Other non-current assets	11	887.8	997.0
Total non-current assets		9,101.9	7,293.4
Current Assets			
Inventories	12	6,838.8	6,860.3
Financial Assets			
Trade receivables	13	7,513.3	6,786.5
Cash and cash equivalents	14	12,174.6	9,552.8
Bank balance other than above	15	46.5	26.8
Others Financial assets	8	245.6	269.1
Other Current Assets	11	593.3	990.1
Total current assets		27,412.1	24,485.6
TOTAL ASSETS		36,514.0	31,779.0
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	494.4	494.4
Other Equity	17	26,333.1	22,919.4
Total Equity		26,827.5	23,413.8
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Lease Liabilities	3 (b)	37.5	81.4
Provisions	18	369.4	341.5
Total non-current liabilities		406.9	422.9
Current Liabilities			
Financial Liabilities			
Lease Liabilities	3 (b)	80.1	63.0
Trade Payables	19		
Outstanding dues of micro and small enterprises		370.2	306.3
Outstanding dues other than micro and small enterprises		6,761.2	5,772.8
Other Financial liabilities	20	1,333.8	1,219.3
Provisions	18	475.7	370.5
Other current liabilities	21	258.6	210.4
Total current liabilities		9,279.6	7,942.3
Total Liabilities		9,686.5	8,365.2
TOTAL EQUITY AND LIABILITIES		36,514.0	31,779.0

Material accounting policies 1

Significant accounting judgements, estimates and assumptions 2

The accompanying notes are an integral part of these Consolidated financial statements

In terms of our report of even date

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

Kedar Raje

Partner

Place: Cairo

Date: May 08, 2024

For and on behalf of the Board of Directors of

SKF India Limited

Gopal Subramanyam

Chairman

DIN :- 06684319

Place :- Gothenberg

Ashish Saraf

Chief Financial Officer

PAN :- AVEPS0176L

Place :- Bangalore

Date: May 08, 2024

Mukund Vasudevan

Managing Director

DIN :- 05146681

Place :- Gothenberg

Ranjan Kumar

Company Secretary

PAN :- AMEPK5869R

Place :- Gothenberg

Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

(INR in Million)

Particulars	Notes	Year ended March 31, 2024	Year ended March 31, 2023
1 Revenue from Operations	22	45,701.3	43,049.2
Other Income	23	940.1	518.7
Total Income		46,641.4	43,567.9
2 Expenses			
(a) Cost of materials consumed	24	11,600.7	10,416.9
(b) Purchases of stock-in-trade	25	16,325.5	15,536.5
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(143.3)	(295.2)
(d) Employee benefit expense	27	3,433.7	2,996.3
(e) Finance costs	28	12.1	15.1
(f) Depreciation and amortisation expense	29	746.0	668.4
(g) Other expenses	30	7,308.8	6,900.6
Total Expenses		39,283.5	36,238.6
3 Profit before Tax		7,357.9	7,329.3
4 Share of net profit/(loss) of associates accounted for using the equity method		0.3	0.9
5 Income tax expense :	31		
Current tax (including tax relating to earlier years)		1,900.4	2,075.7
Deferred tax (credit)/ charge		(60.2)	5.7
Total tax expense		1,840.2	2,081.4
6 Profit for the year (3 + 4 - 5)		5,518.0	5,248.8
7 Other comprehensive income			
Items that will not be reclassified to profit and loss			
Remeasurement of defined benefits obligation		(169.5)	33.4
Income tax credit / (charge) relating to these items		42.7	(8.4)
Other comprehensive (loss)/ income for the year (net of tax)		(126.8)	25.0
8 Total comprehensive income for the year (6 + 7)		5,391.2	5,273.8
9 Earnings per equity share [nominal value of share INR 10]			
(previous year : INR 10)	35		
Basic and Diluted EPS		111.6	106.2

Material accounting policies 1

Significant accounting judgements, estimates and assumptions 2

The accompanying notes are an integral part of these Consolidated financial statements

In terms of our report of even date

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Kedar Raje
Partner

Place: Cairo
Date: May 08, 2024

**For and on behalf of the Board of Directors of
SKF India Limited**

Gopal Subramanyam
Chairman
DIN :-06684319
Place :- Gothenberg

Mukund Vasudevan
Managing Director
DIN :-05146681
Place :- Gothenberg

Ashish Saraf
Chief Financial Officer
PAN :-AVEPS0176L
Place :- Bangalore

Ranjan Kumar
Company Secretary
PAN :-AMEPK5869R
Place :- Gothenberg

Date: May 08, 2024

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

A) Equity Share Capital

	Notes	Amount
March 31, 2023	16	
Balance as at March 31, 2022		494.4
Changes in equity share capital due to prior period errors		-
Restated balance at the beginning of the current reporting period		494.4
Changes in equity share capital during the current year		-
Balance as at March 31, 2023		494.4
March 31, 2024	16	
Balance as at March 31, 2023		494.4
Changes in equity share capital due to prior period errors		-
Restated balance at the beginning of the current reporting period		494.4
Changes in equity share capital during the current year		-
Balance as at March 31, 2024		494.4

B) Other Equity

	Retained earnings	Capital redemption reserve	General reserve	Total Other Equity
Balance as at March 31, 2022	15,490.7	32.9	2,838.9	18,362.5
Profit for the year ended March 31, 2023	5,248.8	-	-	5,248.8
Other comprehensive income for the year ended March 31, 2023	25.0	-	-	25.0
Total comprehensive income for the year ended March 31, 2023	5,273.8	-	-	5,273.8
Transactions with owners in their capacity as owners				
Dividend paid (Rs 14.50 per share)	(716.9)	-	-	(716.9)
Balance as at March 31, 2023	20,047.6	32.9	2,838.9	22,919.4
Profit for the year ended March 31, 2024	5,518.0	-	-	5,518.0
Other comprehensive income for the year ended March 31, 2024	(126.8)	-	-	(126.8)
Total comprehensive income for the year ended March 31, 2024	5,391.2	-	-	5,391.2
Transactions with owners in their capacity as owners				
Dividend paid (Rs 40 per share)	(1,977.5)	-	-	(1,977.5)
Balance as at March 31, 2024	23,461.3	32.9	2,838.9	26,333.1

The above Consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

In terms of our report of even date

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Kedar Raje
Partner

Place: Cairo
Date: May 08, 2024

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

Gopal Subramanyam
Chairman
DIN :-06684319
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DIN :-05146681
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Chief Financial Officer
PAN :-AVEPS0176L
Place :- Bangalore

Ranjan Kumar
Company Secretary
PAN :-AMEPK5869R
Place :- Gothenberg

Date: May 08, 2024

Consolidated Cashflow Statement

for the year ended March 31, 2024

(INR in Million)

	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Cash flow from Operating Activities		
Profit before tax	7,357.9	7,329.3
Adjusted for :		
Depreciation and amortisation expenses	746.0	668.4
Provision for bad and doubtful debts	90.1	5.4
Provision for other receivables	43.0	-
Profit on sale of Property Plant & Equipment (net)	(8.1)	(5.4)
Finance costs	12.1	15.1
Liabilities and Provisions no longer required written back	-	49.3
Interest income		
- Fixed deposits with banks	(639.4)	(306.3)
- On loan given to related party	(73.3)	(53.8)
	170.4	372.7
Operating Profit before working capital changes	7,528.3	7,702.0
Adjusted for :		
Decrease / (increase) in inventories	21.5	(92.1)
(Increase) / Decrease in trade receivables	(816.9)	65.4
Decrease in current & non-current assets	361.6	215.6
Increase in trade payables	1,052.7	945.4
Increase in other liabilities and provisions	76.5	185.1
	695.4	1,319.4
Cash generated from operations	8,223.7	9,021.4
Income taxes paid	(1,982.8)	(2,119.1)
Net cash flow from Operating Activities (A)	6,240.9	6,902.3
B. Cash flow from Investing Activities		
Investment in associate companies (March 31, 2023 INR 26,000)	(65.3)	0.0
Payments for Property Plant & Equipment (Including Capital Work-in-progress)	(1,303.9)	(1,067.2)
Payments for Investment properties	(31.5)	(16.9)
Proceed from sale of Property Plant & Equipment	22.8	13.9
Deposits matured during the year	-	108.5
Interest Received	623.1	278.7
Interest received on loan to related party	73.3	53.8
Loan given/ repayment of loan by related party	(900.0)	180.0
Net cash outflow from Investing Activities (B)	(1,581.5)	(449.2)
C. Cash flow from Financing Activities		
Dividend paid	(1,974.0)	(719.4)
Principal elements of lease payments	(51.5)	(51.0)
Finance cost	(12.1)	(15.1)
Net cash outflow from Financing Activities (C)	(2,037.6)	(785.5)
Net changes in Cash and Cash Equivalents (A+B+C)	2,621.8	5,667.6
Cash and Cash Equivalents at beginning of the year	9,552.8	3,885.2
Cash and Cash Equivalents at the end of the year	12,174.6	9,552.8
Net changes in Cash and Cash Equivalents	2,621.8	5,667.6

Material accounting policies 1

Significant accounting judgements, estimates and assumptions 2

The accompanying notes are an integral part of these Consolidated financial statements

In terms of our report of even date

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

Kedar Rajee

Partner

Place: Cairo

Date: May 08, 2024

For and on behalf of the Board of Directors of

SKF India Limited

Gopal Subramanyam

Chairman

DIN :- 06684319

Place :- Gothenberg

Ashish Saraf

Chief Financial Officer

PAN :- AVEPS0176L

Place :- Bangalore

Date: May 08, 2024

Mukund Vasudevan

Managing Director

DIN :- 05146681

Place :- Gothenberg

Ranjan Kumar

Company Secretary

PAN :- AMEPK5869R

Place :- Gothenberg

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2024

Background

SKF India Limited (the 'Company') is a company, listed in India on recognised stock exchanges, limited by shares, incorporated and domiciled in India. The Company is a leading supplier of products, solutions & services within rolling bearing, seals, mechatronics, and lubrication systems. The Company's manufacturing facilities are located at Pune, Bangalore & Haridwar.

1 Material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these Consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

i) Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- a) certain financial assets and liabilities that are measured at fair value;
- b) assets held for sale – measured at fair value less cost to sell;
- c) defined benefit plans – plan assets measured at fair value;

iii) Principles of consolidation and equity accounting

a) Associates

Associates are all entities over which the company has significant influence but not control or joint control. This is generally the case where the company holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

b) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the company's share of the post-acquisition profits or losses of the investee in profit and loss, and the company's share of other comprehensive income of the investee in other comprehensive income. Dividends

received or receivable from associates are recognised as a reduction in the carrying amount of the investment. When the company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the company and its associates are eliminated to the extent of the company's interest in this entity. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the company. The carrying amount of equity accounted investments are tested for impairment in accordance with the policy of the Company.

1.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of segments, has been identified as the Board of Directors.

1.3 Foreign currency translation

i) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Financial statements are presented in Indian Rupee (INR) which is the Company's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2024 (contd.)

exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other expenses.

1.4 Revenue recognition

Revenue is recognized when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

Revenue recognition policy

The Company has following streams of revenue:

- (i) Sale of goods
- (ii) Sale of Services

If a contract is separated into more than one performance obligation, the Company allocates the total transaction price to each performance obligation in an amount based on the estimated relative standalone selling prices of the promised goods or services underlying each performance obligation.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

The Company assesses for the timing of revenue recognition in case of each distinct performance obligation. The Company first assesses whether the revenue can be recognized over time as it performs if any of the following criteria is met:

- (a) The customer simultaneously consumes the benefits as the Company performs, or
- (b) The customer controls the work-in-progress, or
- (c) The Company's performance does not create an asset with alternative use to the Company and the Company has right to payment for performance completed till date.

If none of the criteria above are met, the Company recognized revenue at a point-in-time. The point-in-

time is determined when the control of the goods or services is transferred which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Company also considers its present right to payment, the legal title to the goods, the physical possession and the customer acceptance in determining the point in time where control has been transferred.

Contracts are modified to account for changes in contract specifications and requirements. The Company considers contract modifications to exist when the modification either creates new or changes the existing enforceable rights and obligations. Most of the contract modifications are for goods or services that are not distinct from the existing contract due to the significant integration service provided in the context of the contract and are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price and our measure of progress for the performance obligation to which it relates, is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

Revenue recognized at a point-in-time :-

For sale of products and sale of services, revenue is recognized at point in time when control of goods is transferred and service is rendered to the customer - based on delivery terms, payment terms, customer acceptance and other indicators of control as mentioned above.

1.5 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted by the end of the reporting period. Management periodically evaluates position taken in tax return under applicable tax regulations which is subject to interpretation. It establishes appropriate tax provisions on likely tax liabilities for the accounting period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated financial

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2024 (contd.)

statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are assumed to continue to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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 the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

1.6 Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.7 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes

in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

1.8 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

1.9 Inventories

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of first-in first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

1.10 Financial assets and financial liabilities

Financial assets and financial liabilities are recognized in the balance sheets when the Company becomes a party to the contractual provisions of a financial instrument. Financial instruments are initially recorded at fair value, which is normally equal to transaction price. Transaction costs are included in the initial measurement of financial assets and liabilities that are not subsequently measured at fair value through the income statement.

Financial assets categorized as loans and receivables are measured at amortized cost using the effective interest method. Impairment losses (primarily allowance for doubtful accounts) are recognized

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2024 (contd.)

if management believes that sufficient objective evidence exists indicating that the asset may not be recovered. For disclosure purposes, fair values have been calculated using valuation techniques, mainly discounted cash flow analyses based on observable market data. For current receivables and liabilities (such as trade receivables and payables) the carrying amount is considered to correspond to fair value.

Where discounted cash flow techniques are used, the future cash flows are determined (if not stated explicit in the contract) based on the best assessment by management and discounted using the market interest rate for similar instruments. Financial liabilities are measured at amortized cost using the effective interest method.

Financial assets are derecognized when the contractual rights to the cash flow have expired or been transferred together with substantially all risks and rewards. Financial liabilities are derecognized when they are extinguished.

Investment in government securities that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment extension, call and similar options) but does not consider the expected credit losses.

1.11 Property, plant and equipment (PPE), Investment Properties and Intangible assets

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and

maintenance are charged to profit or loss during the reporting period in which they are incurred.

The company has adopted deemed cost of Property, plant and equipment (PPE) as its carrying value as per earlier GAAP.

Depreciation is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over the estimated useful lives.

The useful lives are:

Particulars	Useful Life (in years)
Buildings	33
Plant and equipments	5/10/14/16/20
Furniture and fixtures	4
Office equipments	3/4
Vehicles	5

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income.

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2024 (contd.)

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 33 years. The useful life has been determined based on technical evaluation performed by the management's expert.

Intangible assets

Intangible assets are stated at initial cost less any accumulated amortization and any impairment. Amortization is made on a straight line basis over the estimated useful lives and begins once the asset is ready for its intended use. The useful lives are based to a large extent on historical experience, the expected application, as well as other individual characteristics of the asset. The useful lives are:

- Software in use - 3 years

1.12 Leases

a) As lessee

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by 'SKF India Limited, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Company use that rate as a starting point to determine the incremental borrowing rate.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2024 (contd.)

- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

b) As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

1.13 Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are paid as per the terms of payments. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

1.14 Provisions

Provisions for legal claims, service warranties, volume discounts and returns are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure

required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

1.15 Post employment benefits

Employee benefits

i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

iii) Post-employment obligations

The company operates the following post-employment schemes:

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2024 (contd.)

- a) defined benefit plans such as gratuity and provident fund (for employees who are members of SKF India Limited Provident Fund Scheme)
- b) defined contribution plans such as superannuation and provident fund (for other employees who are not members of SKF India Limited Provident Fund Scheme)

Defined Benefit Plans

The liability or asset recognised in the balance sheet in respect of gratuity and provident fund is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

With respect to employees who are members of SKF India Limited Provident Fund Scheme ('the Trust') contribution for provident fund to the Trust is a defined benefit plan as the Company has an obligation to make good the shortfall, if any, between the return from investments made by the Trust and notified interest rate. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the employee's salary. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

Contributions to the Provident Fund and Superannuation Fund which are defined contribution schemes, are recognised as an expense in the Statement of Profit and Loss in the period in which the contribution is due. For employees other than members of SKF India Limited Provident Fund Scheme, both the Company's and employees' contribution is paid to Regional Provident Fund Commissioner (RPFC) on a monthly basis. The Company has no further payment obligations once the contributions have been paid.

iv) Bonus Plans

The Company recognises a liability and an expense for bonuses. The company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

v) Employee Stock Awards:

Certain employees of the Company receive remuneration in the form of equity settled instruments given by the ultimate holding company (AB SKF), for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The expense is recognized in the statement of profit and loss with a corresponding increase to the share based payment reserve, as a component of equity. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants. The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

vi) Termination benefits

Voluntary Retirement Scheme costs are charged off to the Statement of Profit and Loss in the year in which they are incurred.

1.16 Contributed Equity

Equity shares are classified as equity

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.17 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and not paid as at the end of the reporting period.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2024 (contd.)

1.18 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and equivalent diluted equity shares outstanding during the year, except where the result would be anti dilutive.

1.19 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III, unless otherwise stated.

2 Significant accounting judgements, estimates and assumptions

The preparation of the Company's Consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. This note provide an overview of the areas that involve a higher degree of judgement or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is mentioned below.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

2(A) Significant Judgement

a) Tax Contingencies

The Company has received orders and notices from tax authorities in respect of direct taxes and indirect taxes. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyzes current information about these matters and provides provisions for probable contingent losses including the

estimate of legal expense to resolve the matters. In making the decision regarding the need for loss provisions, management considers the degree of probability of an unfavourable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the Company or the disclosure of any such suit or assertions, does not automatically indicate that a provision for a loss may be appropriate.

2(B) Significant estimate

a) Impairment of financial assets

The impairment provisions for Consolidated financial assets are based on assumptions about risk of default and expected loss rates and timing of the cash flows. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

b) Fair valuation of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 32 for further disclosures.

c) Defined benefit plan

The cost of the defined benefit gratuity plan, other retirement benefits, the present value of the gratuity obligation and other retirement benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2024 (contd.)

complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on Indian Assured Lives Mortality (2006-08) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary

increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note 36(II).

d) Fair Valuation of Investment Property

The Company obtains independent valuations for its investment properties at least annually. The Valuation is performed using Income approach-Rent capitalisation method as per Ind AS 113- Fair value measurement

2(C) Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2024.

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

3. a) Property Plant & Equipment (Refer Note-46(x))

Description	Freehold Land	Building	Furniture & Fixtures*	Office Equipment	Plant & Machinery*	Vehicles	Total	Capital work in progress
Year ended March 31, 2023								
Gross carrying amount as at April 1, 2022	269.1	689.5	199.5	92.6	5,600.7	98.7	6,950.1	515.2
Additions	-	37.0	14.6	13.7	711.3	62.0	838.6	957.2
Disposals	-	-	-	-	(50.1)	(32.5)	(82.6)	-
Transfers	-	-	-	-	-	-	-	(838.6)
Closing gross carrying amount	269.1	726.5	214.1	106.3	6,261.9	128.2	7,706.1	633.8
Accumulated Depreciation as at April 1, 2022	-	152.5	150.7	71.8	2,879.2	48.5	3,302.8	-
Depreciation charged during the year	-	24.6	27.9	1.9	523.0	25.3	602.8	-
Disposal	-	-	-	-	(43.8)	(30.4)	(74.1)	-
Closing accumulated depreciation	-	177.1	178.7	73.7	3,358.4	43.4	3,831.5	-
Net carrying amount as at March 31, 2023	269.1	549.4	35.4	32.6	2,903.5	84.8	3,874.7	633.8
Year ended March 31, 2024								
Gross carrying amount as at April 1, 2023	269.1	726.5	214.1	106.3	6,261.9	128.2	7,706.1	633.8
Additions	-	40.6	28.6	14.8	1,043.2	60.0	1,187.2	1,440.3
Disposals	-	(1.8)	-	-	(6.4)	(39.1)	(47.3)	-
Transfers	-	-	-	-	-	-	-	(1,187.2)
Closing gross carrying amount	269.1	765.3	242.7	121.1	7,298.7	149.1	8,846.0	886.9
Accumulated Depreciation as at April 1, 2023	-	177.1	178.7	73.7	3,358.4	43.4	3,831.5	-
Depreciation charged during the year	-	26.3	16.9	18.3	575.6	32.5	669.6	-
Disposal	-	(0.0)	-	-	(4.4)	(28.2)	(32.6)	-
Closing accumulated depreciation	-	203.4	195.6	92.0	3,929.6	47.7	4,468.5	-
Net carrying amount as at March 31, 2024	269.1	561.9	47.1	29.1	3,369.1	101.4	4,377.5	886.9

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

3. a) Property Plant & Equipment (Refer Note-46(x)) (contd.)

Ageing of CWIP:

	March 31, 2023				
	Amounts in capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	627.8	5.7	0.3	-	633.8
Projects temporarily suspended	-	-	-	-	-
Total	627.8	5.7	0.3	-	633.8

	March 31, 2024				
	Amounts in capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	841.5	40.6	3.1	1.7	886.9
Projects temporarily suspended	-	-	-	-	-
Total	841.5	40.6	3.1	1.7	886.9

* The Company has leased following assets to SKF Engineering and Lubrication India Private Limited (related party) [formerly known as SKF Technologies (India) Private Limited] under operating lease. The carrying amount of the assets given on operating lease and depreciation thereon for the period are:

Description	Plant & Machinery	Furniture & Fixtures
Year ended March 31, 2023		
Gross carrying amount as at April 1, 2022	60.0	7.0
Additions	0.2	-
Closing gross carrying amount	60.2	7.0
Accumulated Depreciation as at April 1, 2022	51.1	4.8
Depreciation charged during the year	2.1	0.1
Closing accumulated depreciation	53.2	4.9
Net carrying amount as at March 31, 2023	7.0	2.1
Year ended March 31, 2024		
Gross carrying amount as at April 1, 2023	60.2	7.0
Addition	-	1.4
Closing gross carrying amount	60.2	8.4
Accumulated Depreciation as at April 1, 2023	53.2	4.9
Depreciation charged during the year	1.5	0.3
Closing accumulated depreciation	54.7	5.2
Net carrying amount as at March 31, 2024	5.5	3.2

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

b) Leases

This note provides information for leases where the Company is a lessee. The Company has taken buildings on lease and the lease contracts are typically made for fixed periods of 1 year to 8 years.

i) Amounts recognised in the Balance sheet

The balance sheet shows the following amounts relating to lease:

Right-of-use of assets	March 31, 2024	March 31, 2023
Buildings at various location	94.0	133.7
Total	94.0	133.7

Lease Liabilities	March 31, 2024		March 31, 2023	
	Current	Non-Current	Current	Non-Current
Buildings	80.1	37.5	63.0	81.4
Total	80.1	37.5	63.0	81.4

ii) Movement in ROU:

Description	Amount
Year ended March 31, 2023	
Gross carrying amount as at April 1, 2022	316.5
Additions	34.4
Closing gross carrying amount	350.9
Accumulated amortization as at April 1, 2022	162.8
Amortised during the year	54.4
Closing accumulated amortization	217.2
Net carrying amount as on March 31, 2023	133.7
Year ended March 31, 2024	
Gross carrying amount as at April 1, 2023	350.9
Additions	24.8
Closing gross carrying amount	375.7
Accumulated amortization as at April 1, 2023	217.2
Amortised during the year	64.5
Closing accumulated amortization	281.7
Net carrying amount as on March 31, 2024	94.0

iii) Movement in Lease Liability:

Description	March 31, 2024	March 31, 2023
At the commencement of the year	144.4	161.0
Additions/Deletions during the year	24.8	34.4
Payments made during the year	(51.6)	(51.0)
Closing Balance	117.6	144.4

iv) Amounts recognised in the Statement of Profit & Loss

The statement of profit and loss shows the following amounts relating to lease:

Description	March 31, 2024	March 31, 2023
Depreciation charge on right-of-use assets	64.5	54.4
Interest expense (included in Finance cost)	12.1	12.9
Expense relating to short-term leases /leases of low-value assets (Refer Note 30)	13.4	7.5
Total	90.0	74.8

The total cash outflow for leases for the year was INR 51.6 Million (March 31, 2023 was INR 51 Million).

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

4. Investment properties

Description	March 31, 2024	March 31, 2023
Gross carrying amount		
Opening gross carrying amount	286.1	269.2
Additions	31.5	16.9
Closing gross carrying amount	317.6	286.1
Accumulated depreciation		
Opening accumulated depreciation	56.9	47.9
Depreciation	10.0	9.0
Closing accumulated depreciation	66.9	56.9
Net carrying amount	250.7	229.2

Amount recognised in profit & loss for investment properties given on operating lease to related party

Description	March 31, 2024	March 31, 2023
Rental Income	38.4	38.4
Depreciation	10.0	9.0
Profit from Investment properties	28.4	29.4

Leasing arrangements

Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:

Description	March 31, 2024	March 31, 2023
Within one year	38.4	38.4
Later than one year but less than 5 year	153.6	153.6
More than 5 years	105.6	144.0

Fair Value

Description	March 31, 2024	March 31, 2023
Investment properties	513.0	483.0

The Company has obtained an independent valuations for its investment properties by registered valuer as defined under rule 2 of Companies (Registered valuers and valuation) Rules, 2017. Fair value of investment property is arrived using Income Approach - Rent Capitalisation method. It is determined by capitalizing the market lease rent at an appropriate rate (yield) as on date of valuation.

5. Intangible assets

Description	Computer Software
Year ended March 31, 2023	
Gross carrying amount as at April 1, 2022	8.1
Additions	2.9
Closing gross carrying amount	11.0
Accumulated amortization as at April 1, 2022	5.6
Amortised during the year	2.2
Closing accumulated amortization	7.8
Net carrying amount as on March 31, 2023	3.2
Year ended March 31, 2024	

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

5. Intangible assets (contd.)

Description	Computer Software
Gross carrying amount as at April 1, 2023	11.0
Additions	0.2
Disposals/write off	0.7
Closing gross carrying amount	10.5
Accumulated amortization as at April 1, 2023	7.8
Amortised during the year	1.9
Disposals/write off	0.7
Closing accumulated amortization	9.0
Net carrying amount as on March 31, 2024	1.5

6. Investments

Financial Assets	March 31, 2024	March 31, 2023
Investment in associates accounted for using the equity method		
Sunstrength Renewables Private Limited		
599,625 equity shares (March 31, 2023 - 309,750) of INR 10/- each fully paid	51.9	23.6
CleanMax Taiyo Private Limited		
28,867 equity shares (March 31, 2023 - 2,600) of INR 10/- each fully paid (INR, 26,000)	37.3	0.0
	89.2	23.6

During the year ended March 31, 2021, the Company had subscribed to 26.74% equity shares in Sunstrength Renewables Private Limited (SRPL) (the 'associate company'), a Company incorporated pursuant to the requirements of the Electricity Act, 2002 and its rules.

In current year, the Company has subscribed 289,875 equity shares of SRPL vide issuance of equity shares. The equity shareholding of 26.74% remains the same.

During the year ended March 31, 2023, the Company has subscribed to 26.00% equity shares in CleanMax Taiyo Private Limited (CTPL) (the 'associate company'), a Company incorporated pursuant to the requirements of the Electricity Act, 2002 and its rules.

In current year, the Company has subscribed 26,267 equity shares of CTPL vide issuance of equity shares. The equity shareholding of 26.00% remains the same.

7. Loans

Lease Liabilities	March 31, 2024		March 31, 2023	
	Current	Non-Current	Current	Non-Current
Secured, considered good				
Loan to related party* [refer note 44(iii)]	-	1,576.0	-	676.0
	-	1,576.0	-	676.0

*Details of loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013):

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

	March 31, 2024	
	Amount outstanding	% to the total loans and advances in the nature of loans
Loans - Secured, considered good		
Other related parties	1,576.0	100%
Total	1,576.0	100%

	March 31, 2023	
	Amount outstanding	% to the total loans and advances in the nature of loans
Loans - Secured, considered good		
Other related parties	676.0	100%
Total	676.0	100%

(*) Loan given to SKF Engineering and Lubrication India Private Limited (a fellow subsidiary) (formerly known as SKF Technologies (India) Private Limited) with original repayment starting from financial year 2014 onwards. During the previous year, the repayment terms of the loan are extended till 2029.

The said loan together with interest is secured by first charge by way of hypothecation on all the fixed assets of the borrower and corporate guarantee given by AB SKF.

Loan is considered to be recoverable considering favourable loan to security ratio, no defaults in repayment in the past, improved operational performance of the borrower, support by the borrower's holding company in the past and supported by reasonable assumption used for future cash flow. The rate of interest on the loan is the Average Deposit and lending rate (higher of the two) for the period of the loan and prevailing yield for the government securities closest to the tenure of the loan, whichever is higher.

8. Other Financial assets

	March 31, 2024		March 31, 2023	
	Current	Non-Current	Current	Non-Current
Security Deposits	-	109.8	-	102.1
EMD and other deposits				
- Unsecured, considered good	-	227.5	-	183.8
- Unsecured, considered doubtful	-	112.2	-	102.2
	-	339.7	-	286.0
Less: Allowance for doubtful deposits	-	(112.2)	-	(102.2)
	-	227.5	-	183.8
Gratuity Asset	-	-	-	20.3
Other receivables				
Related party (refer note 44 (iii))	186.9	-	222.4	-
Other than related party	14.1	-	17.9	0.4
Interest accrued:				
On fixed deposits with banks	44.6	-	28.3	-
On loan given to related party	-	-	0.5	-
	245.6	337.3	269.1	306.6

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

9. Deferred tax asset / (liabilities) net

	March 31, 2024	March 31, 2023
Deferred tax assets		
Provision for employee benefits	138.3	72.4
Provision for doubtful trade receivables	60.4	40.1
Other timing differences	112.0	100.3
	310.7	212.8
Deferred tax liabilities		
Written down value of Property, plant and equipment	0.4	(4.6)
	0.4	(4.6)
Net deferred tax assets	311.1	208.2

Movements in deferred tax asset/(liabilities) net

	Provision for employee benefits	Provision for doubtful trade receivables	Other timing differences	Written Down Value of Property, plant and equipment	Total
As at April 1, 2022	116.5	36.8	95.6	(26.5)	222.4
(Charged)/credited :					
- to profit and loss a/c	(35.7)	3.3	4.7	21.9	(5.8)
- to other comprehensive income	(8.4)	-	-	-	(8.4)
As at March 31, 2023	72.4	40.1	100.3	(4.6)	208.2
(Charged)/credited :					
- to profit and loss a/c	23.2	20.3	11.7	5.0	60.2
- to other comprehensive income	42.7	-	-	-	42.7
As at March 31, 2024	138.3	60.4	112.0	0.4	311.1

10. Non - Current Tax Asset /(Liability) Net

	March 31, 2024	March 31, 2023
Tax Assets (net of provision INR 22,591 millions, March 31, 2023 - INR 20,455 millions)	289.9	207.4
	289.9	207.4

Movement of Tax

	March 31, 2024	March 31, 2023
Opening Balance (Tax Asset /(Liability) (Net))	207.4	248.2
Add: Taxes paid	1,983.0	2,034.9
Less: Current tax payable	(1,900.4)	(1,853.5)
Less: Current Tax adjustment of earlier years*	-	(222.2)
Closing Balance	290.0	207.4

* The Company had filed MAP application with CBDT for AY 2011-12 and AY 2012-13 regarding transfer pricing adjustments. During the year ended March 31, 2023 the Company had received an intimation from department and based on the letter the Company has accepted certain disallowances for AY 2011-12 and AY 2012-13. This has resulted in additional provision of INR 177 million which is included in Current Tax adjustment of earlier years for the year ended March 31, 2023.

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

11. Other assets

	March 31, 2024		March 31, 2023	
	Current	Non-Current	Current	Non-Current
Capital Advance	-	56.4	-	166.8
Prepaid Expenses	124.9	20.6	117.8	19.4
Advances for supply of goods and rendering of services	80.1	-	405.7	-
Export benefits / duty entitlements				
- Unsecured, considered good	14.3	-	46.2	-
- Unsecured, considered doubtful	33.0	-	-	-
	47.3	-	46.2	-
Less: Allowance for doubtful receivables	(33.0)	-	-	-
	14.3	-	46.2	-
Balances with Sales tax / Excise authorities	370.6	-	280.3	-
Amount paid under protest/dispute				
- Direct Tax	-	759.3	-	759.3
- Indirect Tax	-	51.5	-	51.5
	-	810.8	-	810.8
Other receivables				
- Unsecured, considered good	3.4	-	140.1	-
- Unsecured, considered doubtful	-	4.9	-	4.9
	3.4	4.9	140.1	4.9
Less: Allowance for doubtful receivables	-	(4.9)	-	(4.9)
	3.4	-	140.1	-
	593.3	887.8	990.1	997.0

Current Assets**12. Inventories at cost or NRV whichever is lower (FIFO)**

Current Assets	March 31, 2024	March 31, 2023
Raw Materials and Bought-Out Components	670.3	969.0
including material in transit INR 87.8 millions (March 31, 2023 INR 109.6 millions)		
Stores and Spares	658.6	524.7
including material in transit INR 53.8 millions (March 31, 2023 INR 11.5 millions)		
Work-in-progress	29.9	141.1
Finished Products	5,480.0	5,225.5
including Goods in transit INR 1,145.0 millions (March 31, 2023 INR 1,042.0 millions)		
	6,838.8	6,860.3

The cost of inventories recognised as an expense during the year in respect of continuing operations was INR 245.5 million (March 31, 2023 INR 216.1 million).

13. Trade receivables

	March 31, 2024	March 31, 2023
Trade receivables from contract with customers – billed	6,793.8	6,445.7
Trade receivables from contract with customers – unbilled	13.8	-
Trade receivables from contract with customers – related parties	930.3	500.3
Less: Loss allowance	(224.6)	(159.5)
Total receivables	7,513.3	6,786.5
Current portion	7,513.3	6,786.5
Non-current portion	-	-
	7,513.3	6,786.5

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

	March 31, 2024	March 31, 2023
Break-up of security details		
Trade receivables considered good – unsecured	7,513.3	6,786.5
Trade receivables which have significant increase in credit risk	224.6	159.5
Total	7,737.9	6,946.0
Loss allowance	(224.6)	(159.5)
Total trade receivables	7,513.3	6,786.5

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

Aging of trade receivables:

	March 31, 2024							
	Outstanding for following periods from the due date of payment							
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables								
considered good other than related parties	13.8	5,556.3	990.1	22.9	-	-	-	6,583.1
considered good - related parties (Refer note 44 (iii))	-	927.2	-	3.1	-	-	-	930.3
which have significant increase in credit risk	-	-	47.7	-	-	-	-	47.7
credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables								
considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	59.3	22.9	25.0	69.6	176.8
credit impaired	-	-	-	-	-	-	-	-
Total	13.8	6,483.5	1,037.8	85.3	22.9	25.0	69.6	7,737.9
Less: Loss allowance								(224.6)
Total receivables								7,513.3

	March 31, 2023							
	Outstanding for following periods from the due date of Payment							
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables								
considered good other than related parties	-	6,077.8	193.7	3.6	-	-	11.1	6,286.2
considered good - related parties (Refer note 44 (iii))	-	361.5	127.3	10.4	-	0.8	0.3	500.3
which have significant increase in credit risk	-	-	31.8	-	-	-	-	31.8
credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables								
considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	28.3	33.4	11.4	54.6	127.7
credit impaired	-	-	-	-	-	-	-	-
Total	-	6,439.3	352.8	42.3	33.4	12.2	66.0	6,946.0
Less: Loss allowance								(159.5)
Total receivables								6,786.5

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

14. Cash and cash equivalents

	March 31, 2024	March 31, 2023
Balances with Banks		
- On Current Account	185.9	167.8
- On EEFC Account	37.7	9.0
On Deposit Account (with original maturity of 3 months or less)	11,951.0	9,376.0
Cash & Bank Balances	12,174.6	9,552.8

15. Bank balances other than the above

	March 31, 2024	March 31, 2023
Bank deposits with original maturity of more than 3 months and remaining maturity of less than 12 months.	0.5	0.5
Unclaimed Dividend Account*	46.0	26.1
CSR Unspent Account*	-	0.2
	46.5	26.8

*Unclaimed dividend account and CSR Unspent account represent amounts held for dividend remittance and CSR unspent expenditure of FY 2021-22. Amounts held for dividend remittance are not available for use and amounts held in CSR Unspent Account is for specific purpose only.

16. Equity Share Capital

	No of shares (in million)	Amount
Authorised Equity share capital		
As at March 31, 2022	100.0	1,000.0
Changes during the year	-	-
As at March 31, 2023	100.0	1,000.0
Changes during the year	-	-
As at March 31, 2024	100.0	1,000.0
Movement in issued, subscribed and paid up Equity share capital		
As at March 31, 2022	49.4	494.4
Changes during the year	-	-
As at March 31, 2023	49.4	494.4
Changes during the year	-	-
As at March 31, 2024	49.4	494.4

The Company has only one class of equity shares having a par value of INR 10 per share. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the equity shareholders are eligible to receive remaining assets of the Company, after distribution of all preferential amounts, in the proportion to their shareholding.

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

Shares of the company held by holding company and their subsidiaries

	March 31, 2024		March 31, 2023	
	Number of shares (Million)	Amount	Number of shares (Million)	Amount
Equity shares of INR 10 each fully paid up held by				
(a) Holding company				
Aktiebolaget SKF (AB SKF)	22.7	226.7	22.7	226.7
(b) Subsidiaries of holding company				
SKF U.K. Limited	3.1	31.3	3.1	31.3
SKF Forvaltning AB	0.2	2.0	0.2	2.0
	26.0	260.0	26.0	260.0

Particulars of shareholders holding more than 5% shares of a class of shares

	March 31, 2024		March 31, 2023	
	Number of shares (Million)	% of total shares in the class	Number of shares (Million)	% of total shares in the class
Equity shares of INR 10 each fully paid up held by				
Aktiebolaget SKF, holding company	22.7	45.8%	22.7	45.8%
SKF U.K. Limited, fellow subsidiary company	3.1	6.3%	3.1	6.3%

Details of Shareholding of Promoters

Name of the promoter	March 31, 2024			March 31, 2023		
	Number of shares (Million)	% of total shares in the class	% of change during the year	Number of shares (Million)	% of total shares in the class	% of change during the year
Aktiebolaget SKF (AB SKF)	22.7	45.8%	-	22.7	45.8%	-
SKF U.K. Limited	3.1	6.3%	-	3.1	6.3%	-
SKF Forvaltning AB	0.2	0.4%	-	0.2	0.4%	-

For the period of 5 years immediately preceeding March 31, 2024;

- (i) The Company has not allotted any shares as fully paid up bonus shares
- (ii) The Company has not allotted any shares as fully paid up pursuant to contract(s) without payment being received in cash.
- (iii) The Company has not bought back any shares.

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

17. Reserves and surplus*

	March 31, 2024	March 31, 2023
General reserve	2,838.9	2,838.9
Capital redemption reserve	32.9	32.9
Retained earnings	23,461.3	20,047.6
	26,333.1	22,919.4
General reserve**		
At the commencement of the year	2,838.9	2,838.9
Closing Balance	2,838.9	2,838.9
Capital redemption reserve		
At the commencement of the year	32.9	32.9
Closing Balance	32.9	32.9
Retained earnings		
At the commencement of the year	20,047.6	15,490.7
Profit for the year	5,518.0	5,248.8
Other comprehensive income recognised directly in retained earning :-		
Remeasurements of post-employment benefit obligation, net of tax	(126.8)	25.0
Less : Appropriations		
Dividend on Equity shares INR 40 per share (Previous year INR 14.5 per share)	(1,977.5)	(716.9)
Closing Balance	23,461.3	20,047.6

*There are no changes due to changes in accounting policies or prior period errors.

** Nature and Purpose of Other Reserves:

This reserve represents amounts transferred from retained earnings in earlier years as per the requirements of the erstwhile Companies Act, 1956, now Companies Act 2013

The reserve is a free reserve.

18. Provisions

	March 31, 2024		March 31, 2023	
	Current	Non-Current	Current	Non-Current
Disputed statutory and other matters	-	76.8	-	81.3
Warranty	13.7	7.4	18.2	7.4
Coupons & Incentives	261.0	-	286.2	-
Provision for employee benefits				
Compensated absences	101.6	285.2	66.1	252.8
Gratuity (Refer note 36)	99.4	-	-	-
	475.7	369.4	370.5	341.5

Movements in provisions

Movements in each class of provision during the financial year

	Disputed statutory and other matters	Warranty	Coupons & Incentives	Total
As on April 1, 2022	61.2	20.5	129.9	211.6
Provision made during the year	6.5	3.3	869.7	879.5
Provision utilised during the year	(3.4)	-	(713.4)	(716.8)
As on March 31, 2023	64.3	23.8	286.2	374.3
Provision made during the year	0.6	-	647.8	648.4
Provision utilised during the year	(5.0)	(2.7)	(673.0)	(680.7)
As on March 31, 2024	59.9	21.1	261.0	342.0

All provisions are measured at carrying values since the impact of discounting is not significant.

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

- (i) Provision for disputed statutory and other matters: This represents provisions made for probable liabilities/ claims arising out of pending disputes/litigations with various regulatory authorities and those arising out of commercial transactions with vendors/others. Above provisions are affected by numerous uncertainties and management has taken all efforts to make a best estimate. Timing of outflow of resources will depend upon timing of decision of cases.
- (ii) Provision for warranties: A provision is estimated for expected warranty claims in respect of products sold during the year on the basis of a technical evaluation and past experience regarding failure trends of products and costs of rectification or replacement. The timing and amount of cash flows that will arise from these matters will be determined at the time of receipt of claims.
- (iii) The provision for other obligations is on account of coupons given on products sold by the Company and other retailers and distributors incentive schemes. The provision for coupons is based on the historical data/ estimated figures. The timing and amount of the cash flows that will arise will be determined at the time of receipt of claims from customers, which is generally upto 18 months.

Financial Liabilities

19. Trade payables

	March 31, 2024	March 31, 2023
Current		
(i) Outstanding dues of micro and small enterprises (refer note 38)	370.2	306.3
(ii) Outstanding dues of creditors other than micro and small enterprises & related parties	1,751.5	1,555.0
(iii) Payable to related parties (Refer note 44 (iii))	5,009.7	4,217.8
	7,131.4	6,079.1

Aging of trade payables:

	March 31, 2024						
	Outstanding for following periods from the due date of payment						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade payables							
Micro enterprises and small enterprises	-	316.1	50.5	1.4	1.2	1.0	370.2
Others	940.0	4,825.5	897.2	21.0	13.0	64.5	6,761.2
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	940.0	5,141.6	947.7	22.4	14.2	65.5	7,131.4

	March 31, 2023						
	Outstanding for following periods from the due date of payment						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade payables							
Micro enterprises and small enterprises	-	290.1	12.2	2.7	-	1.3	306.3
Others	1,819.6	2,851.9	876.1	73.1	67.1	85.0	5,772.8
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	1,819.6	3,142.0	888.3	75.8	67.1	86.3	6,079.1

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

20. Other current financial liabilities

	March 31, 2024	March 31, 2023
Salaries and Incentives	224.0	248.3
Liabilities for dealer incentives	855.4	802.1
Unclaimed dividend*	46.0	22.6
Payables on account of capital purchases	101.4	75.6
Other liabilities**	107.0	70.7
	1,333.8	1,219.3

* There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2024 except INR 0.2 million (March 31, 2023 INR 0.2 million) which is held in abeyance due to legal cases pending.

** includes amount payable towards retention amount for trade payables, etc.

21. Other current liabilities

	March 31, 2024	March 31, 2023
Statutory dues payable (TDS,PF, ESIC,PT,etc.)	195.3	165.7
Liability towards corporate social responsibility [Refer note 30(II)]	-	0.2
Advances received from customers	63.3	44.6
	258.6	210.5

22. Revenue from operations (Refer note 42)

	For year ended March 31, 2024	For year ended March 31, 2023
Revenue from contracts with customers :-		
Sale of products :-		
Manufactured goods	25,688.2	20,435.8
Traded goods	18,122.2	20,948.2
Sale of products (total)	43,810.4	41,384.0
Sale of services	1,066.9	955.2
Other operating revenue :-		
Scrap sales	98.6	94.9
Technical and other service income	618.5	502.4
Miscellaneous Operating Income (includes export benefits etc)	106.9	112.7
	45,701.3	43,049.2

23. Other income

	For year ended March 31, 2024	For year ended March 31, 2023
Interest Income from Financial assets at amortised cost		
- Fixed deposits with banks	639.4	306.3
- On loan given to related party	73.3	53.8
Rental income	38.4	38.4
Discount on license purchased	5.2	34.0
Profit on sale of Property Plant & Equipment (net)	8.1	5.4
Liabilities and Provisions no longer required written back	-	49.3
Net Exchange gain	52.4	
Miscellaneous Income	123.3	31.5
	940.1	518.7

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

24. Cost of material consumed

	For year ended March 31, 2024	For year ended March 31, 2023
Inventory at the beginning of the year	969.0	1,188.8
Purchases during the year	11,302.0	10,197.1
Inventory at the end of the year	(670.3)	(969.0)
Cost of material consumed	11,600.7	10,416.9

25. Purchase of stock in trade

	For year ended March 31, 2024	For year ended March 31, 2023
Purchases of traded goods	16,325.5	15,536.5
	16,325.5	15,536.5

26. Changes in inventories of finished goods, work-in-progress and stock-in-trade

	For year ended March 31, 2024	For year ended March 31, 2023
Increase in inventory of finished goods :		
Opening inventory	1,387.0	1,418.0
Less : Closing inventory	1,468.3	1,387.0
	(81.3)	31.0
Increase in inventory of work in progress :		
Opening inventory	141.1	133.3
Less : Closing inventory	29.9	141.1
	111.2	(7.8)
Increase in inventory of traded goods :		
Opening inventory	3,838.5	3,520.1
Less : Closing inventory	4,011.7	3,838.5
	(173.2)	(318.4)
	(143.3)	(295.2)

27. Employee benefit expense

	For year ended March 31, 2024	For year ended March 31, 2023
Salaries, Wages and Bonus	2,655.2	2,353.4
Share based payments (Refer Note 39)	16.2	6.4
Contribution to Provident and Other Funds (Refer note 36)	194.8	178.1
Gratuity (Refer note 36)	36.5	41.1
Compensated absences	106.9	23.8
Staff welfare expenses	424.1	393.5
	3,433.7	2,996.3

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

28. Finance costs

	For year ended March 31, 2024	For year ended March 31, 2023
Interest and finance charges on lease liability	12.1	15.1
	12.1	15.1

29. Depreciation and amortisation expense

	For year ended March 31, 2024	For year ended March 31, 2023
Depreciation of Property, Plant & Equipment	669.6	602.8
Depreciation on right-of-use assets	64.5	54.4
Amortisation of Intangible assets	1.9	2.2
Depreciation of Investment property	10.0	9.0
	746.0	668.4

30. Other expenses

	For year ended March 31, 2024	For year ended March 31, 2023
Consumption of stores and spare parts	1,592.0	1,405.7
Power and Fuel	570.6	561.7
Repairs and maintenance		
Building	43.1	48.6
Machinery	544.9	528.2
Royalty	713.0	659.7
IT Services	773.6	623.1
Trade mark fees	442.8	413.8
Rental charges	13.4	7.5
Insurance	82.6	84.5
Rates and Taxes	15.8	28.4
Travel and conveyance	334.8	265.6
Legal and professional fees	71.6	85.0
Payment to auditors (Refer note I below)	5.8	4.9
Advertising and sales promotion	231.8	228.2
Logistic Cost	423.8	546.3
Provision for bad and doubtful debts	80.9	4.1
Bad debts written off	9.2	1.3
Directors' Commission / Sitting Fees	7.9	7.5
Expenditure incurred for Corporate Social Responsibility (Refer note II below)	110.9	85.9
Net Exchange Loss	-	406.8
Miscellaneous expenses	1,240.3	903.8
	7,308.8	6,900.6

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

	For year ended March 31, 2024	For year ended March 31, 2023
I) Note : Payments to auditors		
As auditor		
- Statutory audit (including limited reviews and certification)	4.8	3.9
- Other audit services	1.0	1.0
	5.8	4.9
	March 31, 2024	March 31, 2023
II) Corporate social responsibility expenditure		
Details of ongoing CSR projects under Section 135 (6) of the Act		
Amount required to be spent by the company during the year	110.1	85.3
Amount of expenditure incurred	110.9	85.9
(Excess) / Shortfall for the year	(0.8)	(0.6)
Shortfall for previous years	-	0.2
Reason for shortfall	Refer note below	Refer note below
Nature of CSR activities:		
Contribution towards Youth Empowerment	41.4	37.1
Contribution towards Women Empowerment	35.4	28.0
Contribution towards Education	15.6	2.7
Others	18.5	18.1
Total	110.9	85.9
Amount spent during the year on		
(i) Construction/acquisition of an Assets	-	-
(ii) On purpose other than (i) above	110.9	85.9
	110.9	85.9
Details of related party transactions	NA	NA
Provision with respect to a liability incurred by entering into a contractual obligation.	NA	NA

Note: During the year, the Company has spent the unspent amount of INR 0.2 million for FY 2021-22.

31. Income Tax expense

	For year ended March 31, 2024	For year ended March 31, 2023
(a) Current Tax		
Current tax on profit during the year	1,900.4	1,853.5
Adjustments for current tax of prior periods	-	222.2
Total Current Tax expense	1,900.4	2,075.7
Deferred Tax		
Deferred tax expense	(60.2)	5.7
Income tax expense	1,840.2	2,081.4
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit from continuing operations before income tax expense	7,357.9	7,329.3
Tax at the Indian tax rate of 25.17 %	1,852.0	1,844.8
Tax effect of amounts which are not deductible (taxable) in calculating taxable income :		
Adjustments for current tax of prior periods	-	222.2
Corporate social responsibility expenditure	27.9	21.6
Others	(39.7)	(7.2)
Income tax expense	1,840.2	2,081.4
(c) Tax impact of remeasurement of post employment benefits obligation recognised in OCI	42.7	(8.4)

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

Fair Value Measurement**32. Financial instruments by category**

The carrying value and fair value of financial instrument by categories were as follows :

	March 31, 2024		March 31, 2023	
	Amortised Cost	Carrying Amount	Amortised Cost	Carrying Amount
Financial assets				
Trade receivables	7,513.3	7,513.3	6,786.5	6,786.5
Cash and bank balances	12,221.1	12,221.1	9,579.6	9,579.6
Loan to related party	1,576.0	1,576.0	676.0	676.0
Other Financial assets	582.9	582.9	575.7	575.7
Total Financial Assets	21,893.3	21,893.3	17,617.8	17,617.8
Financial Liabilities				
Trade Payables	7,131.4	7,131.4	6,079.1	6,079.1
Other Financial Liabilities	1,333.8	1,333.8	1,219.3	1,219.3
Lease Liabilities	117.7	117.7	144.4	144.4
Total Financial Liabilities	8,582.9	8,582.9	7,442.8	7,442.8

The fair values of all financial instruments carried at amortised cost are not materially different from their carrying amounts since they are either short-term in nature or the interest rate applicable are equal to the current market rate of interest.

There are no financial instruments measured under the category of Fair value through Profit and Loss account and Fair value through OCI.

i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level are as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2024

	Level 1	Level 2	Level 3	Total March 31, 2024
Financial assets				
Trade receivables	-	-	7,513.3	7,513.3
Cash and bank balances	-	-	12,221.1	12,221.1
Loan to related party	-	-	1,576.0	1,576.0
Other Financial assets	-	-	582.9	582.9
Total Financial assets	-	-	21,893.3	21,893.3
Financial Liabilities				
Trade Payables	-	-	7,131.4	7,131.4
Other Financial Liabilities	-	-	1,333.8	1,333.8
Lease Liabilities	-	-	117.7	117.7
Total Financial liabilities	-	-	8,582.9	8,582.9

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2023

	Level 1	Level 2	Level 3	Total March 31, 2023
Financial assets				
Trade receivables	-	-	6,786.5	6,786.5
Cash and bank balances	-	-	9,579.6	9,579.6
Loan to related party	-	-	676.0	676.0
Other Financial assets	-	-	575.7	575.7
Total Financial assets	-	-	17,617.8	17,617.8
Financial Liabilities				
Trade Payables	-	-	6,079.1	6,079.1
Other Financial Liabilities	-	-	1,219.3	1,219.3
Lease Liabilities	-	-	144.4	144.4
Total Financial liabilities	-	-	7,442.8	7,442.8

(ii) **Valuation processes**

The Company performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.

33. Financial risk management

In the course of its business, the Company is exposed primarily to market risk, liquidity risk and credit risk, which may impact the fair value of its financial instruments. The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as credit risks. The risk management policy is approved by the board of directors.

The Risk Management framework aims to create a stable business planning environment by reducing the impact of market related risks, credit risks & currency fluctuations on the Company's earnings.

33 (A) Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the, foreign currency exchange rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

i) Foreign currency risk

The Company transacts internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR and SEK. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR).

The Company has both Import and Export transactions in Foreign currency. The Imports are higher than the exports and hence the Company has foreign currency exposure to the extent of purchases being higher than exports, but any material variation in currency is recovered from the customers, through on going negotiation process . Thus the risk for currency fluctuation is mitigated .

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

The company's exposure to foreign currency risk at the end of the reporting period, are as follows

Financial Assets	Exchange Rates		Exposure in Foreign Currency	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Trade Receivables				
EURO	90.0	89.5	125.3	13.3
USD	83.4	82.2	263.3	118.1
SEK	7.8	7.9	222.5	105.4
SGD	61.7	61.9	181.6	137.8
CNY	11.5	12.0	63.3	16.2
AUD	54.1	54.9	9.3	16.5
THB	2.3	2.4	80.0	39.1
CAD	61.3	60.7	-	6.8
Total			945.3	453.2
Bank balance in EEFC				
EURO	90.0	89.5	9.6	5.5
USD	83.4	82.2	28.0	3.6
Total			982.9	462.3

Financial Liabilities	Exchange Rates		Exposure in Foreign Currency	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Trade Payables				
EURO	90.0	89.5	2,874.5	3,212.2
USD	83.4	82.2	535.7	316.3
SEK	7.8	7.9	120.3	(77.5)
GBP	105.1	101.7	0.1	0.2
YEN	0.6	0.6	4.9	11.4
CHF	92.0	89.9	0.1	2.0
CNY	11.5	12.0	-	1.7
SGD	61.7	-	0.9	-
Total			3,536.5	3,466.3

ii) **Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

	Impact on profit after tax	
	March 31, 2024	March 31, 2023
EURO sensitivity		
INR/EURO increased by 5 %	(137.5)	(159.9)
INR/EURO decreased by 5 %	137.5	159.9
USD sensitivity		
INR/USD increased by 5 %	(13.6)	(9.9)
INR/USD decreased by 5 %	13.6	9.9
SEK sensitivity		
INR/SEK increased by 5 %	5.1	9.1
INR/SEK decreased by 5 %	(5.1)	(9.1)
SGD sensitivity		
INR/SGD increased by 5 %	9.1	6.9
INR/SGD decreased by 5 %	(9.1)	(6.9)

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

iii) Interest rate risk

The Company's has very limited exposure to borrowings.

The loan to related party is carried at amortised cost. The Company recovers interest as per the terms of the agreement. The interest rate approximates the market rate of interest and hence the interest risk for loan given to related party is not considered to be substantial.

33 (B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to pay out obligations. Due to the dynamic nature of the underlying businesses, Company ensures availability of funds by managing the investments.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet this. The Company invests its surplus funds in bank fixed deposit and in quoted government debt securities.

Maturities of financial liabilities

Contractual maturities of financial liabilities	Less than 1 year	1-3 years	Over 3 years
31-Mar-2023			
Lease Liabilities (undiscounted)	63.0	79.6	1.8
Total liabilities	63.0	79.6	1.8
	Less than 1 year	1-3 years	Over 3 years
31-Mar-2024			
Lease Liabilities (undiscounted)	80.1	36.2	1.3
Total liabilities	80.1	36.2	1.3

All the financial liabilities are due within 12 months. The carrying value of all the financial liabilities as on respective dates is considered as its maturity value since the impact of discounting is not significant.

33 (C) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness.

Credit risk management

For banks and financial institutions, only high rated banks/institutions are accepted.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty ability to meet its obligations
- actual or expected significant changes in the operating results of the counterparty
- significant increase in credit risk on other financial instruments of the same counterparty
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

The definition of default is determined by considering the business environment in which entity operates and other macro-economic factors. All receivables past due are analysed and based on scrutiny provisions for Bad Debts are made on specific identification basis.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk, being the total of the carrying amount of balances with bank, short term deposits with banks, trade receivables and other financial assets is disclosed at the end of the each reporting period. Refer relevant notes for details.

Financial assets that are neither past due nor impaired

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade receivables and other receivables, and other financial assets that are neither impaired nor past due, there were no indications at the end of each reporting period, that defaults in payment obligations will occur.

The Company follows 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date) model for recognition of impairment loss on financial assets measured at amortised cost other than trade receivables. The Company follows lifetime expected credit loss model (simplified approach) for recognition of impairment loss on trade receivables.

The ageing of trade receivable as on balance sheet date is given below. The age analysis has been considered from the date when the invoices were due for payment.

	As at March 31, 2024			As at March 31, 2023		
	Gross	Allowance	Net	Gross	Allowance	Net
Trade receivables						
Period (in months)						
Not due	6,497.3	-	6,497.3	6,439.3	-	6,439.3
Overdue up to 3 months	1,016.0	-	1,016.0	347.2	-	347.2
Overdue 3-6 months	21.8	(21.8)	-	5.6	(5.6)	-
Overdue more than 6 months	202.8	(202.8)	-	153.9	(153.9)	-
Total	7,737.9	(224.6)	7,513.3	6,946.0	(159.5)	6,786.5

Reconciliation of loss allowance provision – Trade receivables

	Amount (INR in million)
Loss allowance on April 1, 2022	160.3
Change in loss allowance	(0.8)
Loss allowance on March 31, 2023	159.5
Change in loss allowance	65.1
Loss allowance on March 31, 2024	224.6

34. Capital management

(a) Risk management

The company's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and short-term borrowings.

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

(b) Dividends

	March 31, 2024	March 31, 2023
i) Equity shares		
Dividend paid		
March 31, 2023 (INR 40 per share)	1,977.5	-
March 31, 2022 (INR 14.5 per share)	-	716.9
ii) Dividends not recognised at the end of reporting period		
In addition to the dividend in point (i) above, post year end the directors have recommended the payment of a dividend of INR 130.0 per fully paid equity share (March 31, 2023 – INR 40). This proposed dividend is subject to the approval of shareholders in the Annual General meeting.	6,426.9	1,977.5

35. Earnings per share (EPS)**Basic and diluted earnings per share**

The earnings per share (basic & diluted), computed as per the requirement under Indian Accounting Standard (IND AS 33) on 'Earnings per Share' is as under:

	For year ended March 31, 2024	For year ended March 31, 2023
Profit attributable to Equity Shareholders (Rupees in Million)	5,518.0	5,248.8
Basic/Weighted average number of Equity Shares outstanding during the year	49,437,963	49,437,963
Nominal value of Equity Shares (INR)	10.0	10.0
Basic Earnings per share (INR)	111.6	106.2
Diluted Earnings per share (INR)*	111.6	106.2

*There are no dilutive potential equity shares

36. Employee benefits: Post-employment benefit plans**I Defined contribution plans**

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions in case of employees not covered under SKF Bearings India Limited, Provident Fund Scheme. The contributions are charged to the profit and loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund and Superannuation fund is as follows:

Particulars	For year ended March 31, 2024	For year ended March 31, 2023
Employee Provident Fund - Regional Provident Fund Contribution	59.1	42.2
Superannuation fund	53.7	49.4
	112.8	91.6

II Defined Benefit plans**i) Gratuity**

The Company operates a post-employment defined benefit plan that provides gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive between 15 days to one month's salary for each year of completed service at the time of retirement/exit.

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

The following table summarises the position of assets and obligations.

	Present value of obligation	Fair value of plan assets	Net Amount
Opening balance as on April 1, 2022	1,057.0	1,013.2	43.8
Current service cost	40.1	-	40.1
Interest cost/income	67.7	66.0	1.7
Total amount recognised in profit & loss	107.8	66.0	41.8
Remeasurements			
Return on plan assets less interest on plan assets	-	(10.3)	10.3
changes in demographic assumptions	(11.0)	-	(11.0)
(Gain)/loss from change in financial assumptions	9.6	-	9.6
Experience (gains)/losses	(32.0)	-	(32.0)
Total amount recognised in other comprehensive income	(33.4)	(10.3)	(23.1)
Employer contributions	-	82.8	(82.8)
Benefit payments	(95.0)	(95.0)	-
Closing balance as on March 31, 2023	1,036.4	1,056.7	(20.3)
Opening balance as on April 1, 2023	1,036.4	1,056.7	(20.3)
Current service cost	37.9	-	37.9
Interest cost/income	67.8	69.3	(1.5)
Total amount recognised in profit & loss	105.7	69.3	36.4
Remeasurements			
Return on plan assets less interest on plan assets	-	(5.8)	5.8
changes in demographic assumptions	1.2	-	1.2
(Gain)/loss from change in financial assumptions	5.3	-	5.3
Experience (gains)/losses	156.2	-	156.2
Total amount recognised in other comprehensive income	162.7	(5.8)	168.5
Employer contributions	-	85.4	(85.4)
Benefit payments	(97.3)	(97.3)	-
Closing balance as on March 31, 2024	1,207.5	1,108.3	99.2

The net liability disclosed above relates to funded and unfunded plans are as follows:

	March 31, 2024	March 31, 2023
Present value of funded obligations	1,207.5	1,036.4
Fair value of plan assets	1,108.3	1,056.7
Deficit / (Surplus) of funded plan	99.2	(20.3)

Principal actuarial assumptions used as at the reporting date:

The significant actuarial assumptions were as follows:

	March 31, 2024	March 31, 2023
Discount rate	7.25%	7.35%
Salary growth rate		
for Management employees	10.00%	10.00%
for Non-Management employees	7.00%	7.00%
Attrition Rate:		
for Management employees		
Age From 21 to 30 years	30.00%	26.00%
Age From 31 to 40 years	18.00%	17.00%

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

	(INR in Million)	
	March 31, 2024	March 31, 2023
Age From 41 to 50 years	11.00%	12.00%
Age From 51 to 59 years for Non-Management employees	16.00%	17.00%
Age From 21 to 30 years	1.00%	1.00%
Age From 31 to 40 years	2.00%	2.00%
Age From 41 to 50 years	0.00%	0.00%
Age From 51 to 59 years	9.00%	9.00%
Mortality table used	Indian Assured Lives Mortality (2012-2014)	Indian Assured Lives Mortality (2012-2014)

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

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in each territory. These assumptions translate into an average life expectancy in years for a pensioner .

Expected contribution to post employment benefit plans for the FY 2024-25 is INR 80 Million.

ii) **Provident Fund**

The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors. The actuary has provided a valuation and based on the below provided assumptions, shortfall recognised in the Statement of Profit and Loss during the year is NIL (previous year NIL MINR).

	Present value of obligation	Fair value of plan assets	Net Amount
Opening balance as on April 1, 2022	2,081.6	2,209.8	(128.2)
Current service cost	67.3	-	67.3
Interest cost/income	162.8	171.6	(8.8)
Total amount recognised in profit & loss	230.1	171.6	58.5
Remeasurements			
Return on plan assets less interest on plan assets	-	(760.6)	760.6
(Gain)/loss from change in financial assumptions	63.9	-	63.9
Experience (gains)/losses	(661.1)	-	(661.1)
Total amount recognised in other comprehensive income	(597.2)	(760.6)	163.4
Employer contributions	-	67.3	(67.3)
Employee contributions	148.9	148.9	-
Assets Distributed on Settlements / acquired on acquisition	87.3	87.3	-
Benefit payments	251.1	251.1	-
Closing balance as on March 31, 2023	2,201.9	2,175.5	26.4
Opening balance as on April 1, 2023	2,201.9	2,175.5	26.4
Current service cost	71.1	-	71.1
Interest cost/income	162.3	160.4	1.9
Total amount recognised in profit & loss	233.4	160.4	73.0
Remeasurements			
Return on plan assets less interest on plan assets	-	86.2	(86.2)
(Gain)/loss from change in financial assumptions	70.9	-	70.9

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

	Present value of obligation	Fair value of plan assets	Net Amount
Experience (gains)/losses	(75.7)	-	(75.7)
Total amount recognised in other comprehensive income	(4.8)	86.2	(91.0)
Employer contributions	-	71.1	(71.1)
Employee contributions	148.6	148.6	-
Assets Distributed on Settlements / acquired on acquisition	(9.8)	(9.8)	-
Benefit payments	(197.0)	(197.0)	-
Closing balance as on March 31, 2024	2,372.3	2,435.0	(62.7)

The fair value of plan assets is INR 2,435.0 millions (March 31, 2023 INR 2,175.5 million). Gain of INR 62.7 million (March 31, 2023 Deficit of INR 26.4 million) is not recognised.

The net liability disclosed above relates to funded and unfunded plans are as follows:

	March 31, 2024	March 31, 2023
Present value of funded obligations	2,372.3	2,201.9
Fair value of plan assets	2,435.0	2,175.5
Deficit of funded plan	(62.7)	26.4

Principal actuarial assumptions used as at the reporting date:

The significant actuarial assumptions were as follows:

	March 31, 2024	March 31, 2023
Discount rate	7.25%	7.35%
Expected rate of return on plan assets	8.60%	8.07%
Discount rate for the remaining term to maturity of the investment	7.25%	7.35%
Average historic yield on the investment	8.60%	8.07%
Guaranteed rate of return	8.25%	8.15%
Attrition Rate:		
for Management employees		
Age From 21 to 30 years	30.00%	26.00%
Age From 31 to 40 years	18.00%	17.00%
Age From 41 to 50 years	11.00%	12.00%
Age From 51 to 59 years	16.00%	17.00%
for Non-Management employees		
Age From 21 to 30 years	1.00%	1.00%
Age From 31 to 40 years	2.00%	2.00%
Age From 41 to 50 years	0.00%	0.00%
Age From 51 to 59 years	9.00%	9.00%
Mortality table used	Indian Assured Lives Mortality (2012-2014)	Indian Assured Lives Mortality (2012-2014)

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

III Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption		Impact on defined benefit obligation					
	March 31, 2024	March 31, 2023		Increase in Valuation			Decrease in Valuation	
				March 31, 2024	March 31, 2023		March 31, 2024	March 31, 2023
Discount rate - Gratuity	0.50%	0.50%	Decrease by	26.8	23.9	Increase by	-27.1	22.8
Salary growth rate - Gratuity	0.50%	0.50%	Increase by	26.8	23.7	Decrease by	25.8	22.8
RPFC guaranteed rate	1.00%	1.00%	Increase by	84.2	78.2	Decrease by	43.9	40.7

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

IV (a) The major categories of plans assets for Gratuity are as follows:

	March 31, 2024				March 31, 2023			
	Quoted	Unquoted	Total	in %	Quoted	Unquoted	Total	in %
<i>Debt instruments</i>								
Corporate bonds	9.5	-	9.5	1%	9.6	-	9.6	1%
Government of India securities	146.4	-	146.4	13%	147.1	-	147.1	14%
Sub Total	155.9	-	155.9		156.7	-	156.7	
Insurer Fund	-	902.9	902.9	82%	-	897.9	897.9	85%
Others*	-	47.8	47.8	4%	-	0.5	0.5	0%
Total	155.9	950.7	1,106.6	100%	156.7	898.4	1,055.1	100%

* Includes payable to SKF India Limited

(b) The major categories of plans assets for Provident Fund are as follows:

	March 31, 2024				March 31, 2023			
	Quoted	Unquoted	Total	in %	Quoted	Unquoted	Total	in %
Equity instruments	261.5	-	261.5	11%	181.8	-	181.8	8%
<i>Debt instruments</i>								
Corporate bonds	305.3	-	305.3	13%	305.4	-	305.4	14%
Government of India securities	1,104.3	-	1,104.3	45%	978.3	-	978.3	45%
Sub Total	1,409.6	-	1,409.6		1,283.7	-	1,283.7	
Others	-	761.1	761.1	31%	-	710.0	710.0	33%
Total	1,671.1	761.1	2,432.2	100%	1,465.5	710.0	2,175.5	100%

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

The weighted average duration of the defined benefit obligation is 4.39 years (March 31, 2023– 4.52 years). The expected maturity analysis of undiscounted gratuity is as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2024					
Defined benefit obligation	284.7	384.8	489.4	640.0	1,798.9
March 31, 2023					
Defined benefit obligation	224.1	333.1	411.3	594.3	1,562.8

V Risk exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility: The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk to minimise risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit. The company has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The company intends to maintain the above investment mix in the continuing years.

Changes in bond yields: A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

The company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans.

Within this framework, the company's ALM objective is to match assets to the gratuity obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due.

The company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The company has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

37. Contingent liabilities and commitments

(to the extent not provided for)

a) Contingent liabilities:

	March 31, 2024	March 31, 2023
Claims against the Company not acknowledged as debts		
(i) Income-tax*	3,469.6	3,248.2
(ii) Excise & Customs duty	411.5	221.7
(iii) GST, Service Tax and Sales tax	223.5	189.1
(iv) Others	1,144.4	1,142.4
	5,249.0	4,801.4

* Including interest of INR 1,342 Million (March 31, 2023 INR 1,227 Millions) as per the demand order.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

- (i) Income Tax :- The Company has outstanding disputes with Direct Tax authorities mainly relating to tax treatment of certain expenses claimed as deduction, computation or allowances and transfer pricing matters.

During the year, the Company has received draft assessment order u/s 143(3) read with section 144C of the Income Tax Act, 1961 ("Act") from the Assessing officer proposing an adjustment for

1. INR 827.8 Million (INR 799.6 Million addition made by the TPO under section 92CA(3) of the Act and INR 28.2 Million towards income tax matters) for FY 2019-20.
2. INR 591.2 Million (INR 554.6 Million addition made by the TPO under section 92CA(3) of the Act and INR 36.6 Million towards income tax matters) for FY 2020-21.

The company has filed its objections with Dispute resolution panel under section 144C of the Act. The matter shall be heard and directions shall be issued to the Assessing officer who shall, in conformity with the directions, pass the final order under section 144C(13) of the Act. Given the fact that the company has not received final assessment order and that the hearings are pending before the Dispute resolution panel, the management is of the opinion that there is no tax liability against the company as on the balance sheet date."

Also, the Company has received a final assessment order for the Financial Year 2014-15 (Assessment Year 2015-16) u/s 147 read with section 144C(13) of the Income Tax Act, 1961 ("Act") from the Assessing officer resulting in an adjustment of MINR 284.2 towards Transfer Pricing addition and an adjustment of MINR 30.2 towards income tax issue. The company has preferred an appeal before the Income-tax Appellate Tribunal against the adjustment, and the same is pending to be heard.

- (ii) GST Service Tax -Sales Tax :- The Company has outstanding disputes with Indirect Tax authorities mainly relating to VAT, Service tax and GST.
- (iii) Customs Duty :- During the year Company has received show cause cum demand notice from customs authority of India to enforce bond u/s 143 of the customs act 1962 w.r.t advance license issued during FY 1997-98. The Company has successfully closed part of the licenses. For the closure of remaining licenses, the Company is co-ordinating with DGFT and Customs Authorities.
- (iv) Others :- The Company has disclosed other claims relating to civil cases considering similar industry practices.
- (v) The Company has evaluated the impact of the recent supreme court judgment in case of "Vivekananda Vidyamandir and Others Vs The Regional Provident Fund Commissioner (II), West Bengal" and the related circular (Circular No. -C-I/1(33)2019/Vivekananda Vidya Mandir /284) dated March 20, 2019 issued by the Employees' Provident Fund Organization in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management, the aforesaid matter is not likely to have a significant impact and accordingly, no provision is recorded as at March 31, 2024.

b) Commitments:

	March 31, 2024	March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances of INR 56.4 million (March 31, 2023 INR 166.8 million)	539.7	327.4
	539.7	327.4

38. (a) Dues to micro and small suppliers

	March 31, 2024	March 31, 2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end (Refer note (b) below*)	386.1	326.2
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	34.6	30.1
Principal amount paid to suppliers registered under the MSMED Act beyond the appointed day during the year	297.3	634.9

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

	(INR in Million)	
	March 31, 2024	March 31, 2023
Interest paid other than under Section 16 of MSMED Act to suppliers registered under the MSMED Act beyond the appointed day during the year	Nil	Nil
Interest paid under Section 16 of MSMED Act to suppliers registered under the MSMED Act beyond the appointed day during the year	Nil	Nil
Interest due and payable towards suppliers registered under MSMED Act for payment already made	4.6	12.3
Further interest remaining due and payable for earlier years	30.1	17.0

*Includes amount of INR 330.7 million (March 31, 2023 INR 310.1 million) outstanding, but not overdue to micro and small as on March 31, 2024.

Note : The above information has been compiled by the Company on the basis of information made available by vendors during the year ended March 31, 2024 and year ended March 31, 2023.

(b) 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:

Reconciliation to trade payable total outstanding dues of micro and small enterprises and MSME disclosure principal amount :

	March 31, 2024	March 31, 2023
Total Outstanding dues to Micro And Small Enterprises	386.1	326.2
Capital Creditors	15.9	19.9
MSME Principal	370.2	306.3

39. Share Based Payments

SKF's Performance Share Programme

Aktiebolaget SKF (AB SKF), Sweden the ultimate holding company, as part of its Performance Share Program (PSP) offers stock awards to selected employees of its subsidiaries.

The shares of AB SKF, Sweden are listed with Nasdaq Stockholm Stock Exchange, Sweden. The awards issued are vested for a period of 3 years from the date of grant depending on the performance conditions. The terms and other conditions applicable to each award granted under the PSP are generally determined by the Group Management of AB SKF. The programme covers a maximum of 225 senior managers and key employees in the SKF Group, including Group Management, with the opportunity of being allotted, free of charge, SKF shares of series B. Under the programme, no more than 1,000,000 SKF shares of series B, may be allotted. Fulfilment % is decided by the Group Management based on the performance conditions met. The number of shares definitively vested will be calculated according to the fulfilment %.

The allotment of shares shall be related to the level of achievement of the Total Value added (TVA) target level, as defined by the Board of Directors, and the SKF Group Net Zero 2030 objective. 90% of the maximum allocation of shares under the programme is based on the level of TVA increase. The allocation of shares is based on the level of TVA increase during the financial years 2022–2024 compared to the financial year 2021. In order for allocation of shares to take place the TVA increase must exceed a certain minimum level (the threshold level). In addition to the threshold level a target level is set. Maximum allotment is awarded if the target level is reached or exceeded.

10% of the maximum allocation is based on the reduction of CO2e emissions. After the expiry of the financial year 2024, a comparison will be made of the level of CO2e emissions reduction achieved during the programme period and the net zero 2030 objective trajectory. If the trajectory reduction level is met or exceeded full allotment is awarded, i.e. 10% of the total maximum allotment under the programme. If the reduction does not meet the trajectory level, no allotment is awarded in relation to this part of the programme.

Provided that the TVA increase reaches the target level and that the Net Zero 2030 objective is met, the participants of the programme may be allotted the following maximum number of shares per person within the various key groups:

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

- CEO and President: shares corresponding to a value of 75% of the fixed base salary
- Other members of Group Management: shares corresponding to 55% of the fixed base salary or 13,000 shares, whichever is higher
- Managers of large business units and similar: 4,500 shares
- Other senior managers: 3,000 shares
- Other key persons: 1,250 shares

The share-based compensation programmes of the Group are mainly equity-settled through the SKF Group's Performance Share programmes.

The fair value of the SKF B share at grant date is calculated as the market value of the share excluding the present value of expected dividend payments for the next three years. Allotment of shares under SKF's Performance Share Programme requires that the persons covered by each of the programmes are employed in the SKF Group during the entire three year calculation period.

The inputs used in the measurement of the fair values at grant date of the stock awards were as follows.

Grant Date	30-Apr-20	30-Apr-21	30-Apr-22	30-Apr-23
Exercise Price (SEK)	-	-	-	-
Exercise Price in equivalent INR*	-	-	-	-
Expected Volatility	1.65%	0.46%	-2.40%	2.17%
Expected dividend Yield	3.0%	3.3%	4.4%	3.7%
Expected Life	NA	NA	NA	NA
Risk Free Interest Rate	-0.3%	0.0%	2.6%	2.6%
Fair Value per share (SEK)	125.0	226.6	139.8	183.0
Fair Value per share in equivalent INR*	992.1	1,798.4	1,109.5	1,426.3
Awards Exercisable at the end of the year	NA	6,708.3	3,552.1	5,510.4

* Converted into INR using exchange rate 7.79

The following share based payment arrangements were in existence during the current and previous year

Award Series	Number	Grant Date	Expiry Date / Year	Fair Value at grant date (SEK)	Equivalent Fair Value INR*
Stock Awards					
PSP2020	10,500	30-Apr-20	2023	125.0	992.1
PSP2021	10,500	30-Apr-21	2024	226.6	1,798.4
PSP2022	23,250	30-Apr-22	2025	139.8	1,109.5
PSP2023	17,250	30-Apr-23	2026	183.0	1,426.3

*Converted using exchange rate 7.79

Movement in stock awards during the year	Employee Stock Award Plan			
	March 31, 2024		March 31, 2023	
	No. of Awards	Weighted Average Exercise Price	No. of Awards	Weighted Average Exercise Price
Balance at the beginning of year	14,927		10,033	
Granted during the year	58,073		34,217	
Adjustment during the year*	(38,868)		(26,496)	
Forfeited during the year	-	NA	-	NA
Exercised during the year	(10,500)		-2,827	
Expired during the year	-		-	
Balance at end of year	23,632		14,927	

* Represents adjustments made by AB SKF, the ultimate holding company, pursuant to realignment of employees' entitlement in accordance with the fulfilment %.

Since the plan is administered and controlled by the Holding Company, the above information is presented only to the extent available with the Company.

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

40. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief operating decision maker. The Board of Directors has been identified as the Chief operating decision maker (CODM).

The Company operates in only one business segment viz. 'Bearings'. This is the principal activity for the Company. The segment revenue is measured in the same way in Statement of Profit and Loss.

Information about geographical segments

	March 31, 2024	March 31, 2023
Segment revenue		
Within India	41,325.1	39,322.0
Outside India	4,376.2	3,727.2
	45,701.3	43,049.2
Segment assets*		
Within India	6,877.5	6,102.6
Outside India	-	-
	6,877.5	6,102.6

* Non Current Assets excludes Deferred Tax assets and Financial Instruments

41. The Company has facility from banks for

Fund based and non-fund based facility (including working capital / working capital demand loan) sanctioned amounting to 1,729.4 MINR and 5 MINR, but not utilised any time during the year.

The working capital / working capital demand loans is secured by fixed deposits of the Company held with the bank to the tune of 5 MINR as at March 31, 2024.

The Company is filing returns / statements in compliance with facility agreement with the bank.

42. Ind AS 115 :- Revenue from contracts with customers

	March 31, 2024	March 31, 2023
Reconciliation of revenue with contract price :-		
Revenue as per statement of Profit & Loss	45,701.3	43,049.2
Add: Incentive/rebates etc	1,603.1	1,661.8
Add: Discounts	6.9	7.6
Add: Liquidated damages	43.0	15.4
Contract price	47,354.3	44,734.0

43. Code on Social Security, 2020

The code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact after the Code becomes effective.

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

44. Related party disclosures

(i) List of Related Parties & relationship:

a) Ultimate Parent Entity / Ultimate Controlling Party and Immediate Parent Entity / Immediate Controlling Party:

Sr. No.	Name of the Related Party
1	Aktiebolaget SKF (AB SKF)

b) Names of the related parties with whom transactions were carried out and description of relationship:

Fellow subsidiary Companies (All under the common control of AB SKF)

1	SKF GMBH
2	SKF INDUSTRIE SPA
3	SKF Sverige AB
4	SKF USA Inc
5	SKF Argentina S.A.
6	SKF OESTERREICH AG
7	PEER BEARING COMPANY
8	SKF (Xinchang) Bearings and Precision Technologies Co, Ltd.
9	SKF Recondoil AB
10	SKF Metal Stamping S.r.l.
11	LINCOLN INDUSTRIAL CORP
12	ALEMITE LLC
13	STEWART WARNER CORPORATION OF CANADA
14	SKF Engineering and Lubrication India Private Limited
15	Blohm Voss Industries (Singapore) Pte Ltd
16	KAYDON CORPORATION
17	COOPER ROLLER BEARINGS COMPANY LTD
18	SKF AB SWEDEN
19	SKF International AB (Treasury Centre), Göteborg
20	SKF MEKAN AB
21	SKF Eurotrade AB
22	SKF DANMARK AS
23	Oy SKF AB
24	SKF (U.K.) Limited
25	SKF FRANCE S.A.
26	RKS S.A.S
27	SKF BELGIUM NV SA
28	SKF ESPANOLA S.A., INT. MARK.
29	RFT SPA
30	SKF CZ a.s.
31	SKF BEARINGS BULGARIA EAD
32	SKF European Distribution Centre (EDC), Tongeren
33	VENTURE AEROBEARINGS LLC
34	BFW COUPLING SERVICES LTD
35	SKF Canada Ltd
36	SKF MAGNETIC BEARINGS
37	SKF DE MEXICO S.A.DE C.V.
38	SKF Sealing Solutions, S.A. DE C.V (DOH)
39	SKF Latin Trade S.A.
40	SKF del Peru S.A.
41	SKF DO BRAZIL LTDA
42	Peer Bearing Company-Changshan

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

Fellow subsidiary Companies (All under the common control of AB SKF)

43	SKF TÜRK SANAYI VE TICARET LIMITED
44	SKF Asia Pacific Pte Ltd
45	SKF (Thailand) Ltd, Bangkok
46	SKF Bearing Services Taiwan, Taipei
47	SKF Japan Ltd., Tokyo
48	SKF KOREA LTD.
49	SKF PHILLIPINES INC
50	SKF BEARING INDUSTRIES SDN BHD
51	SKF MALAYSIA SDN.BHD.
52	SKF SEALING SOLUTIONS (WUHU) CO LTD
53	PT SKF INDONESIA
54	SKF Sealing Solutions Korea Co Ltd
55	SKF VIETNAM CO LTD
56	PT SKEFINDO PRIMATAMA
57	SKF (Shanghai) Automotive Technologies Co Ltd
58	SKF (China) Sales Co Ltd
59	SKF(DALIAN) BEARINGS & PREC.CO
60	SKF (Jinan) Bearing & Precision Technology Co. Ltd.
61	SKF Distribution Shanghai Co Ltd
62	SKF Australia PTY Ltd.
63	PILGRIM INTERNATIONAL LTD.
64	SKF B.V.
65	SKF SEALING SOLUTIONS GMBH
66	SKF SOUTH AFRICA (PTY) LTD.
67	SKF Sealing Solutions Austria GmbH
68	SKF Sealing Solutions (Schweiz) GmbH
69	SKF Economos India Pvt. Ltd
70	SKF FORVALTNING AB
71	SKF CHILENA S.A.I.C.
72	SKF Coupling Systems AB
73	SKF Magnetic Mechatronics SAS
74	SKF SEALS AMERICAS
75	SKF SEALS ITALY SPA
76	SKF Seals Leverkusen
77	Beijing Nankou SKF Railway Bearings Co Ltd
78	M3M SAS
79	Ningbo General Bearing Co Ltd (NGBC)
80	SKF AEROENGINE FRANCE
81	SKF Aerospace France S.A.S
82	SKF Financial Services Poland sp. z o.o
83	SKF MFR Technology
84	SKF POLSKA S.A.
85	SKF PORTUGAL ROLAMENTOS, LDA
86	SKF REINSURANCE CO LTD.
87	VESTA SI SWEDEN AB

Interested Entities (Firms / Companies where the close member of KMP of the Company is interested)

1	Khaitan & Co
2	AZB Partners
3	The Council of EU Chamber

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

Key Management Personnel

1	Mr Gopal Subramanyam (Chairman)
2	Mr.Mukund Vasudevan (Managing Director -w.e.f April 8, 2024)
3	Mr Manish Bhatnagar (Managing Director - till March 31, 2024)
4	Mr Aldo Cedrone (Director)
5	Ms Anu Wakhlu (Director)
6	Mr Shailesh Sharma (from 10 th February, 2022) (Director)
7	Mr Karl Robin Joakim Landholm (from 28 th June 2022) (Director)
8	Mr David Leif Henning Johansson (from 28 th June 2022) (Director)
9	Mr Ashish Saraf (Chief Financial officer)
10	Mr Ranjan Kumar (Company Secretary)

Close Member of Key Management Personnel

1	Udayarkar Rangarajan
2	Nanditha Gopal

Employees' Benefit plans where there is Significant influence

1	SKF India Limited Provident Fund Scheme
2	SKF Bearings India Limited Superannuation Scheme
3	SKF Bearings India Limited Bangalore Superannuation Scheme
4	SKF Bearings India Limited Employees Gratuity Fund
5	SKF Bearings India Limited Bangalore Employees Gratuity Fund

(ii) Disclosure of related party transactions:

Sr. No.	Nature of transaction / relationship / major parties	For year ended March 31, 2024		For year ended March 31, 2023	
		Amount	Amount	Amount	Amount
A	Purchases				
i	Raw Materials, components, spares and Finished Goods	16,041.7		14,648.5	
	SKF GMBH		3,517.6		3,772.7
	SKF Engineering and Lubrication India Private Limited		3,711.0		2,990.4
	SKF Sverige AB		1,252.0		1,565.4
	SKF France S.A.		1,561.5		1,062.4
	SKF INDUSTRIE SPA		1,105.1		1,269.9
	Others		4,894.5		3,987.7
ii	Property, Plant and Equipment	62.6		123.5	
	SKF Osterreich AG		9.2		32.5
	SKF Engineering and Lubrication India Private Limited		36.6		32.8
	SKF GMBH		0.7		1.2
	SKF Recondoil AB		-		22.8
	SKF ESPANOLA S.A., INT. MARK.		16.1		18.0
	Others		0.0		16.2
B	Services received				
i	Administrative and Service Fees	43.2		42.0	
	SKF International AB		23.2		19.8
	SKF AB Sweden		12.4		4.7
	SKF GMBH		0.7		9.1
	Others		6.9		8.4
ii	IT services	416.1		282.8	
	AB SKF		416.1		282.8

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

Sr. No.	Nature of transaction / relationship / major parties	For year ended March 31, 2024		For year ended March 31, 2023	
		Amount	Amount	Amount	Amount
C	Royalty	713.0		659.7	
	AB SKF		713.0		659.7
D	Trade Mark Fees	442.8		413.8	
	AB SKF		442.8		413.8
E	Sales				
i	Goods and Services	3,630.5		3,034.1	
	SKF International AB EDC		615.9		586.3
	SKF GMBH		713.7		457.4
	SKF Do Brazil Ltda		-		183.2
	SKF USA Inc		560.0		352.2
	SKF Industrie Spa		-		102.9
	SKF Asia Pacific Pte Ltd		464.6		242.3
	SKF (Thailand) Ltd, Bangkok		360.2		135.5
	Others		916.1		974.3
ii	Technical and other service income	628.0		502.4	
	AB SKF		486.3		413.0
	Others		141.7		89.4
F	Other Income				
i	Rent Income	38.4		38.4	
	SKF Engineering and Lubrication India Private Limited		38.4		38.4
ii	Commission Income	-		0.3	
	SKF Asia Pacific Pte Ltd		-		0.3
G	Reimbursements				
i	Received	217.6		196.1	
	SKF Engineering and Lubrication India Private Limited		167.4		108.2
	Others		50.2		87.9
ii	Paid	2.8		2.7	
	SKF GMBH		1.4		2.4
	Others		1.4		0.3
H	Inter Corporate Loan & Interest				
i	Loan Received Back	-		180.0	
	SKF Engineering and Lubrication India Private Limited	-	-		180.0
ii	Loan Given	900.0			
	SKF Engineering and Lubrication India Private Limited		900.0		
ii	Interest Income on Loan	73.3		53.8	
	SKF Engineering and Lubrication India Private Limited		73.3		53.8
I	Dividend Paid	1,039.7		376.9	
	AB SKF		906.6		328.7
	SKF (UK) Ltd.		125.2		45.4
	SKF Forvaltning AB		7.9		2.8
J	Trade Advance given	-		2,110.0	
	SKF Engineering and Lubrication India Private Limited		-		2,110.0
K	Trade advance adjusted against purchase	-		2,110.0	
	SKF Engineering and Lubrication India Private Limited		-		2,110.0

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

Sr. No.	Nature of transaction / relationship / major parties	For year ended March 31, 2024		For year ended March 31, 2023	
		Amount	Amount	Amount	Amount
L	Managerial Remuneration :-	114.2		77.7	
	Short-term employee benefits		109.3		72.8
	Long-term employee benefits		4.9		4.9
M	Payment to Directors	7.9		7.5	
	Sitting fees & Commission		7.9		7.5
N	Employees' Benefit plans where there is Significant influence				
i	Contributions Paid	353.8		339.3	
	SKF India Limited Provident Fund Scheme		219.1		215.5
	SKF Bearings India Limited Superannuation Scheme		40.2		35.6
	SKF Bearings India Limited Bangalore Superannuation Scheme		9.0		7.1
	SKF Bearings India Limited Employees Gratuity Fund		54.2		81.1
	SKF Bearings India Limited Bangalore Employees Gratuity Fund		31.3		-
ii	Reimbursements Received For Settlements	103.4		199.0	
	SKF Bearings India Limited Employees Gratuity Fund		86.2		163.9
	SKF Bearings India Limited Bangalore Employees Gratuity Fund		17.2		35.1

(iii) Amount due to/from related parties

Sr. No.	Nature of transaction / relationship	March 31, 2024		March 31, 2023	
		Amount	Amount	Amount	Amount
1	Trade receivables	930.3		500.3	
	SKF International AB		891.6		420.0
	Others		38.7		80.3
2	Other receivable	187.0		216.3	
	AB SKF		139.1		114.3
	Others		47.9		102.0
3	Trade payables	5,009.7		4,217.8	
	SKF International AB		2,963.7		3,101.4
	AB SKF		304.7		269.5
	Others		1,741.3		846.9
4	Loans	1,576.0		676.0	
	SKF Engineering and Lubrication India Private Limited		1,576.0		676.0
5	Inter corporate interest receivable	-		0.5	
	SKF Engineering and Lubrication India Private Limited		-		0.5
6	Employees' Benefit plans where there is Significant influence				
	Other Receivable	100.2		26.3	
	SKF Bearings India Limited Employees Gratuity Fund		0.0		4.1
	SKF Bearings India Limited Bangalore Employees Gratuity Fund		-		2.0
	SKF Bearings India Limited Employees Gratuity Fund		99.4		20.2
	SKF Bearings India Limited Superannuation Scheme		0.8		-

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

Sr. No.	Nature of transaction / relationship	March 31, 2024		March 31, 2023	
		Amount	Amount	Amount	Amount
	Other Payable	85.0		-	
	SKF Bearings India Limited Employees Gratuity Fund		23.4		-
	SKF Bearings India Limited Employees Provident Fund		19.3		-
	SKF Bearings India Limited Superannuation Scheme		42.3		-
7	Director's commission	6.5	6.5	6.2	6.2

45. Investments

	As at March 31, 2024	As at March 31, 2023
Investment in associates accounted for using the equity method		
Sunstrength Renewables Private Limited		
599,625 equity shares (March 31, 2023 - 309,750) of INR 10/- each fully paid	51.9	23.6
Clean Max Taiyo Private Limited		
28,867 equity shares (March 31, 2023 - 2,600) of INR 10/- each fully paid (INR, 26,000)	37.3	0.0
Total (unquoted investments)	89.2	23.6

Set out below are the associates of the Company as at March 31, 2024 which, in the opinion of the directors, is not material to the Company. The entities listed below have share capital consisting solely of equity shares, which are held directly by the Company. The country of incorporation or registration is also their respective principal places of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of Entity	Place of Business	% of ownership interest	Relationship	Accounting method	Quoted fair value	Carrying amount
					March 31, 2024	March 31, 2024
Sunstrength Renewables Private Limited	Mumbai, Maharashtra India	26.74%	Associate	Equity method	-*	51.9
Clean Max Taiyo Private Limited	Bangalore, Karnataka India	26.00%	Associate	Equity method	-*	37.3

Sunstrength Renewables Private Limited is engaged in the business of generation and distribution of solar power and design, development, operation and maintenance of solar power generation system as per the agreement with the customers.

Clean Max Taiyo Private Limited is engaged in the business of generation and distribution of power generated from Wind Solar Hybrid Power Project to the Consumer shareholders as per the agreement.

* Unlisted entity - no quoted price available

(i) Significant judgement: existence of significant influence

Through the shareholders' agreement, SKF India Limited is guaranteed one seat (Observer) on the boards of Sunstrength Renewables Private Limited and participates in all significant financial and operating decisions. It holds 26.74% of the voting rights. The Company has therefore determined that it has significant influence over this entity.

Through the shareholders' agreement, SKF India Limited participates in all significant financial and operating decisions of Clean Max Taiyo Private Limited. It holds 26.0% of the voting rights. The Company has therefore determined that it has significant influence over this entity.

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

(ii) Summarised financial information for associates

The summarized financial information for associates disclosed below, reflects the amounts presented in the financial statements of the relevant associates and not the Company's share of those amounts.

Summarised balance sheet	March 31, 2024	March 31, 2023
Current assets		
Cash and cash equivalents	148.4	49.5
Other assets	19.8	8.3
Total current assets	168.2	57.8
Non-current assets		
Property, plant and equipment	1,057.0	274.3
Capital work-in-progress	-	187.8
Right-of-use asset	4.5	-
Other non-current assets	90.2	13.7
Total non-current assets	1,151.7	475.9
Current liabilities		
Financial liabilities	66.9	66.9
Other liabilities	163.7	22.0
Total current liabilities	230.6	88.8
Non-current liabilities		
Financial liabilities	747.3	358.0
Other liabilities	1.9	-
Total non-current liabilities	749.2	358.0
Net assets	340.1	86.8

Reconciliation to carrying amounts

Particulars	Sunstrength Renewables Private Limited		Clean Max Taiyo Private Limited	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Opening net assets	88.5	85.0	0.0	0.0
Equity infusion	90.4	-	157.7	0.0
Profit / (loss) for the year	15.1	3.5	(14.1)	(0.3)
Other comprehensive income	-	-	-	-
Closing net assets	194.0	88.5	143.6	(0.2)
SKF India Limited share in %	26.7%	26.7%	26.0%	26.0%
SKF India Limited share in INR (Million)	51.9	23.6	37.3	(0.1)
Carrying amount	51.9	23.6	37.3	(0.1)

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

Summarised statement of profit and loss

Particulars	March 31, 2024	March 31, 2023
Revenue	89.8	89.7
Depreciation and amortisation	(15.9)	(34.8)
Interest expenses	(58.5)	(42.5)
Income tax expenses	0.9	0.0
Other expense	(15.4)	(15.2)
Profit / (loss) from continuing operations	0.9	(2.9)
Profit / (loss) from discontinued operations	-	-
Profit / (loss) for the year	0.9	(2.9)
Other comprehensive income	-	-
Total comprehensive income	0.9	(2.9)

(iii) Share of profit / (loss) from associates

Particulars	Sunstrength Renewables Private Limited		Clean Max Taiyo Private Limited	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Share of profit / (loss) from associates	4.0	0.9	(3.7)	(0.1)
	4.0	0.9	(3.7)	(0.1)

46. Financial ratios

Ratio	Numerator	Denominator	Current year	Previous year	Change %	Remarks for variance more than 25%
Current ratio (in times)	Total current assets	Total current liabilities	3.0	3.1	-4.2%	Not Applicable
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities	Total Equity	0.00	0.01	-28.9%	This ratio has decreased primarily on account of increase in retained earnings by way of profit for the year and a reduction in lease liability.
Debt service coverage ratio (in times)	Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments	48.3	38.9	24.2%	This ratio has increased primarily on account of increase in retained earnings by way of profit for the year and a reduction in lease liabilities.
Return on equity ratio (in %)	Profit for the year	Average total equity ((Opening + Closing)/2)	22.0%	24.8%	-11.5%	Not Applicable
Inventory Turnover Ratio	COGS	Average Inventory ((Opening + Closing)/2)	4.1	3.8	7.7%	Not Applicable
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables ((Opening + Closing)/2)	6.4	6.3	1.3%	Not Applicable
Trade payables turnover ratio (in times)	Cost of goods sold	Average trade payables ((Opening + Closing)/2)	4.2	4.6	-8.3%	Not Applicable

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

Ratio	Numerator	Denominator	Current year	Previous year	Change %	Remarks for variance more than 25%
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	2.5	2.6	-3.1%	Not Applicable
Net profit ratio (in %)	Profit for the year	Revenue from operations	12.1%	12.2%	-1.0%	Not Applicable
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities	27.4%	31.3%	-12.2%	Not Applicable
Return on investment (in %)	Profit before tax and finance costs	Average total assets ((Opening + Closing)/2)	21.6%	25.4%	-15.0%	Not Applicable

47. Additional regulatory information required by Schedule III

(i) Details of benami property held

No proceedings have been initiated on or are pending against the company under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

The Company has no borrowings from banks and financial institutions except for working capital limit sanctioned from banks.

(iii) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(vi) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person or entity, 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 or entity, 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 on behalf of the ultimate beneficiaries

(viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2024 (contd.)

(INR in Million)

(ix) Details of crypto currency or virtual currency

The company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of PP&E, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

48. The figures for the previous year have been regrouped/reclassified wherever necessary to conform to the current year's presentation.

**For and on behalf of the Board of Directors of
SKF India Limited**

Gopal Subramanyam

Chairman
DIN :-06684319
Place :- Gothenberg

Mukund Vasudevan

Managing Director
DIN :-05146681
Place :- Gothenberg

Ashish Saraf

Chief Financial Officer
PAN :-AVEPS0176L
Place :- Bangalore

Ranjan Kumar

Company Secretary
PAN :-AMEPK5869R
Place :- Gothenberg

Date: May 08, 2024

SKF India Limited

Registered Office

Chinchwad,
Pune - 411 033, Maharashtra, India
CIN: L29130PN1961PLC213113

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