

Date: 11th July 2023

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
---	---

Subject: Annual Report for the Financial Year 2022-23 along with Notice of 62nd Annual General Meeting

This is in Continuation to our letter dated May 17, 2023 and June 21, 2023, we would like to inform that the 62nd Annual General Meeting (“AGM”) of the members of the Company is scheduled to be held on **Wednesday, 02nd August 2023 , 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 2022-23 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/094031a69d764e9c/pdf_preview_medium/094031a69d764e9c_pdf_preview_medium.pdf

Pursuant to Regulation 42 of the SEBI LODR, the Company has fixed the **Record Date** as **Thursday, 29th June 2023**, for determining eligibility/entitlement of members to receive the final dividend for the Financial Year 2022-23, if declared and approved by the shareholders at the ensuing 62nd Annual General Meeting of the Company.

The members of the Company, holding shares as on **Wednesday, 26th July 2023** 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 **Sunday, 30th July 2023 (9:00 a.m. IST)** and ends on **Tuesday, 01st August 2023 (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 2022-23.

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

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

Towards an intelligent and clean future

Annual Report 2022-23

Across the pages

This is SKF

The SKF Purpose	1
About SKF	2
Industrial and Automotive business	6
Shaping our growth	8
Driving intelligent and clean growth	12
Maintaining consistent performance	16

Value creation and strategy

Enhancing our preparedness	22
Getting ready for the future	24
Our value creation model	28
Aligning interests and expectations	30
Prioritising issues key to value creation	34

Focussed on long-term value creation

Creating value through consistent innovation	36
Creating value through manufacturing excellence	40
Creating value for our customers	46
Creating value for our employees	50
Creating value for our environment	58
Creating value for our communities	64
Creating value for our suppliers	68
Ensuring responsible conduct for a stronger tomorrow	70
Celebrating our outstanding achievements	72
Corporate Information	74

Statutory Reports

Board's Report	75
Management Discussion and Analysis	90
Corporate Governance Report	108
Business Responsibility and Sustainability Report	155
AGM Notice	181

Financial Statements

Standalone	204
Consolidated	267

Investor Information

Market Cap	INR 2,103,956 lakh (as per NSE)
CIN	L29130PN1961PLC213113
BSE	500472
NSE	SKFINDIA
Bloomberg code	SKF:IN
Dividend	400%*
AGM date	2 nd August 2023
AGM mode	Video Conferencing (VC) Other Audio-Visual Means (OAVM)

*Subject to shareholders' approval

Disclaimer

This document contains statements about expected future events and financials of SKF India Limited, 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.

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

The SKF purpose

For over 115 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, how to best 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 greenhouse gas 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.

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:

TOGETHER, WE RE-IMAGINE ROTATION FOR A BETTER TOMORROW

By creating intelligent and clean solutions for people and the planet

About SKF

SKF India Limited (referred to as ‘SKF India’ or ‘We’ or ‘Our Company’) is India’s leading technology and solutions provider of bearings and services across the industrial and automotive sectors. We established our first factory in Pune in 1964. Today, we develop solutions that help in friction reduction, energy efficiency, and equipment longevity and reliability.

Our strength lies in our ability to continuously develop new technologies. These technologies are utilised to create value-adding solutions that provide competitive advantages to our customers while contributing to the goal of building a sustainable society.

Key facts



3

State-of-the-art
manufacturing
facilities



7

Offices



700+

Distributors



1,662

Workforce



100 Years of SKF Group in India

2023 marks the 100th anniversary milestone of SKF Group in India. In 1923, SKF Group started operations in India by setting up a trading outpost in Calcutta. Over the years, our high-quality products, strong focus on innovation and technical expertise have enabled us to stay at the forefront of the industry and help customers achieve breakthroughs in friction reduction.

By far, our largest contribution lies in what we can do with, and for our, customers to enable the transition to a cleaner world, while driving innovation and growth for SKF.

In this ever-changing industry, we aim to lead the development of more energy-efficient solutions, bring reliable rotation to more industries, and contribute to nation-building.



Manish Bhatnagar, Managing Director, SKF India Limited stated, “This is truly a historic milestone for us. Since SKF’s inception, we have played a decisive role in shaping industries and societies with our products and solutions. We take great pride in the role we have played in helping customers overcome friction and minimise waste. We are equally proud of the long-term value we have created for our stakeholders over the past years while investing in our communities and providing opportunities for growth.”

“We envision an intelligent and clean future for our new and existing customers and a wider reach in different industries. By using our technical expertise, vast portfolio, and long-standing experience, we will continue to help industries transition to a cleaner world.”



Journey of SKF Group in India

A century of quality, leadership, innovation and nation-building.



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

Incorporated the 'Associated Bearing Company'



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

1907 — 1923 — 1961 — 1964 — 1989

Started the trading operations in Calcutta



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





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



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

2004

2010

2011

2012

2021

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

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



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



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, low 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 570 distributors



SKF's position

- Among the leading developers of components for automotive electrification and wheel-end solutions
- Holds a strong position in application-driven powertrain solutions
- Holds a 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

Shaping our growth



Gopal Subramanyam

Chairman and Independent Director

QUALIFICATION

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

AGE: 67

DIN: 06684319

Skills and Competence*



Gopal Subramanyam has more than four decades of experience in the manufacturing sector, ranging from high-precision components to heavy machinery. He has served Larsen & Toubro Limited for more than three decades in various leadership roles.

Gopal has been instrumental in shepherding the 'Skill India' movement through his association with National Skill Development Corporation, L&T Skill Development Mission, and Nettur Technical Training Foundation. He is a jury member for CII-EXIM Award (based on the EFQM model) and assists the CII Institute of Quality in its various Business Excellence initiatives.



Director since: 16th May 2019



Manish Bhatnagar

Managing Director

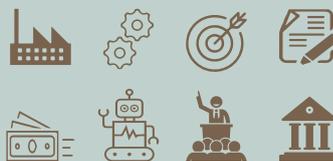
QUALIFICATION

Manish holds a BE (Electrical/ Electronics) from BITS, Pilani and an MBA from IIM, Calcutta.

AGE: 54

DIN: 08148320

Skills and Competence*

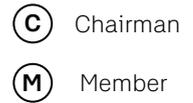
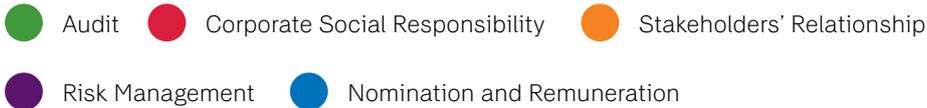


Manish Bhatnagar is the Managing Director and a member of the Board of Directors of SKF India Limited. He provides strategic direction and operational rigour to all SKF Group companies in India, which include three manufacturing sites and around 2,000 employees.

Prior to SKF, Manish held various leadership roles with increasing responsibilities at various industrial multinational organisations. Having lived and worked in Asia, Europe, and the US, he brings a uniquely global and local perspective to business. His business interests include industrial technologies and solutions, adding size and scale to start-up operations, and building high-impact multi-cultural organisations.



Director since: 16th August 2018



Anu Wakhlu

Independent Director

QUALIFICATION

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

AGE: 65

DIN: 00122052

Skills and Competence*



Anu Wakhlu is the Executive Director and Chairperson of Pragati Leadership Institute (P) Limited, 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 sustainable employment of women and youth.

Anu has over 30 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-profits across the country to develop women leaders.



Director since: 16th May 2019



Shailesh Sharma

Whole-Time Director

QUALIFICATION

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

AGE: 54

DIN: 09493881

Skills and Competence*



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 30 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.



Director since: 10th February 2022



David Johansson

Non-Executive Non-Independent Director

QUALIFICATION

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

AGE: 42

DIN: 09651955

Skills and Competence*



David Johansson is the President for Automotive business at SKF Group, where he is responsible for the global automotive business functions, including manufacturing and supply chain. He also oversees the SKF Group strategy and its execution for all functions within the automotive business.

He joined SKF Group in 2005 and has worked across a wide range of industries, functions, and geographies, starting with business development and strategic marketing and later developing into sales, operations, and business unit management roles.



Director since: 28th June 2022



Joakim Landholm

Non-Executive Non-Independent Director

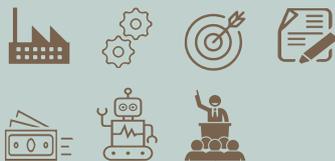
QUALIFICATION

Joakim holds a Master's degree in Economics and Business Administration from the Stockholm School of Economics. He is also a Graduate from Swedish Navy Staff College.

AGE: 53

DIN: 09651911

Skills and Competence*



Joakim Landholm is responsible for Group Operations 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), 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.



Director since: 28th June 2022

*Skills/expertise/competency matrix in detail mentioned in Corporate Governance Report-Annexure B

A scenic view of a winding road through a lush green forested valley under a clear blue sky. The road curves through the dense greenery, and the hills in the background are also covered in forest. The sky is a clear, bright blue with a few wispy clouds.

**Did you know that 20%
of all energy is used to
overcome friction?**

**Our aim is to minimise
that waste.**

Driving intelligent and clean growth



“

The progress we have made, and our collective commitment to accelerate our strategy, gives me confidence that we have entered FY 2023-24 as a more customer-centric, profitable, and faster-growing company than ever.

”

Dear Shareholders,

FY 2022-23 was a year in which we achieved significant business success. Our continued strong financial results show that we are successfully implementing our intelligent and clean growth strategy. The strong foundations of our business – world-class manufacturing, great people, and a robust balance sheet – have enabled us to achieve a solid financial performance despite the challenging environment around us.

Strong track record of performance

We delivered a strong performance in FY 2022-23 across all our businesses in a difficult macroeconomic environment. We have successfully navigated through these challenges by maintaining our disciplined approach on cash preservation as well as by focussing on operational efficiencies. Furthermore, the decision to introduce price increases responsibly in the wake of inflationary pressures proved to be strategically correct. At the same time, deepening our relationship with our suppliers guided us through the recent supply chain bottlenecks. As a result, our net profit before tax stood at INR 733 cr and revenue at INR 4,305 cr, up 38% and 17%, respectively over FY 2021-22.

These impressive figures illustrate our capacity to manage our portfolio by prioritising high-growth segments, exercising disciplined cost control and pricing power, and sustaining our organic sales growth momentum to achieve margin expansion. They are a testament to our singular focus on executing our intelligent and clean growth strategy, and above all, the unwavering commitment of our stakeholders.

In addition to our businesses performing well in FY 2022-23, we seized every opportunity to create

outstanding value for our customers across the industrial and automotive segments. To accelerate growth, we prioritised high-growth segments in our industrial business. We provided unique solutions in segments such as renewable energy, where we see strong growth potential and doubled down on strategic sectors such as cement and mining, where we already have a strong market presence. Another sector where we see strong growth potential is electric vehicles, where we are growing our presence as the preferred partner for meeting mobility requirements.



SKF has been committed to sustainability for several years, making it an essential component of our business. We are decarbonising our operations and also helping our customers achieve their sustainability goals.



The progress we have made, and our collective commitment to accelerate our strategy, gives me confidence that we have entered FY 2023-24 as a more customer-centric, profitable, and faster-growing company than ever.

Operating more efficiently

FY 2022-23 was marked as a year wherein we ramped up our focus on driving disciplined cost management, increasing productivity and operational efficiencies at all levels to spur growth.

With localisation as one of the key pillars of our strategy, we increased localisation to 85% for direct materials during the year, helping us reduce costs and lead times.

In terms of upskilling our employees, we made remarkable progress in strengthening our frontline sales and leadership teams to better understand the evolving needs of our customers, work more efficiently and effectively, and create even greater value for all our stakeholders. Further, we are continuing to invest in the ongoing development of our employees so they can deliver technologically advanced products and solutions that our customers demand from us.



Our objective has always been to create strong leaders, provide meaningful work opportunities for our employees and ensure constant learning and development to enable them to deliver against our priorities.



Being a global company, we believe our strength comes from our ability to tap into a world of diverse views, thinking and backgrounds that our people bring to the workplace every day. I am particularly proud to report that, in FY 2022-23, we recorded advancements across many diversity metrics, improving gender diversity by 14 percentage points and reaching 37% gender diversity in leadership roles through various programmes and initiatives. We will continue to strengthen our capabilities further, increase productivity and efficiencies, invest in our employees, and make progress on our sustainability goals.

Looking after the planet

SKF has been committed to sustainability for several years, making it an essential component of our business. We are decarbonising our operations and also helping our customers achieve their sustainability goals.

We continue to make significant progress with our science-based net-zero targets. In FY 2022-23, we achieved a 1.7% reduction in our Scope 1 and 2 greenhouse gas emissions compared to our 2021 baseline. Our efforts include sourcing 41% of energy from renewable sources. We also continued undertaking energy efficiency

projects within our manufacturing processes to reduce energy consumption and wastage, saving around 1.8 GWh of energy. We have set key performance indicators (KPIs) to accelerate our progress in all ESG areas identified as material issues for SKF India. To meet our net zero supply chain target by 2050, we are building competencies and capabilities through partnerships across the entire value chain to find solutions to some of the bigger challenges we face. We have introduced a supplier sustainability programme with our top 50 suppliers across the country with a clear roadmap for the short and medium terms. This is an important step for SKF India and emphasises our commitment to sustainable business.

We are working towards making our facilities more energy efficient, increasing our use of renewable energy and reducing waste in our operations. We also strive to work closely with our customers to develop new products that help them achieve their goals for environmental stewardship. These initiatives, among others, are placing us on the right trajectory to achieving net zero emissions goals.

Building an inclusive culture

Our talented, skilled, and collaborative teams have been central to our success, empowered with a culture of equity and inclusion. In FY 2022-23, we continued to invest in our people and provide opportunities for them to acquire new competencies and skills. One such initiative that helps our employees advance their skills is LeadX - which aims to build cross-cultural, cross-functional, and multi-industry experiences of employees. Moreover, we continue to empower our sales leaders to develop best-in-class Go-To-Market (GTM) and leadership capabilities through our iAspire programme. Our people managers are also continuously provided with various training and tools to equip them with the skills and capabilities needed to help their teams build technical, business and people skills. Through all these programmes, our objective has always been to create strong leaders, provide meaningful work opportunities for our employees and ensure constant learning and development to enable them to deliver against our priorities.

During the year, we continued to focus on instilling safe work behaviour across our factories, maintaining zero fatalities, and preventing and reducing injuries. As always, we will remain committed to creating a workplace that supports all our employees' safety, health, and well-being.

Making a positive impact on society

As a partner in nation-building, we consider it our responsibility to contribute towards addressing a few of the societal and environmental challenges present today. We work alongside non-profits to make a meaningful impact and change the lives of beneficiaries in the communities where we operate.

Our range of long-term sustainable programmes, aimed at building partnerships, generating optimal impact, and building capacities amongst all stakeholders are aligned to the United Nations Sustainable Development Goals (SDGs).

From long-term programmes that provide access to financial aid to pursue higher education to initiatives that address environmental needs, our programmes support communities in various ways. In FY 2022-23, we positively impacted the lives of around 22,000 beneficiaries through our various CSR programmes. We also encouraged inclusivity across our CSR interventions with 65% of our beneficiaries being women. In line with our values and given our long history of commitment to our communities, we will continue to collaborate with our partners to address major societal challenges, with an aim to positively touch 400,000 lives directly by 2025.

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 so many SKF employees around the world.

Our Company's reason for existence is our purpose, which seeks to drive positive change in the world. It centres around serving society, fostering innovation, promoting environmental well-being, and providing economic opportunities. Moving forward, we will remain steadfast in our commitment to this purpose, aligning our plans accordingly and following through with actionable steps.

Despite the numerous transformations that our Company has undergone, our purpose remains a unifying force that drives us forward, shaping our culture and informing our strategies. This guiding principle will continue to steer our business and assure us that we are progressing in the right direction. Furthermore, it will enable us to identify how we can best contribute to positively impacting the world.

Looking ahead

I am proud of what we achieved in FY 2022-23 and am excited about the momentum we are building. We have a new purpose, an ambitious strategy, and an empowered workforce. Keeping with our culture of



In line with our values and given our long history of commitment to our communities, we will continue to collaborate with our partners to address major societal challenges, with an aim to positively touch 400,000 lives directly by 2025.



continuous improvement, we will focus on creating a safe and empowering culture, improving the consistency of our performance, and meeting the evolving needs of our customers.

We anticipate headwinds in FY 2023-24 as well. However, our goal remains unchanged - making further progress against our strategy and growing profitably. I am confident that we have all the right ingredients – great people, world-class manufacturing, strong partnerships, and unparalleled capabilities to respond to a shifting competitive landscape and capture key growth opportunities. Our strategic priorities position us well to grow profitably, and accelerate our momentum to deliver sustainable growth and shareholder value.

On behalf of our leadership team, I would like to thank our employees, suppliers, and partners for their efforts in delivering outstanding results for our Company and shareholders throughout the year. I also extend my appreciation to our customers and shareholders for their continued trust and confidence in our Company.

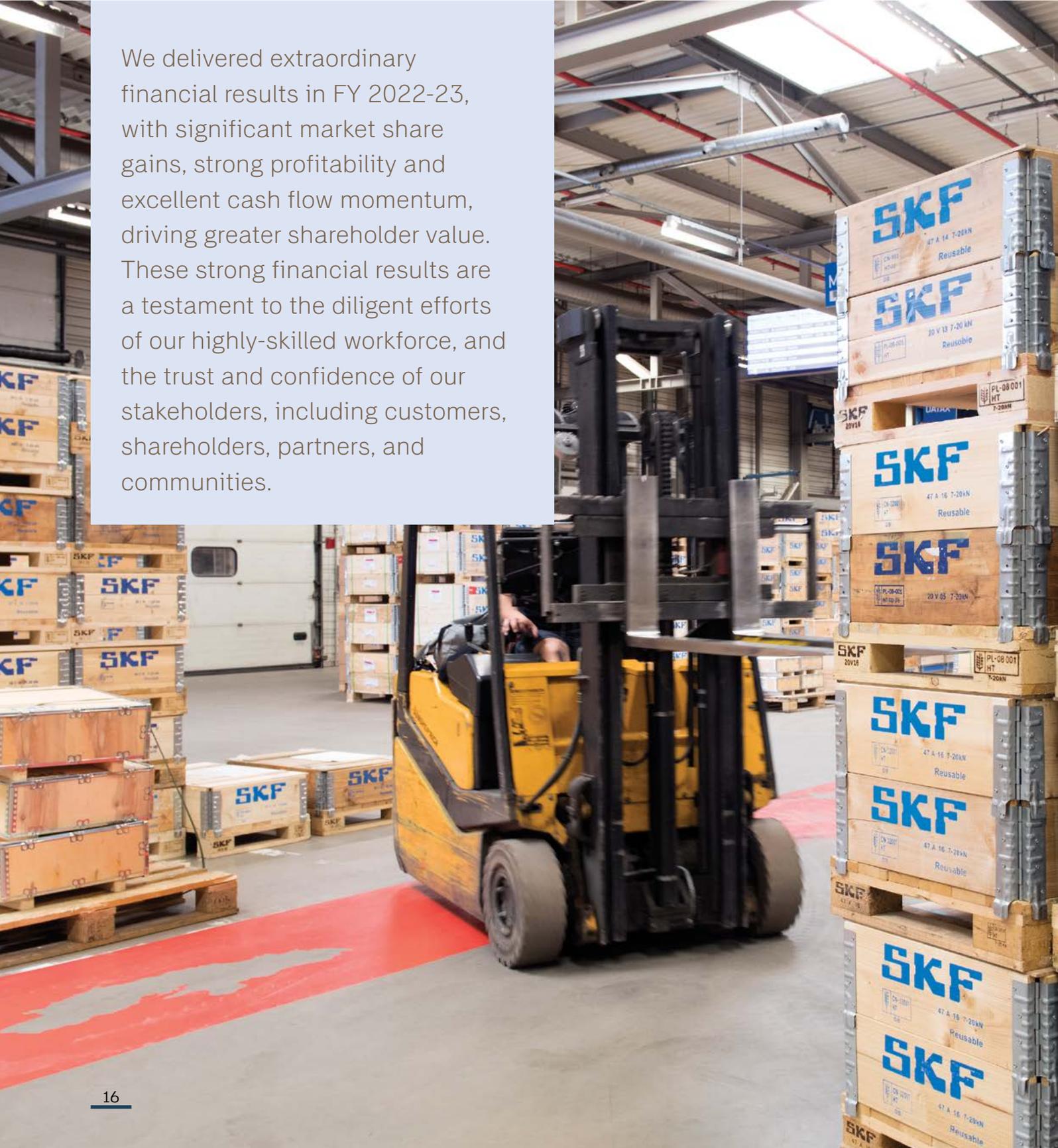
Warm regards,

Manish Bhatnagar

Managing Director

Maintaining consistent performance

We delivered extraordinary financial results in FY 2022-23, with significant market share gains, strong profitability and excellent cash flow momentum, driving greater shareholder value. These strong financial results are a testament to the diligent efforts of our highly-skilled workforce, and the trust and confidence of our stakeholders, including customers, shareholders, partners, and communities.



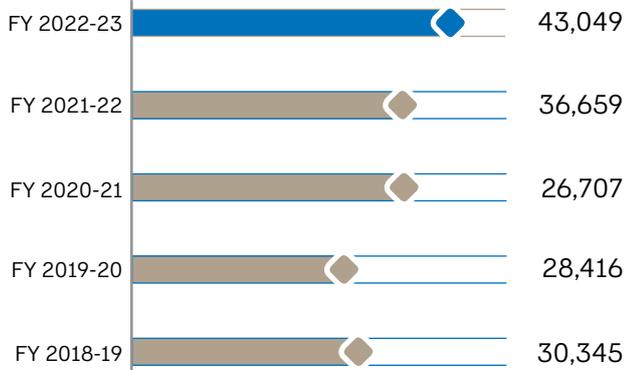
	As per Ind AS								As per Indian-GAAP (INR in mn)	
	31 st March 2023	31 st March 2022	31 st March 2021	31 st March 2020	31 st March 2019	31 st March 2018	31 st March 2017	15 months ended on 31 st March 2016	31 st December 2014	31 st December 2013
Net sales	42,339	36,036	26,329	27,959	29,960	27,686*	28,047*	31,848*	23,726	22,464
Profit before tax	7,329	5,310	3,963	3,868	5,242	4,555	3,756	3,945	3,062	2,530
Profit after tax	5,248	3,951	2,977	2,890	3,358	2,959	2,439	2,559	2,028	1,667
Cash earning per share (INR)	120	91	72	70	75	66	55	62	49	41
Rate of dividend (%)	400	145	145	1,300 [^]	120	120	100	150	100**	75
Gross block	14,317	13,557	12,586	12,146	11,234	11,021	10,657	10,315	10,315	10,351
Net block	3,878	3,650	3,141	3,146	2,671	2,753	2,806	2,980	3,654	4,011
Total borrowings	-	-	-	-	900	850	340	650	-	-
Share capital	494	494	494	494	494	513	527	527	527	527
Reserves and surplus	22,920	18,363	15,144	18,558	16,475	17,860	17,585	16,119	13,635	12,228
Book value per share (INR)	474	381	316	385	332	356	343	316	269	242
Shareholders (nos.)	43,098	41,009	32,425	23,636	23,505	23,549	24,653	24,635	24,353	21,219
Employees (nos.)	1,662	1,681	1,762	1,716	1,759	1,779	1,789	1,824	1,962	2,052

* Net sales for Q1 of FY 2017-18, year ended 31st March 2017 and 15 months ended on 31st March 2016 include 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

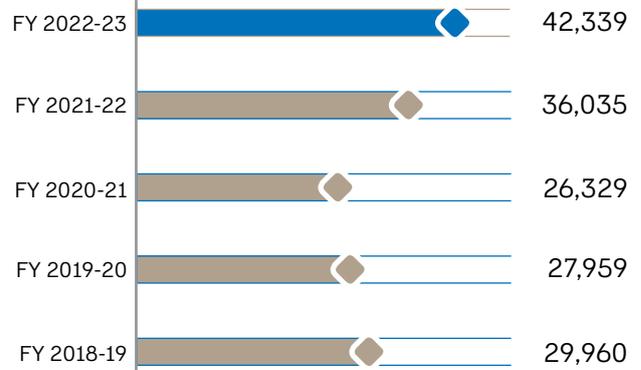
** Dividend of 100% includes an interim dividend of 75%

[^] Special dividend of 1,300%

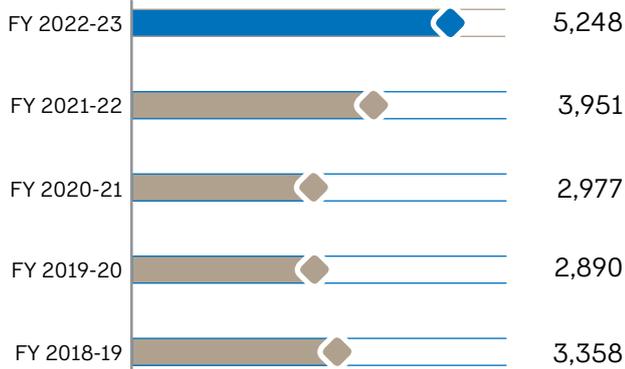
Revenue from Operations (INR in mn)



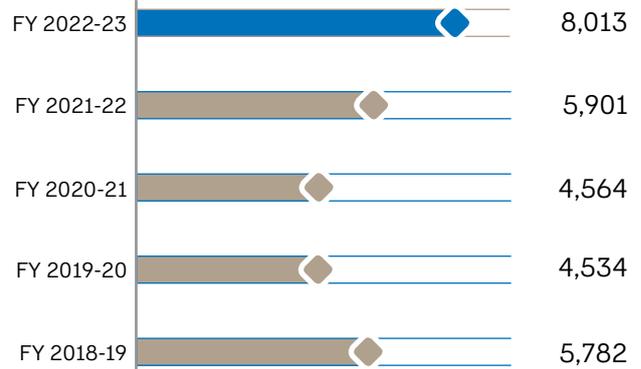
Net Sales (INR in mn)



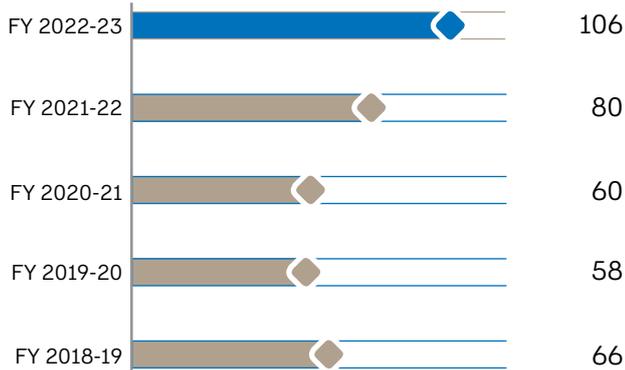
Profit after Tax (INR in mn)

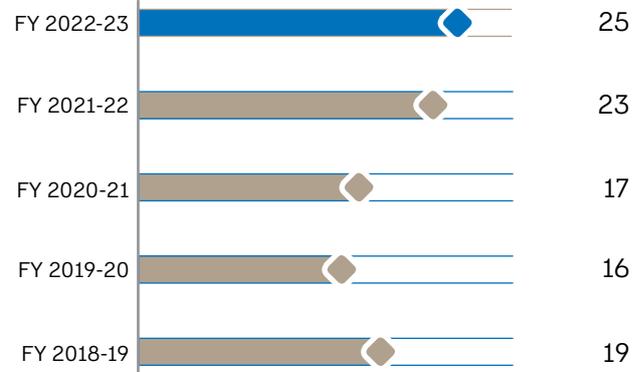
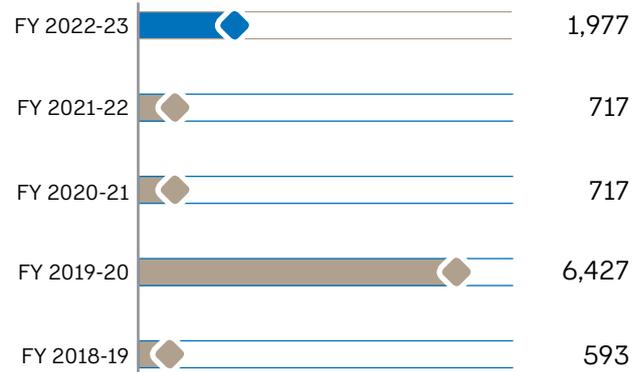
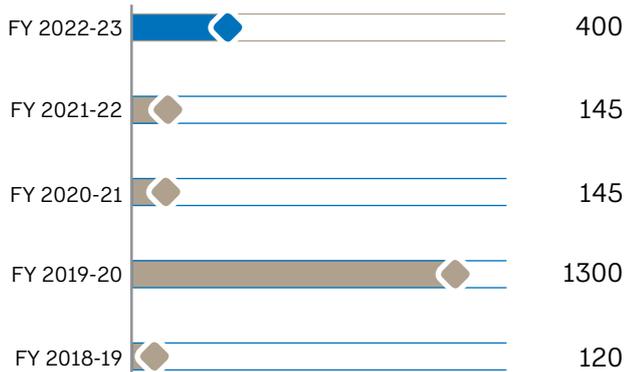


EBITDA (INR in mn)



Earnings per Share (EPS) (INR)



Book Value per Share (INR)**Return on Net Worth** (%)**Return on Capital Employed (RoCE)** (%)**Dividend** (INR in mn)**Dividend** (% of share)

An aerial photograph showing a paved road that curves through a dense, lush green forest. The trees are vibrant green, and the road is a light grey color. The perspective is from directly above, looking down on the landscape.

**Our strategy hinges on
the pivotal aspect of
delivering economic
prosperity while
simultaneously creating
environmental value.**

An aerial photograph of a dense forest. A winding, light-colored road or path cuts through the trees, starting from the left and curving towards the bottom center. The forest is composed of various types of trees, showing different shades of green and some darker, more textured areas. The overall scene is lush and natural.

**Based on two concepts,
intelligent and clean,
we have embarked on
an exciting journey to
become a more focussed,
innovative and profitable
industrial player.**

Enhancing our preparedness

At SKF, we remain focussed on aligning our business model and growth strategy with the evolving market and customer needs. By drawing on our extensive knowledge of industry trends, we identify the key growth drivers that will help us reinforce our value proposition, allowing us to capitalise on emerging business opportunities through timely and effective responses.



Sustainability

The climate change crisis calls for industries to adopt new and efficient business models which are less dependent on physical resources. SKF helps customers move towards a circular economy by providing products and solutions, condition monitoring, rotation as a service, and remanufacturing services. We are also reducing CO₂e emissions from our factories and supply chain.



Electrification

Electrification is a strong trend in many industries, especially automotive ones. Electric vehicles can bring many benefits to society, for example, energy security, urban air quality, greenhouse gas reductions and noise mitigation. SKF has a portfolio of innovative solutions that enable robust and efficient e-powertrain drives where bearings are essential.



Digitalisation

Digital transformation affects all parts of the value chain. Shorter lead times, faster development cycles, smaller inventories and significant opportunities for resource efficiency. SKF is investing in connecting the value chain to improve the ease of doing business with us and enabling more intelligent decisions in our operations.



Regionalisation

With global trade under pressure, connectivity and information flows rapidly increasing, and a continued shift in economic power, a region-for-region approach with manufacturing, sales and technical knowledge close to customers is needed. SKF continues to invest in automation and regionalisation of our manufacturing footprint and product development to further improve our competitiveness and ability to capture profitable growth.

Attractive growth potential

The Indian economy is poised to become the world's third-largest economy by 2030, with the manufacturing sector playing a pivotal role in its growth trajectory. The manufacturing sector has a significant multiplier effect on the economy, creating employment opportunities, fostering innovation, and enhancing export competitiveness.

With the Government's supportive initiatives and a vast pool of human resources, India can leverage its strengths to position itself as a global manufacturing hub. Additionally, the Government's focus on infrastructure development, including building industrial corridors and improving connectivity, will further boost the manufacturing sector's growth.

Well-positioned to capitalise on opportunities

The Indian Government has launched various initiatives such as 'Aatmanirbhar Bharat' and 'Make in India' and the sector-specific Production Linked Incentives (PLI) to boost the country's manufacturing capabilities and increase exports across various industries.

Additionally, to push infrastructure development, the Indian Government has launched favourable schemes, including the National Infrastructure Pipeline (NIP), National Monetisation Pipeline (NMP), Bharatmala, and others. These efforts aim to promote self-reliance and domestic production, reducing the country's reliance on imports. Further, they are expected to provide significant incentives and opportunities to capitalise upon, thereby stimulating and enabling our growth.



Sustainability driving new business models



The world is rapidly changing, and environmental and climate change mitigation are critical to the long-term survival of our planet. As such, there is a growing demand for sustainable solutions across all industries. The shift towards sustainability has created a demand for environmentally friendly, energy-efficient, and socially responsible products and services. Companies in various industries are adopting sustainable practices, including promoting the use of renewable energy sources, reducing waste and emissions, and incorporating environmentally friendly materials.

Becoming future-ready

The world of work, for all of us, is changing rapidly driven by new and emerging technologies. At SKF India, we see this as an opportunity to strengthen aspects of our culture that will provide safety and well-being and foster a sense of belonging for all our employees. We have undertaken several industry-first initiatives to inculcate an environment of life-long learning, innovation, and continuous improvement while setting ourselves up for success in the future.

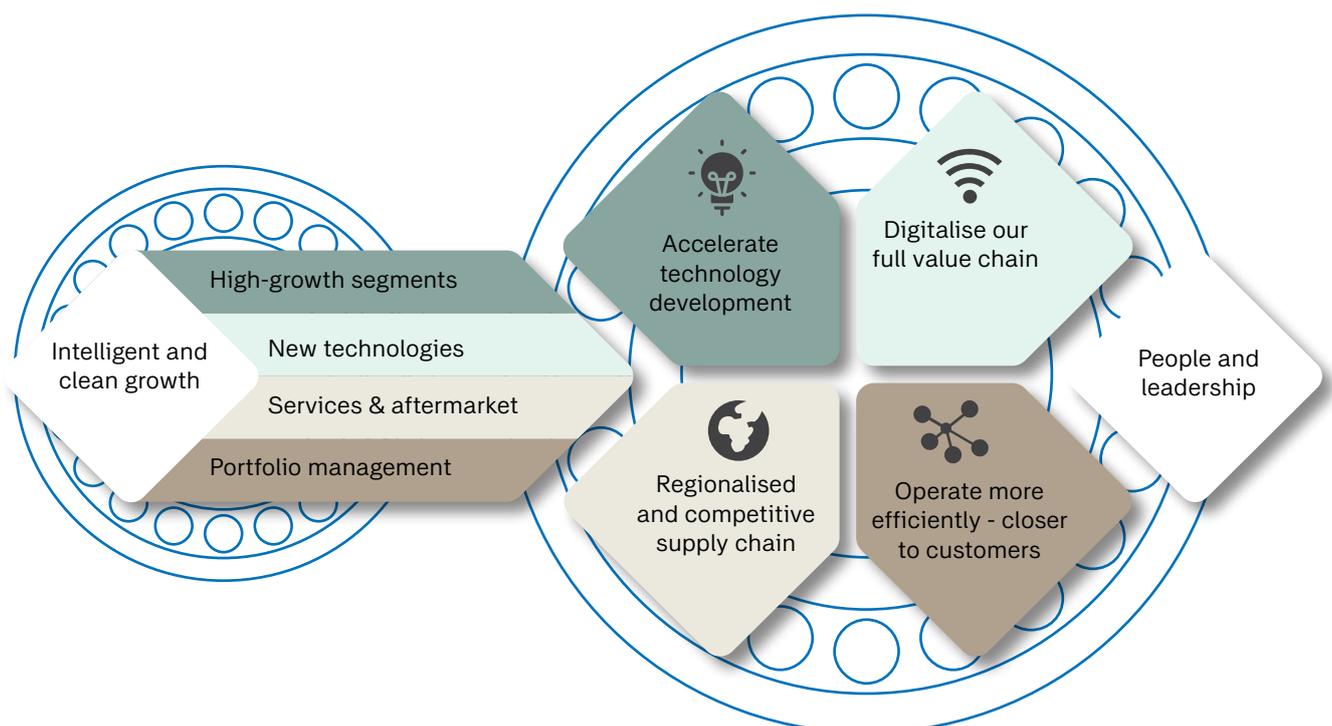


Getting ready for the future

Our strategic framework is based on two important concepts – intelligent and clean. Intelligent means providing connected and tailored offerings for our customers and using technology to make our operations more efficient. Clean reflects our ability to enable a more sustainable industry, as well as running our own business in a transparent and responsible manner. These concepts guide us on our exciting journey to become an even more focussed, profitable, carbon-neutral industrial player.

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 refocussing our service business.

A Different SKF 2030



Charting our roadmap for progress

At SKF, our focus is on continuously striving to become an even more innovative, growth-oriented, and profitable industrial player. We have entered the next phase of our journey, which involves accelerating profitable growth by targeting specific segments and products where we can deliver significant value to our customers. Our objective is to create an SKF that is fundamentally different from today by successfully 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 be the technical partner of choice for our customers and to lead the development of innovative solutions that promote 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 & 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 a 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

1. Accelerate technology development

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

2. Digitalise the full value chain

Investments will be made in connecting the value chain to improve the ease of doing business with us.



3. Regionalised and competitive supply chain

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

4. Operate more efficiently – closer to customers

SKF's new operating model and organisational structure place end-to-end operational and financial accountability as close to our customers as possible.

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

Our value creation model

Resources we deploy



Financial

- Equity: INR 23,415 mn
- Assets (PPE & CWIP): INR 4,509 mn

Manufacturing

- Manufacturing units: 3
- Warehouses/distribution centres: 8
- Solution factories: 4
- Total capacity: 183 mn bearings

Intellectual

- Patents in process: 0

Human

- Employees: 1,662
- Training hours per employee: 20,032
- Employee benefit expenses: INR 2,996 mn

Social and relationship

- Suppliers: 1,900+
- Code of Conduct sessions held: 4
- Supplier initiatives launched (ongoing): 1
- Certified Maintenance Practitioner training: 3
- CSR spend in FY 2022-23: INR 109 mn
- Employee volunteering hours: 1,746
- YES training centres: 7
- Waste management centres: 1
- STEM schools: 53
- Locations for Scholarship for girls education : 8

Natural

- Total energy use: 241,812 Gigajoule (GJ)
- Projects for green manufacturing: 46

Value-creation approach

SKF's business model and strategy are designed to maximise value creation for our stakeholders. Our strength lies in the ability to keep developing new technologies used to create value-adding solutions offering competitive advantages to customers while contributing to a sustainable global society.

Strategy

Intelligent and clean growth

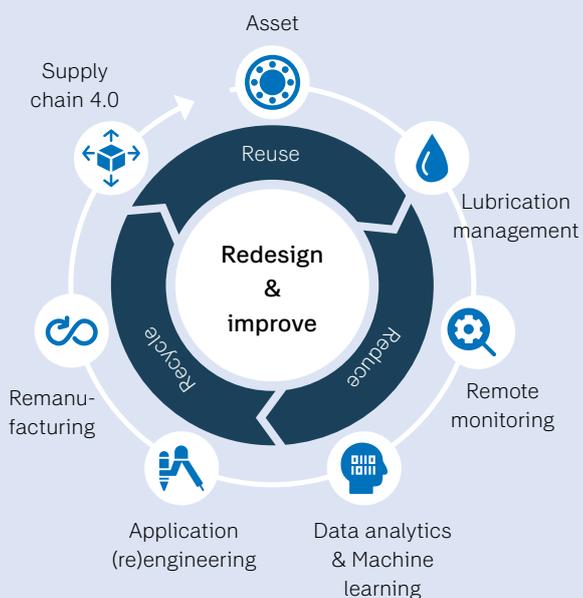
- Double the business at improved margins
- More focussed and efficient
- Technical partner of choice among customers
- Leading development of sustainable solutions

Total cost of ownership

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

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.

**Value we generate****Financial**

- Revenue: INR 43,049 mn
- EBITDA: INR 8,013 mn
- Profit Before Tax (PBT): INR 7,329 mn
- Profit After Tax (PAT): INR 5,248 mn
- RoCE: 31%
- Net Cash Flow (Operations): INR 6,902 mn

Manufacturing

- Bearings produced in FY 2022-23: 146 mn
- New products in pipeline: 63
- Customer delivery lead time for stock item: 1 to 4 days
- Refurbished/remanufactured bearing for customers: 16,905

Intellectual

- Patents filed: 0

Human

- Gender diversity ratio: 16%
- Recordable accidents: 5

Social and relationship

- Suppliers covered under the Code of Conduct: 100%
- Certified Maintenance Practitioners: 32
- Unique machines served by SKF practitioners: 8,126
- No. of direct beneficiaries impacted through CSR initiatives: 51,578
- Automotive business start-ups through YES: 33
- Skilled workforce created through YES: 2,399
- STEM girls/Scholarship girls supported: 20,043
- Families benefitted through our waste management initiatives: 5,808

Natural

- Scope 1 and 2 emissions: 50,011 tCO₂
- Renewable energy generated: 32,841 MWh

Aligning interests and expectations

At SKF, we view our stakeholders as partners in our journey to deliver long-term value. We seek to balance the needs, interests and expectations of stakeholders with those of the business through an integrated and inclusive process. Effective stakeholder engagement is thus key to delivering on our strategic objectives.



We have a well-defined process to identify and prioritise our major stakeholders based on their involvement with and value to the organisation.

SKF India has the following engagement with our key stakeholder groups.

 Shareholders, Investors, Analysts		
Relevance to SKF India	Engagement topics	Communication forum
SKF's overall financial objective is to create value for its shareholders	<ul style="list-style-type: none"> ● Appraise our periodic results and disclosures ● Improve their understanding of SKF's ESG commitments and performance ● Climate change's 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, BRSR ● Transcripts/recordings of investor calls ● Media releases, websites ● Social media information

 Customers, Dealers and Distributors		
Relevance to SKF India	Engagement topics	Communication forum
Developing new technologies to create value-adding solutions offering competitive advantages to customers and, at the same time, contributing to a sustainable global society	<ul style="list-style-type: none"> ● Develop/strengthen relations with customers to improve customer experience ● Anticipate short to long-term needs and expectations ● Policy and processes communication ● Understanding market conditions and requirements ● Environmental compliance ● New business models, enabling cleantech growth ● Environmental and social compliance as per customer requirements, including human rights, corruption 	<ul style="list-style-type: none"> ● 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 and Vendors		
Relevance to SKF India	Engagement topics	Communication forum
Ensuring a sustainable supply chain for our customers with active participation by our value chain partners in ESG risk mitigation and improvement.	<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, vendor recognition • Strategic partnerships and value creation • Responsible sourcing action such as social and environmental compliance to laws and SKF's requirements • Product material compliances as per customer need • Energy reduction, waste reduction and recycle material 	<ul style="list-style-type: none"> • Interactions meets/conferences • Leaders' meetings • Joint improvement projects, quality contests • Audits • Training

 Community and NGOs		
Relevance to SKF India	Engagement topics	Communication forum
Creating a positive impact in the community where we operate	<ul style="list-style-type: none"> • Enable employability and entrepreneurship among youths (skilling) • To support the completion of higher education for girl students (scholarships) • To 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, air 	<ul style="list-style-type: none"> • Meets/conferences interaction with community/NGO • CSR Committee meetings, CSR surveys • Emails, feedback forms, phone calls, physical visits and meetings

 Employees and Unions		
Relevance to SKF India	Engagement topics	Communication forum
Relaying annual business priorities along with employees Drive continuous improvement on working climate	<ul style="list-style-type: none"> ● Relaying annual business priorities ● Drive continuous improvement on working climate ● Environment, health and safety ● Employment and competency development ● Diversity and working environment ● Leadership and change management 	<ul style="list-style-type: none"> ● Townhalls conferences ● Feedback/satisfaction survey

Our approach and engagement initiatives are guided by inclusivity, materiality and responsiveness, resulting in actionable insights that feed into our strategies.

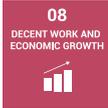
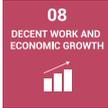
To ensure we effectively engage with our stakeholders, we have identified key internal and external groups and developed a systematic process for gathering their feedback and insights. By following this stakeholder engagement plan, we are better equipped to identify and address material issues critical to our sustainability performance and to build trust with all who have a stake in our success.

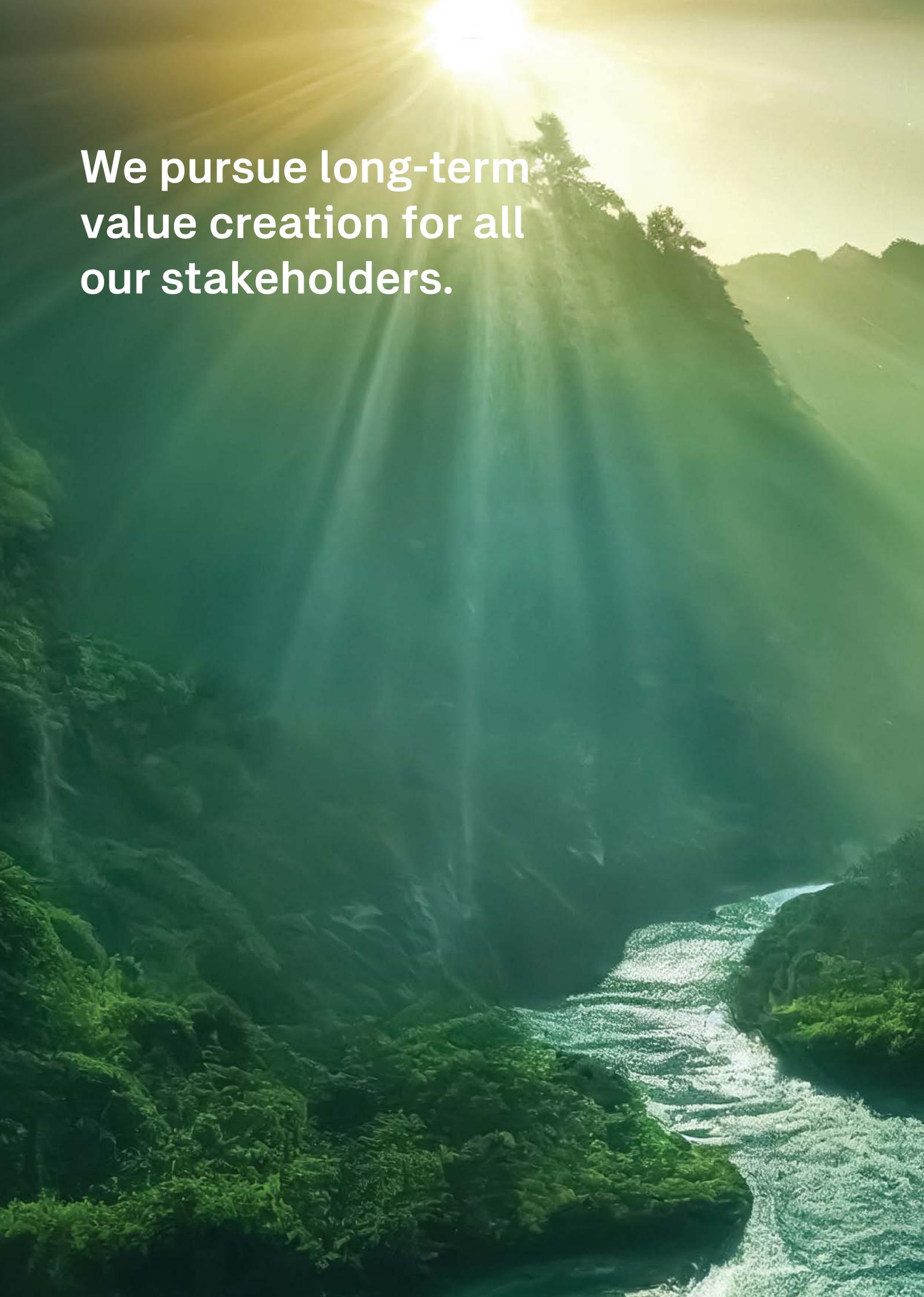


Prioritising issues key to value creation

Our approach to identifying the most material ESG issues for us stems from recognising the importance of creating value for all our stakeholders.

We conducted an extensive materiality assessment in FY 2021-22 to identify the key environmental, social, and governance issues that matter most to our organisation and stakeholders. As a result, we identified seven clusters of topics that we deemed critical for targeted improvement initiatives. These findings played a pivotal role in shaping our sustainability strategy and setting our sustainability objectives, providing a clear direction for advancing our sustainability performance.

 Customer performance	<p>Enhance customer satisfaction</p> <ul style="list-style-type: none"> Achieving customer satisfaction with various survey ratings by customers 100% reporting of customers' sustainability requirement 	
 Economic performance	<p>Economic value creation and distribution</p> <ul style="list-style-type: none"> Business growth as per the strategy 	
 Anti-corruption	<p>Awareness about anti-corruption</p> <ul style="list-style-type: none"> Training to employees and stakeholders 	 
 Energy and energy management	<p>Energy saving emission reduction</p> <ul style="list-style-type: none"> 5% energy saving for the baseline FY 2022-23 Renewable energy sourcing by 15% baseline FY 2022-23 GHG emission reduction by 15% from the FY 2021-22 baseline 	  
 Water	<p>Responsible water usage and water usage reduction</p> <ul style="list-style-type: none"> Water consumption reduction by 5% from the FY 2021-22 baseline 	
 Waste	<p>Waste recycling</p> <ul style="list-style-type: none"> 80% of waste to be recycled from the FY 2021-22 baseline 	
 Occupational health & safety	<p>Number of accidents</p> <ul style="list-style-type: none"> Zero accidents 	
 Supplier ESG performance	<p>Supplier environmental, social and governance and performance improvement</p> <ul style="list-style-type: none"> Supplier ESG assessment for critical suppliers Reporting of Scope 3 emissions for 50% critical supplier Critical supplier training on ESG parameters 	     



**We pursue long-term
value creation for all
our stakeholders.**

A scenic landscape featuring a river flowing through a lush green forest, with mountains in the background under a cloudy sky. The image is dominated by vibrant green tones, from the deep greens of the trees to the lighter greens of the misty mountains. The sky is a mix of blue and white, with large, fluffy clouds. The overall mood is serene and natural.

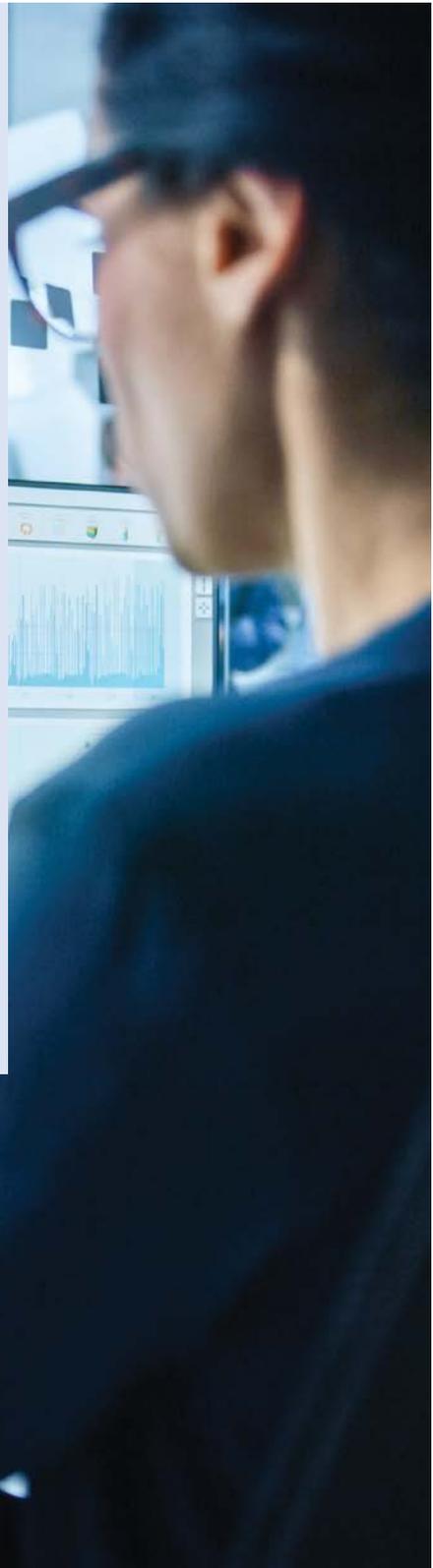
**We are continuously
adapting to a changing
environment and are
geared to provide relevant
solutions that address our
stakeholders' evolving needs
and expectations.**

Creating value through consistent innovation

SKF has a rich history of innovation, dating back to 1907 when Sven Wingquist revolutionised the industry by inventing the double-row self-aligning ball bearing.

Today, we remain committed to pushing the boundaries of research and innovation, responding to the evolving demands of the world, and driving progress. Our tradition of innovation inspires us to seek new breakthroughs and remain at the forefront of technological advancement, enabling us to achieve sustained growth and success to re-imagine rotation for a better tomorrow.

Product and technology innovation has been at the heart of SKF. At the same time, we have been consistently innovating on the adjacencies that enable faster adoption and effective visualisation of value propositions. Enabling customers with the right simulation tools is one example of innovating on adjacencies.



Innovations to drive customer centricity

Zero grease leakage deep groove ball bearing (DGBB)

In textile and packaging machinery, grease leakage from deep groove ball bearing in high-speed applications is a common industry problem which leads to damage and scrap of finished end products. With SKF simulation tools based on application needs, we can now select the grease which delivers the performance and quantity, and combined with new low-friction seal design solutions, we ensure zero grease leakage in high-speed conditions.

The above developments have resulted in a new offer of reliable and environment-friendly solutions that are pre-lubricated and sealed for life bearing. This helps reduce friction and operating temperature of the bearing and leads to a more sustainable and safe way of operating the application.

Although the solution was primarily developed for textile, printing and packaging industrial applications, its usefulness also goes in other applications like home appliances, F&B, Pharma and EV.



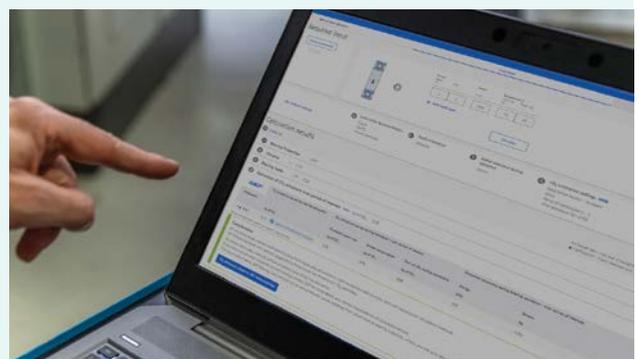
SKF launches tool to help the industry address carbon emissions

Technology is transforming our industries and our way of life. At SKF India, we are committed to continuously harnessing our in-house capabilities to improve our customer value proposition. In FY 2022-23, we introduced a new tool for customers in SKF Bearing Select that enables them to quickly and easily calculate the estimated CO₂e emissions during the bearing manufacturing and use phase. This includes the amount of energy consumed and the quantity of grease used. With this innovative launch, we became the first bearing Company to offer our customers a CO₂e estimation capability.

Customers can access a dashboard to explore how CO₂ emissions related to bearings' production and use phase are distributed in different industries. The dashboard provides illustrative examples of how emissions differ in various positions across industry applications.

The tool offers the opportunity to engage with SKF's expert application engineers, who can provide a detailed view of the specific carbon emissions for the bearings. They also provide details as to how the customer's application can be optimised to reduce future energy consumption and corresponding emissions.

By developing this intelligent solution and reducing CO₂e emissions, we are contributing towards a better tomorrow for our people and planet.



Creating value through manufacturing excellence

To establish ourselves as the undisputed leader in our industry, we strive to maintain the cleanest, smartest, safest, most efficient, and most flexible operations. We ensure our facilities are located near our customers, thus ensuring shorter lead times and transportation.



We have always been at the forefront of adopting and integrating new and innovative manufacturing systems to create products that cater to the diverse demands of our customers across industries. We continuously invest in upgrading our plant machinery and equipment and driving efficiency. Our world-class manufacturing programme aims to optimise our global manufacturing footprint through investments in automation, regionalisation, and footprint rationalisation.

Our aim is to deliver the right products to our customers—products of the highest quality, at the optimal cost, and within the expected timelines. Additionally, we are committed to significantly reducing the energy consumption and carbon footprint associated with the production and transportation of these products.

As we look ahead, we remain committed to further enhancing our manufacturing capabilities and actively providing innovative products and solutions that meet and exceed our customers' needs.

Manufacturing strategy



Lean

The Lean factory has a process which eliminates waste in its entire supply chain. It further adds value as per the customer's requirement.



Manufacturing strategy

Green

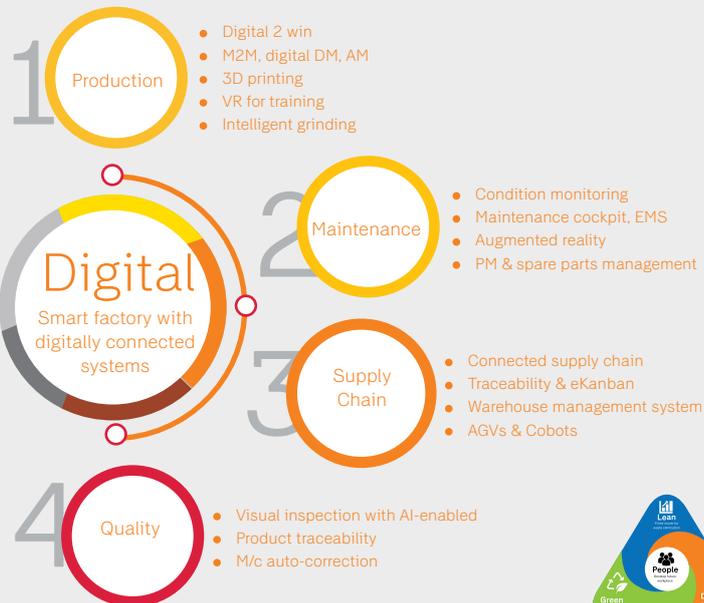
All activities within the factory of the future will be balanced with respect to environmental impact and efficiency.



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 assume 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 & Lean material flow, Channel concept
	Factory lead time	Days	VSM & Lean material flow, Channel concept
	DIOD	Days	VSM & Lean material flow, Resetting excellence
 Built in quality	BIQ Score	%	Built In Quality (BIQ) Level 1-5
 Waste elimination & add value	OEE	%	VSM & Lean material flow, Stability tools, including Problem solving
	Productivity	%	VSM & Lean material flow, Stability tools, including Problem solving
	Cost level - Total & Variable (VA Cost level)	%	VSM & Lean material flow, Stability tools, including Problem solving
 Flexibility & adaptability	Resetting time/no. of resets	Hrs./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	Ltrs.	5S, Problem solving, Maintenance excellence
	Water consumption	Ltrs.	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 mn	Digitalisation projects

Green manufacturing initiatives

Climate change is one of the most pertinent issues of our times. At SKF India, we are continuously transforming our operations to reduce our environmental impact. Our green manufacturing initiative focusses on reducing GHG emissions, conserving natural resources, and eliminating/reducing hazardous waste generation.

We have rolled out the following initiatives as a part of the green manufacturing programme.

With these projects, we aim to reduce negative environmental impacts due to our manufacturing operations, products, and services.

Water conservation

SKF India manufacturing sites are committed to water conservation and ensure zero water discharge by treating the used water through ETP and STP plants for gardening and personal hygiene. All the factories have rainwater harvesting and water storage facilities minimising fresh water usage. SKF India sites have reduced their water consumption by 10% over the last year.

10 %

Reduction in water consumption
over last year



Oil and chemical consumption reduction

SKF India is continuously working on a programme to reduce the usage of oil and chemicals and decrease the wastage and spillage of oil and chemicals. All the SKF India sites are VOC free since the last 3 years. All the sites use sludge compacting machines to reuse coolant and prevent soil pollution during sludge transport. Both SKF Bangalore and Haridwar plants recycle the grinding dust and avoid landfilling or incineration.

All SKF India sites are VOC free since past

3 years

Waste elimination and saving trees

SKF India sites are proactively working on reduction in paper and plastic consumption through various packaging optimisation projects in collaboration with suppliers and customers. Major initiative was launched for the segregation of plastic and paper wastes at all manufacturing locations and offices to improve waste recycling. The paper consumption reduction project has a positive impact on saving trees. Last year, SKF India saved approximately 2,800 trees through the paper packaging optimisation project.

2,800

Trees saved through paper
packaging optimisation project

Creating value for our customers

Our customer-centric approach is driven by our steadfast commitment to creating and delivering value through targeted initiatives. We work closely with our customers across the entire value chain, leveraging our expertise to enable reductions in environmental footprint, drive higher productivity, and improve financial performance.

Using our deep customer insights, we can innovate solutions designed to facilitate long-term growth and offer competitive advantages. This approach has enabled us to establish collaborative partnerships with the automotive and industrial segments. Thus, helping them achieve sustainability-led growth through efficiency enhancements, quality upgrades, optimal use of raw materials, and reductions in their environmental footprint.



High-growth segments

Strengthening the full value chain by localising large size bearing (4R CRB)

Today, India is the second-largest producer of cement, led by a strong infrastructure push and increased spending. This is benefitting the growth of cement, steel and construction equipment sectors.

KHD Humboldt offers a wide spectrum of products and services for the cement industry. As the demand for cement increases in India, newer plants are using larger roller presses. Four-row cylindrical roller bearings (4R CRB) are used for Cement roller presses. Given the high import costs of the 4R CRB, SKF India has traditionally not been able to meet the market price for these bearings. Additionally, delivery times are critical since they are project orders and bearings cannot be stocked in anticipation.

We worked with the customer and leveraged our local manufacturing capabilities to address cost and availability challenges and win alongside the customer. Local manufacturing helped us meet market prices and reduce our lead times from 11 months to 8 months. Both price and delivery were keys here for us to win an order for 12 presses, each with 4R CRBs. The customer benefitted from the local supply base, reduced lead times, and timely delivery of products, while minimising disruptions and risks.

As the leading player in the growing market, we are supported by a strong manufacturing network that enables us to be more responsive and closer to our customers while also capitalising on emerging growth prospects to drive sustainable growth. By embracing localisation strategies, SKF India is well-positioned to effectively navigate the supply chain complexities while building stronger connections with local stakeholders and driving long-term success.



Services & aftermarkets

Improving reliability and profitability with a complete solution for converter application

Steel and other metal making are extremely tough. It requires maintaining equipment in environments with temperatures up to 3,000°C, loads up to 3,000 tonnes, very slow oscillation, peak loads, and vibrations. At the same time, the pressure is on to cut costs per tonne, improve product quality and reduce environmental impact.

In fact, converter is one of the most critical assets in an integrated steel plant due to the high cost of downtime and high safety requirements. This is a high-load, high-temperature rotation assembly, making it the most challenging application in the steel industry. Customers expect longer service life, reliable performance, high MTBF, technical support during commissioning & periodic maintenance, failure prediction technologies, and ownership of a complete component supply & solution.

SKF India works with major steel producers to help them overcome production and maintenance challenges. SKF's bearing systems for converters allow structural deformation caused by heat and weight. Our specialised lubrication and sealing solutions effectively protect against hot dust and slag overflow. And our condition monitoring solutions help improve maintenance strategies and increase operational safety.

Portfolio management

Low-friction, energy efficient tapered roller bearings (TRBs) for final drive application for Mahindra & Mahindra

Mahindra Group is one of the largest companies in India. They enjoy leadership in farm equipment and utility vehicles. They are the No. 1 company in manufacturing SUVs. Mahindra automotive is working on improving fuel economy for passenger vehicles driven by regulatory requirements. The target vehicles for this specific project were the Scorpio N, Bolero Neo and Thar. Mahindra approached SKF India to reduce the drive train power losses on the rear axle final drive. This requirement was to reduce losses when compared to the current setup without degrading the application performance and robustness. The drive was to reduce CO₂ emissions, improve vehicle mileage and sustainability. The challenge was to meet the system-level durability and NVH requirements without altering the bearing envelope.

SKF India and Mahindra team worked in partnership to develop application specific solution. SKF India automotive team proposed low-friction, energy efficient tapered roller bearings after running iterative design and simulations. Solution developed focussing on performance, durability, and manufacturing ease with minimum development cost. The product design and development run are done at the local level (India) and prototype samples are submitted for customer validation at the system level. The design validation on bench and vehicle was run at the customer end and found a significant reduction in power losses. SKF low friction bearings are at four positions of Differential case Pinion (final drive) application. The end benefits for the customer are - improved vehicle fuel economy by reducing drive train power losses; friction reduction & reduced CO₂ emissions; low bearing temperatures; improved lubrication condition; plug-in solution and bearing interchangeability.



New technologies

SOAP analysis of aircraft engine oil

For the aviation industry, Quality Assurance (QA) is very important to build customer trust and satisfaction. It ensures the products or services are up to the standard before delivering to the customer.

To prevent Aircraft on Ground (AOG), oil and wear particle analysis is the most widely accepted method of condition monitoring used today for aviation systems. AOG means that a plane cannot fly for technical reasons. A grounded airplane creates delays in air traffic, cancelation of flights and unhappy customers. This is a troubling scenario for everyone involved – the airline and passengers.



SKF India works closely with aviation customers to carry out 'Spectrometric Oil Analysis Programme' (SOAP) analysis of aircraft Engine oil. The debris generated during aircraft engine operation is analysed to ascertain the healthiness of the engine. This method is very good for analysing small particles e.g., from abrasive wear. With the help of oil and wear particle analysis, we enable our airline customers to reduce the cost of equipment maintenance and increase aircraft availability and reliability.

Creating value for our employees

We recognise that our people are the foundation of our success, and we prioritise cultivating an engaged, purpose-driven, and inspired workforce. We accomplish this through various initiatives focussed on fostering a workplace that empowers all employees to work with a sense of purpose, while also helping them maximise their skills and potential. We are committed to significantly improving gender diversity in our workforce, building a winning and high-performance culture, and elevating our employee experience.



People Experience vision and strategy

Our 'People & Leadership' pillar is crucial to our 'Intelligent and Clean strategy'. We have redefined our people agenda through collaborative actions to open up new possibilities.

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**.

We aim to create an unparalleled employee experience through diverse learning opportunities, meaningful careers, and a strong purpose-led culture. Our goal is to create an inclusive environment that fosters a sense of belonging and encourages everyone to reach their full potential.

As a manufacturing organisation, SKF India's foundation of long-term value creation rests on open information sharing and dialogue and a strong culture based on loyalty and trust between management and the union.

At SKF India, we are developing a people-centric approach to culture & leadership. To accomplish this, we prioritise investments in our workforce, equipping them with future-ready skills and offering a distinctive and multi-faceted employee experience. We also focus on nurturing a high-performing culture and fostering inclusive leadership, where individuals are encouraged to bring their authentic selves to work and are supported in realising their fullest potential. Leadership expectations are the base for employee growth in SKF India. The three Leadership pillars are Develop Yourself, Develop Others, Develop the Business.

In FY 2022-23, we launched new programmes to help our people leaders progress in their leadership journey. These programmes have provided our senior leaders with highly effective training, enabling them to develop greater self-awareness, listen more attentively to the needs of others, and promote a safe environment for feedback.

In SKF India, not only the people managers are recognised as leaders. All employees exercise leadership by being experts in their own work fields and are expected to act in line with the SKF India's leadership expectations. Strong leaders at SKF India can balance leading themselves, leading others and leading the business. This model was focussed on during FY 2022-23 and is now a foundation 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

Nurturing a winning culture and prioritising the SKF India people experience

In FY 2022-23, we launched 'My Manager Cares', a development intervention aimed at creating effective leaders who can build successful teams and foster a winning culture. The initiative includes two sub-programmes, namely Foundation and Accelerate. The 'Foundation' programme aims to help leaders unlock their team's potential by using situational leadership concepts to drive higher levels of performance and effectiveness. This programme helps leaders become more aware of their team members' needs and abilities, leading to a more individualised approach to leadership. The 'Accelerate' programme focusses on transforming teams into high-performance teams by addressing key pain points such as development, recognition, and diversity. The initial phase of the programme has received positive feedback from participants. As the programme continues, it is expected to yield significant benefits to build successful teams, particularly in the areas of employee development, recognition, and diversity, which are crucial for creating a winning culture.



Living Blue

Fostering psychological safety in the new normal and promoting well-being in the post-pandemic workplace

At SKF India, we launched Living Blue, an initiative to create a psychologically safe workplace for our employees in FY 2021-22. In FY 2022-23, we further enhanced the programme by training our people managers through internal facilitators, realising their vital role in shaping workplace culture and driving change within the organisation. The training centred around the 'Head, Heart, and Hand' philosophy, emphasises the importance of fearlessness and openness in creating a safe work environment. Furthermore, this was cascaded by trained managers to their respective teams, instilling a sense of responsibility and accountability to provide a safe work environment where employees feel valued and heard. The programme's success has led to increased awareness and accountability among employees, and we believe that it will contribute to our organisation's long-term growth and success.



Lead-X

Fostering long-term excellence in leadership and succession planning

In today's rapidly changing world, leadership requires authenticity, influence, and multi-dimensional experience to create value for organisations. Becoming a multi-dimensional leader involves gaining experience across various geographies, businesses, value chains, and industries. To meet these needs, our LeadX programme offers the flexibility and freedom to develop oneself and meet customer needs more quickly and efficiently. LeadX is a multi-dimensional leadership programme designed to empower individuals to make informed career choices and expand their leadership capabilities. It offers three options for building multi-dimensional expertise: cross-cultural exposure (short/mid/long-term movement to a different country or function), cross-functional exposure (taking on a dual cross-functional role or a permanent move to a different function), and cross-industry exposure through Externships. This unique initiative allows employees to briefly be deputed to other organisations to stay relevant, learn best practices, and build an outside-in perspective. With LeadX, employees have meaningful choices for building their expertise and widening their capacity as leaders.

iAspire

Enhancing Go-To-Market effectiveness & empowering sales leaders for customised development

iAspire was launched to develop sales leaders with excellent Go-To-Market (GTM) and leadership capabilities to meet the changing market dynamics and shift in customer service. The programme started with identifying the necessary competencies for each sales role and setting up an in-house development centre to develop the required GTM capabilities. The programme was executed across nine development centres, including activities such as case studies, role plays, group discussions, and simulations, involving over 90 participants, 50 assessors, and 20 coordinators across three cities.

Fostering growth

Building skills and cultivating a culture of learning

As part of employee experience, we seek to offer our people vibrant career paths, meaningful growth opportunities to grow and continuous learning. During FY 2022-23, SKF India increased the focus on life-long learning to enable individuals to futureproof themselves and our Company. Globally, a new learning management system (LMS) has been implemented for employees to access e-learnings and formal programmes.

171 workshops

Number of classroom/virtual workshops

49 training types

Number of classroom/virtual training offered

20,032 hours

Total number of employee hours spent in classroom training

701 employees

Attended training



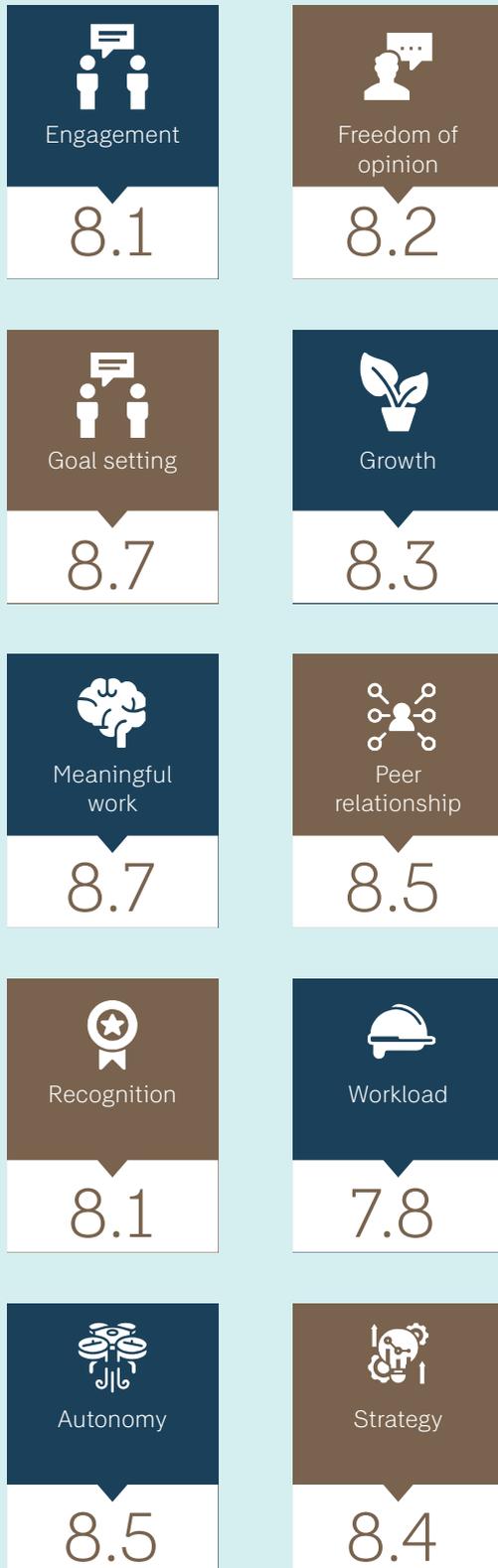


Our quarterly Peakon surveys allow us to monitor the motivation and well-being of our employees, so that we can identify areas for improvement at both individual and team levels. The results provide us with a strong foundation to continue building a truly inclusive work environment.

SKF India Limited has surpassed expectations in the Peakon survey by scoring above the true benchmark for all parameters, highlighting our Company's unwavering commitment to cultivating a positive work environment. Our exceptional performance in engagement, freedom of opinion, goal setting, growth, meaningful work, peer relationships, recognition, workload, autonomy, and strategy can be attributed to various initiatives to foster a more inclusive workplace for our employees.



Peakon survey



The scores in FY 2022-23 are above the true benchmark.



Promoting diversity and inclusion

Fostering an inclusive environment for all

As an employer, SKF India needs to attract and develop a diverse and effective workforce to stay competitive and to deliver on the organisational objectives.

During FY 2022-23, we have made great strides in promoting gender diversity and inclusion. Through a variety of programmes and initiatives, we have improved gender diversity by an impressive 14 percentage points, reaching a 37% gender diversity rate in leadership roles.

Our Women's Network initiative, which is designed to acknowledge and address gender issues within our organisation and promote women's development, has played a critical role in these achievements. By promoting women's development, improving the work environment, and boosting the confidence of women employees, we have been able to create a more inclusive and supportive workplace culture that empowers employees, positions SKF India as an industry leader, and lays the foundation for continued success.

Our commitment to diversity and inclusion ensures that all employees feel valued and have equal opportunities for growth and success, and we are proud of the progress we have made towards this goal.

Health and safety

SKF India gives top priority to the health and safety of employees. We have a vision of 'Zero Harm to our employees and society'. Safety always comes first and we are convinced that all work-related accidents can be prevented. In blue-collar work roles, the focus is primarily on physical health and safety. This is also relevant for suppliers and is addressed as part of SKF India's responsible sourcing approach.

Prioritising safety

Health and safety management remains our Company's foremost priority and is also incorporated into our strategy. We are committed to providing a safe and healthy environment free from accidents, injuries, and occupational health hazards. SKF India has adopted a structured approach toward implementing Safety Policies and programmes to integrate safety with business processes to continuously improve safety performance. We always take a safety-first approach while taking any business decision.

We have nominated EHS coordinators who provide expertise, guidance and support to the sites. The employees are key stakeholders in occupational health and safety, and as part of the governance structure, health and safety committees are available on all certified sites. We are certified to ISO 45001 and assured compliance with the standards.

Building safety leadership capability at all levels to achieve Zero Harm

We want to set standards 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. We also started mapping the safety competency of the employees & planning actions to improve skills & knowledge through our training centre KUSHAL. Training and awareness are considered key elements of our safety strategy. We work with our contractors and suppliers so they understand our safety requirements. We commemorate National Safety Day by celebrating Safety Month and World Environment Day where we engage all stakeholders. In FY 2022-23 we also conducted structured programmes to encourage a strong safety culture in the factories.

One of the initiatives is Kaizen commando, where we ask for nominations from each area and function of the factory. It is a 30 days express improvement initiative with cross-functional working involving 3 levels of evaluation along with the involvement of subject matter experts and the factory management team. This year, 69 kaizen commandos were completed with the involvement of 350 employees, where we focussed on all operators and middle-level management for structured problem-solving methodology, and accountability of the teams to solve the problem and sustain the solution that is created.

With this initiative, more identification of unsafe conditions started across all sites and also helped us create safety awareness among all employees.





Safety results

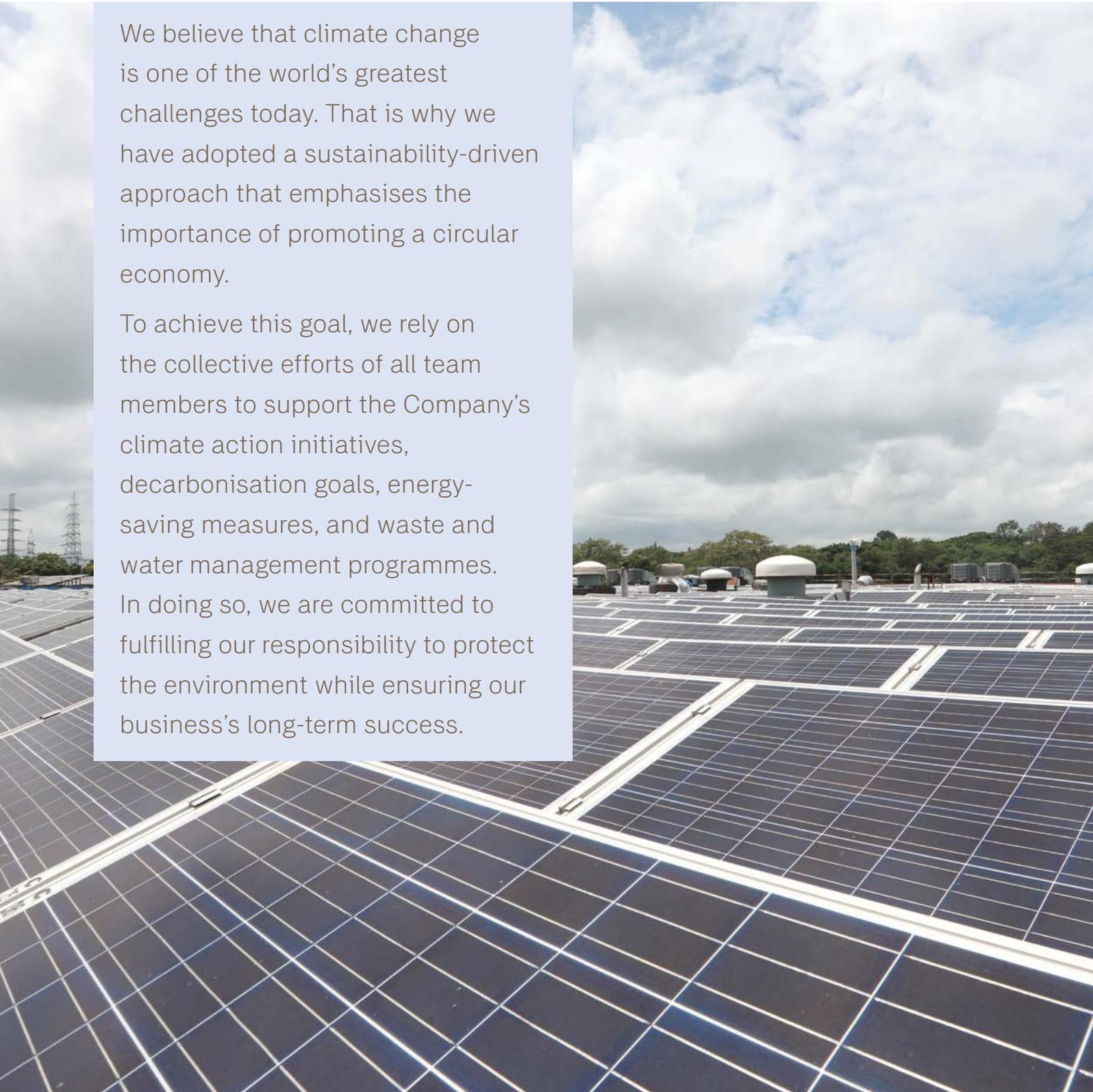
Parameter	FY 2022-23	FY 2021-22	FY 2020-21
Work-related fatalities	0	0	0
Serious recordable accidents	0	0	0
Recordable accidents	5	5	5
First aid accidents	9	4	5
Near-miss	59	51	54
Unsafe conditions/acts	5,962	6,838	4,077

The scores in FY 2022-23 are above the true benchmark.

Creating value for our environment

We believe that climate change is one of the world's greatest challenges today. That is why we have adopted a sustainability-driven approach that emphasises the importance of promoting a circular economy.

To achieve this goal, we rely on the collective efforts of all team members to support the Company's climate action initiatives, decarbonisation goals, energy-saving measures, and waste and water management programmes. In doing so, we are committed to fulfilling our responsibility to protect the environment while ensuring our business's long-term success.



Reaching net zero

We have been working on the climate issue for many years. We have a proven track record, and we are confident that we will reach our climate goals:

- By 2030, all our production facilities, all over the world, will have net zero greenhouse gas 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

SKF's plan to achieve the 2030 goal is based on continued measures in two main areas.

Improving energy and resource efficiency within our operations

SKF India has a good track record in energy efficiency improvement. We are one of the first to adopt the ISO 50001 energy management standard. Currently, the energy performance of each facility is monitored on a monthly basis.

As electricity accounts for 97-98% of the total energy use at SKF India and most of our Scope 1 and 2 emissions, reducing electricity use is a key focus area. To drive reductions in electricity use, SKF India aims to achieve year-on-year improvement in energy efficiency of -5%. In FY 2022-23, we achieved a 3.4% improvement in energy efficiency, representing a reduction of 5.3 GWh through energy-saving activities.



Switching to renewable energy sources

We have been working to source or generate an increasing share of energy from renewable sources for several years. In FY 2022-23, SKF India sourced 41% of the renewable energy required for our manufacturing, reducing our carbon footprint by over 20,000 tonnes.

41%

of renewable energy sourced
for our manufacturing

20,000 tonnes

of carbon footprint reduced

Pune

- The renewable energy journey for the manufacturing plant in Pune started with the installation of an 8.4 MW offsite solar project (Phase 1) which supplied 12.6 GWH (@35%) of solar energy in FY 2022-23, reducing carbon footprint by 9,050 tonnes.
- The power purchase agreement has been finalised for the Phase 2 & 3. The power supply is expected to start in Q2 FY 2023-24. Combined capacity of Phases 2 & 3 projects is around 5.8 MWH, which will generate 9.6 GWH of solar energy, reducing carbon footprint by 6,900 tonnes.

By FY 2023-24, the Pune factory will source

55-60%
renewable energy

Reducing

15,950 tonnes
CO₂ emissions annually

Bangalore

- In FY 2022-23, the manufacturing factory in Bangalore sourced 15 GWH (75%) of renewable energy through existing farm solar projects, reducing carbon footprint by 10,700 tonnes.
- SKF India signed a power purchase agreement for our Bangalore plant's wind solar captive hybrid project. The plant will start receiving power from June 2023.

Our Bangalore facility will be the first Indian plant to be run on

100%
renewable power
by FY 2023-24

Haridwar

- Group captive solar option feasibility is being assessed for Haridwar.

Suppliers (Scope 3 upstream)

We understand from our carbon footprint studies, that embodied carbon in the steel and steel components plays a major role in our value chain. In simple terms, steel is the most carbon and energy-intensive material.

With this as the background, at SKF India, we have started to work with steel mills to seek information

and monitor specific CO₂ emissions for producing SKF material. We have reached out to eight major steel mills (combination of ore-based/scrap-based steelmaking). These efforts will continue this year as well with reduction targets.

To enhance our approach, we are expanding beyond Scope 3 emissions and incorporating ESG considerations. We are partnering with an independent third-party to establish a supplier sustainability programme as part of this effort. This programme aims to evaluate the ESG performance of critical suppliers, identify areas for improvement, and support them in developing action plans to reduce their greenhouse gas emissions and adhere to ESG standards. We will work closely on analysing & benchmarking the industry's best practices, maturity assessment of 100 critical direct and indirect material suppliers on ESG parameters, and data capture on Scope 3. The scoping also includes supplier awareness building sessions on sustainable supply chain.

15%

reduction in CO₂ emissions to be achieved from forging and ring suppliers by 2025, the base year is 2019

The logistics team is also working to reduce CO₂ emissions by 40% per tonne of goods transported to end customers with the base year 2015. The team is working on air freight reduction projects and road transport last-mile reduction projects.



Enabling the decarbonisation of our customers

At SKF India, we want to integrate sustainability into our business – in our products, services and customer solutions. SKF India provides products, services and solutions that help customers improve safety, reduce friction, improve process efficiency, reduce waste and use of material, extend service life, and achieve other sustainability benefits. We also contribute to the growth of the renewable energy industry and the electrification of vehicles.

For the automotive industry, where SKF is a strong partner, we are developing innovative products to support the electrification journey.

Unitised wheel bearings (Truck Hub Unit)

The bearing combines two taper roller bearings, which are greased and sealed for life. As these bearings have a longer life and less tyre wear, it helps reduce the resources required to manufacture bearings and tyres

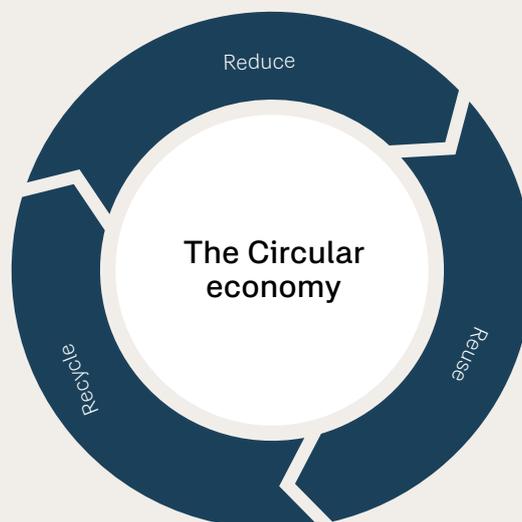
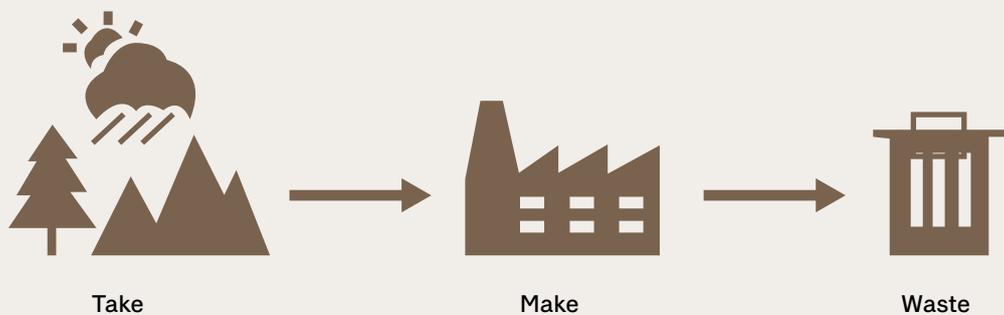
and their change frequency. This results in less grease consumption, reducing the impact on the environment as no grease disposal is required.

Low-friction taper roller bearing (TRB)

SKF India has developed low-friction TRBs for powertrains and other applications. These bearings have 20-30% lower friction compared to their current counterparts. Lower friction results in less drag torque and less fuel consumption, directly impacting CO₂ footprint. With emissions norms becoming stringent, automotive OEMs want products and technologies that could lower fuel consumption and emissions.

Low-friction products for electric vehicles

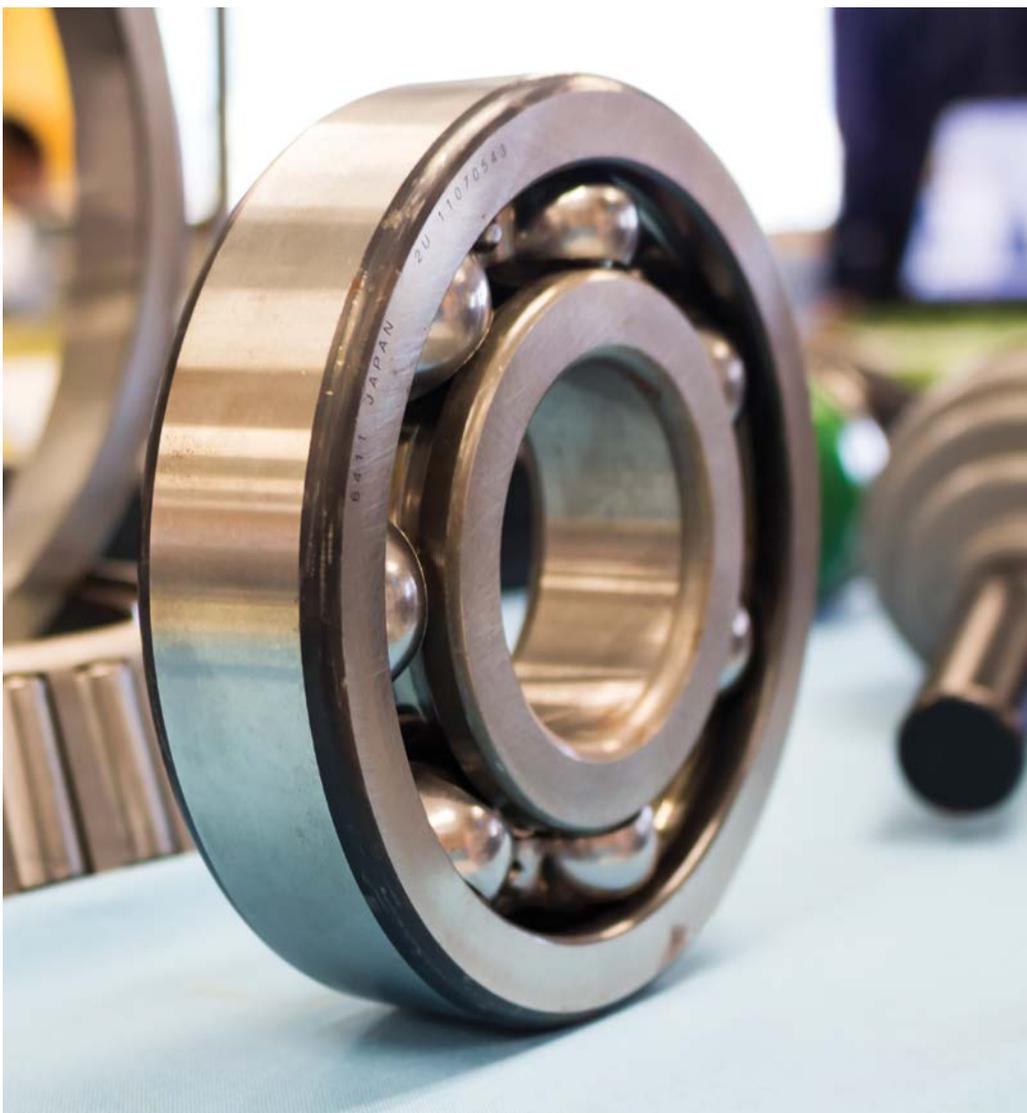
Electrification and the growing market of electric and connected vehicles are good opportunities for SKF India. Today, SKF India has a wide portfolio of transmission, motors, and wheel end bearings that enable robust and efficient e-powertrain drive for two-wheeler and four-wheeler vehicles. These bearings have lower friction values, contributing to extended battery life, improved energy savings and reduced emissions, thereby lowering the total cost of ownership.



Remanufacturing

For many medium to large-size bearings in a number of demanding industries, remanufacturing can offer considerable benefits, including lower lifecycle costs and less unwanted downtime, especially if remanufacturing is combined with other SKF India services and technologies. In addition, remanufacturing can support a company's efforts in the growing importance of sustainability issues.

Remanufacturing helps reduce carbon footprint, shorten bearing delivery lead times and decrease bearing costs by extending the service life of your bearings. A bearing that is normally replaced after three years can be remanufactured twice and last up to nine years, providing the function of three new bearings.





Recycled bearings for Indian Railways under the circular economy initiative

Indian Railways, our major customer, operates a large fleet of LHB coaches with higher speed capacity and safety than the older conventional coaches. They have benefitted from our TBU 130 x 230 product for their LHB coaches axle bearings for passenger applications.

By considering the safety criticality of the bearings used in LHB coaches, Indian Railway engaged with us to reduce the rejection rate by refurbishment of LHB Coaches SKF Bearings to increase their lifecycle.

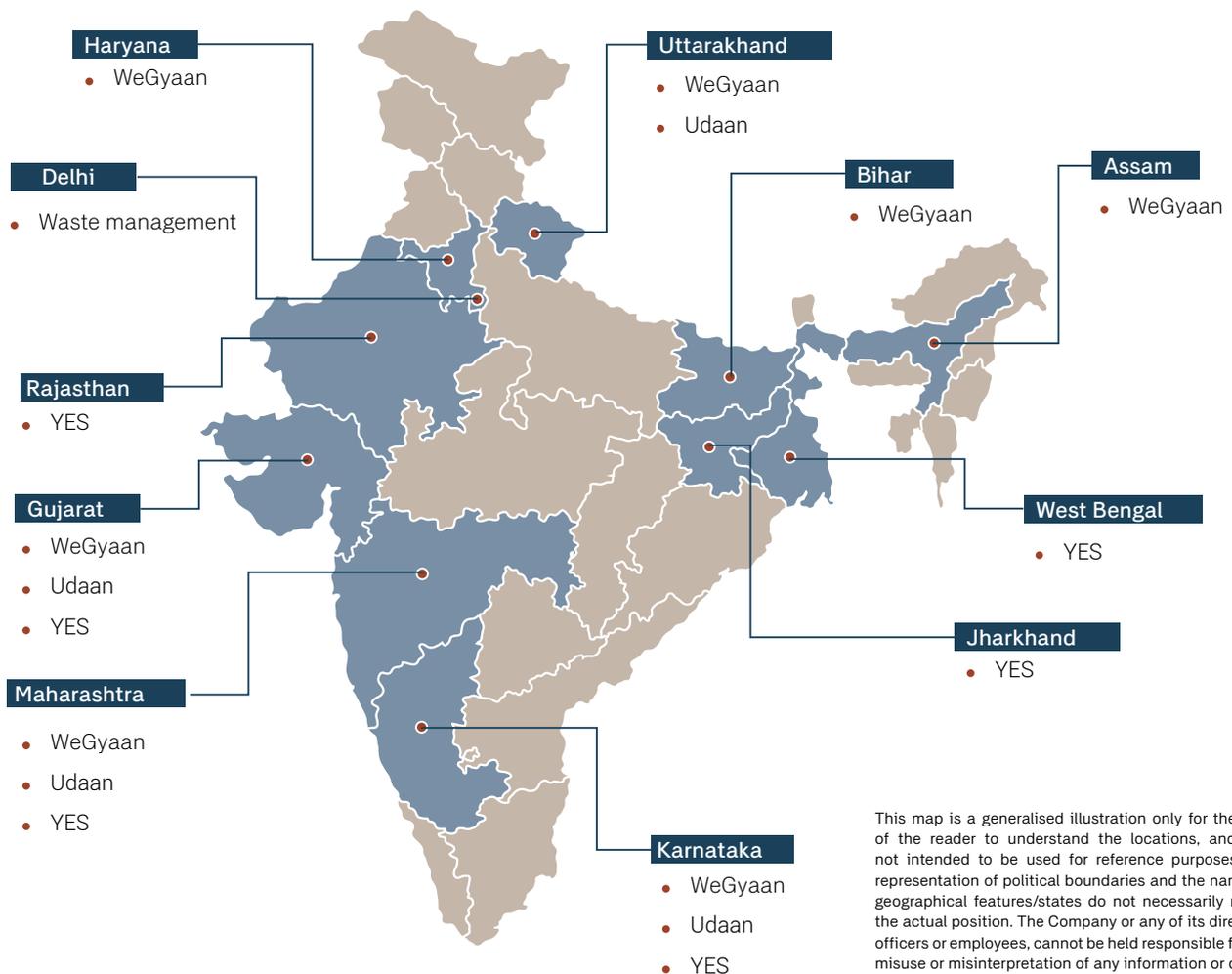
We have successfully recycled 459 tonnes of steel and 14845 bearings, helping the Indian Railway save 38 lakh kWh and avoid 1,654 tonnes of CO₂ emissions. They have also benefitted from increased machine uptime, lower opex, reduced emissions, increased profitability and reduced maintenance.

Creating value for our communities

SKF’s philosophy is based on the idea that our business exists to serve society, not the other way around. Therefore, our primary goal is to operate our business in a manner that supports its long-term success and sustainability while also benefitting society. Our CSR strategy emphasises shared value creation, with an aim to continue to strive to engage consistently with communities on a range of issues, such as education and skill development.

As SKF India looks towards the future, we are committed to forming partnerships, collaborating with others, and expanding our efforts to maximise our social impact and fulfil our obligations to communities for many years to come. Our ‘Community Care’ model aligns with the

United Nations’ Sustainable Development Goals (SDGs), and our goal is to positively impact the lives of 400,000 lakh individuals directly and indirectly by 2025. With our position secured for the next century, we are excited to continue scaling our efforts and achieving high social returns on investment.



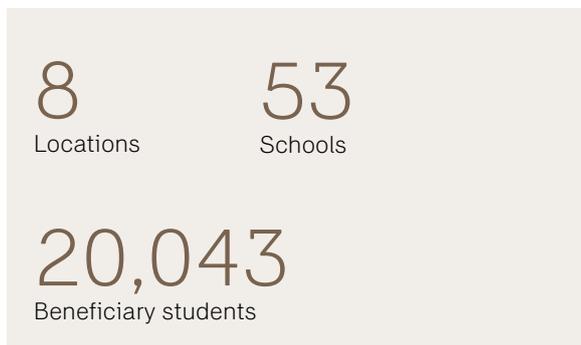
This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.

Flagship programmes

WeGyaan: STEM Education

STEM represents Science, Technology, Engineering, and Mathematics. However, it has evolved into a unique approach to education that prioritises individualised learning based on students' interests and preferred learning styles.

Our STEM education programme, WeGyaan, aims to empower students from marginalised communities by harnessing the transformative power of education. We believe that progress relies on cultivating creative minds, and our programme strives to provide 50,000 beneficiaries with STEM Labs, Innovative Learning Tools, and Science Kits by 2025. Our programme involves providing science labs in schools, training teachers, conducting mental well-being workshops, and offering career counselling sessions. By fostering children's interest and participation in STEM education and related careers, we are contributing to a brighter future for our society.



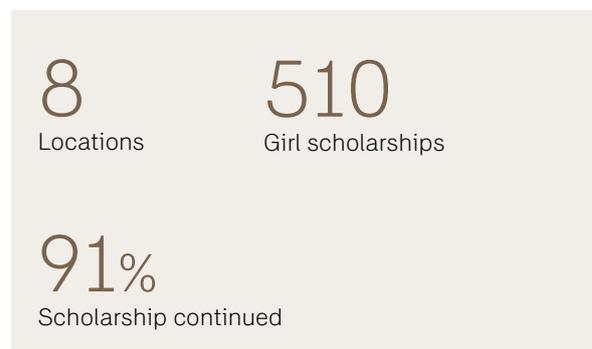
Programme	Beneficiaries	FY 2022-23
WeGyaan	Direct	4,991
	Indirect	14,973



Udaan: Girl education scholarship

At SKF India, we prioritise inclusivity in all aspects of our business. As part of this commitment, we believe empowering girls begins by providing them access to education and information.

With this objective in mind, we have initiated Udaan, which promotes education and gender equality by supporting deserving girls in pursuing higher education at recognised colleges or universities in India. It provides financial assistance, holistic coaching, mentoring, and employability enhancement in areas such as engineering, medicine, and teaching, among others.



Programme	Beneficiaries	FY 2022-23
Udaan	Direct	198
	Indirect	594



Success story

Chaturthi Ghatage is one of the recipients of the SKF India scholarship programme for the FY 2016-17 batch. She comes from a single-parent household, where her mother, despite having limited resources, works hard to support her three children. With the help of the SKF India Scholarship, Chaturthi pursued her passion for engineering and graduated with an outstanding GPA of 8.95.

As a result of her impressive academic record, Chaturthi was offered a position at Tata Elexi with an annual salary of INR 3.5 lakh PA. Her family is thrilled and grateful for the support extended by SKF India, which has positively impacted their lives. At SKF India, we are proud to have contributed to Chaturthi’s success and wish her all the best in her future endeavours.

YES: Youth Empowerment at SKF – Skill Development

The Indian automobile industry has experienced significant growth in the past decade, leading to a surge in demand for skilled garage mechanics. However, the current pool of untrained mechanics is insufficient and lacks formal professional training. To address this gap and provide employment opportunities for young people seeking to acquire marketable skills, SKF India launched the YES programme, which provides vocational training in automobile maintenance through the establishment of skilling centres.

The programme aims to equip 10,000 young people with technical, entrepreneurial, and lateral competencies, including basic computer knowledge and soft skills, over the next five years. YES centres have become a valuable resource for the automotive industry, serving as a ‘trained workforce creator’ for various automotive areas and supporting a sustainable business ecosystem. The centres offer a combination of theoretical and hands-on training on two and four-wheeler maintenance and repair services, as well as other skilling programmes such as sales executive and customer care, focussing on promoting women’s empowerment.



Success story

Priyanka Mondal, a Ramchandrapur resident in Howrah, could not pursue further education due to financial constraints after completing her Higher Secondary. She struggled to find a job to support her family, as she did not have any specialised skills and was battling depression. Fortunately, she learned about the YES Centre and decided to enrol in a course to become a customer care executive. After completing her training, she secured a job as a branch sales executive at the Howrah Maidan Branch of Bandhan Bank. With her monthly income of INR 17,264, Priyanka has become an earning member of her family and is able to support them financially.

Manbhar Swachh Programme – Waste management

We recognise that each individual is equally responsible for protecting our environment and creating sustainable and thriving communities. Our efforts focus on supporting households in waste segregation, reducing waste, and promoting recycling to significantly decrease the amount of waste sent to landfills.

Our Manbhar Swachh Programme is a decentralised waste management initiative that was implemented in a low-income urban slum area in Delhi with the goal of improving living conditions and hygiene levels in the community. The project was highly successful due to strong community participation, and it has now become self-sustaining with the generation of revenue streams. As a result, we have handed over the programme to our implementing partners for further expansion and impact.

1 Location

Delhi urban slum

5,808

Households

319 tonnes

CO₂ Emissions

68%

Diverted from landfill

22

Employees

SROI

2.2

Programme	Beneficiaries	FY 2022-23
Waste management	Direct	15,222



Creating value for our suppliers

At SKF, our primary objective is to assist our customers in enhancing the performance and dependability of their rotating equipment, all while promoting sustainability by reducing emissions and waste. Our suppliers and subcontractors play a crucial role in our demand chain, reflecting our commitment to providing exceptional products and services of the highest quality.

As an organisation with manufacturing and sales operations throughout India, our focus when engaging with suppliers is centred on delivering high-quality products and exceptional value to our customers. We prioritise building enduring partnerships with suppliers that enable us to unlock value, differentiation, and innovation for our customers while reducing our supply chains' environmental impact. Over the last two years, we have intensified our collaborative efforts with suppliers by leveraging our partnerships and capabilities to manage availability and provide value for our customers.

Localisation is one of the key objectives of SKF India. Not only does it provide cost and lead time benefits but it also helps us reduce our carbon footprint. Localisation in FY 2022-23 reached 85% for direct materials (components that go inside bearings). A great matter of pride for us is that THU product line started its SOP with 100% localisation.

Through our net zero strategy, we seek to work closely with our suppliers to minimise the environmental impact of their operations. Our teams actively engage with supplier partners through regular training and seminars to align them with our sustainability journey. More details on this can be found under the environment section on page 50-59.

SKF India is synonymous with quality. To maintain this status, we undertake Focused Supplier Development (FSD) and Lead Supplier Quality (LSQ) programmes with suppliers. These initiatives in previous years have helped us reduce SKF India's supplier quality issues by 24%. Doing so ensures that our customers receive the highest quality products possible.

As part of responsible sourcing, we focus on strengthening suppliers' understanding of compliance requirements. SKF India's responsible sourcing programme works to ensure effective deployment of the SKF Code of Conduct for suppliers and sub-contractors. The programme is an integrated part of our supplier development, which covers areas of delivery, quality, product compliance and our code of conduct. We conduct routine audits of our suppliers' compliance with the SKF Code of Conduct to ensure ethical and legal guidelines adherence.





Ensuring responsible conduct for a stronger tomorrow

Integrity is at our core and at SKF India, we strive to do business as economically, socially, and responsibly as possible.

Our business actions and practices are underpinned by good governance, ethical practices and effective control and accountability. We expect our people to demonstrate full ownership with the highest standard of integrity. We continuously look for the opportunities to improve transparency in our business practices and work to ensure that our people understand and fulfil their responsibilities.



Fostering an ethical culture

Our reputation to act ethically and with high integrity depends on the actions and decisions we make each day across our business. We have empowered and equipped our people through our structured compliance framework to help them meet the expectations.

During FY 2022-23, we implemented various awareness programmes to strengthen the culture of fearlessness and openness and ensured an effective cascade of our programmes such as 'Living Blue - the SKF Way', to all leaders within our Company. We delivered several compliance trainings and programmes to ensure our continued focus on business integrity and ethics, using different modes – online, face-to-face, train-the-trainer, etc. These training programmes included all critical areas covered in our compliance framework with special focus

on key risk areas identified through our Compliance Risk assessment conducted during the year.

In order to increase ownership at each individual level and to foster an ethical workplace, SKF India celebrates 'Compliance Week' annually. The broad objective of this programme is to create a sense of inclusiveness, ownership and reinforce our commitment to SKF CoC (Code of Conduct). This annual event covers every employee, workers, and contractors, across all factories and branch offices. This year we extended this programme to our distributors and suppliers as well.

Being a global company, we believe our strength comes from our ability to tap into our people to conduct ourselves responsibly and ethically. We will continue to work towards ensuring our employees uphold the highest standard of integrity and act.



Celebrating our outstanding achievements

- SKF India was awarded 'Towards quality performance with sustenance without major claims' by Yamaha Motors India Management on 28th April, 2022, under the 'Quality' category
- SKF India's efforts recognised by Bajaj Auto for 2022-23 & awarded the prestigious 'GOLD Award' during the BAVA Supplier Convention at Pantnagar on 31/01/2023
- Awarded as 'Winner (1st prize) – Manufacturing Company of the Year award at the 10th Annual Manufacturing Today Conference & Award-2022 for Pune, Haridwar and Bangalore factories
- Conferred with a Gold Award at the 47th International Convention on Quality Control Circles on 22nd November, 2022 in Jakarta, Indonesia, to TRB T1 & Roller team
- Bestowed with a Gold award at the 11th CII National Poka-yoke Competition-2022 for the TRB T2 team
- Honoured with a Silver award at 11th CII National Poka-yoke Competition-2022 for the DGBB Ch-6 & Maintenance team
- Held 1st position at the 17th Continuous Improvement (Kaizen) Competition 2022 for DGBB Ch-11, Maintenance and Heat Treatment team
- Bagged a Gold award in the 55th Mini Convention organised by QCFI, Pune chapter to factory resetting team, maintenance team and HUB team
- Received Jury Award in the Restorative Category in Challenger's trophy competition organised by CII, Bengaluru team at the national level to factory resetting team
- Conferred with Jury Award in the Restorative Category in Champion's trophy competition organised by CII, Bengaluru team at the national level to HUB1.1 team
- Bestowed with Jury Award in Muda category in Challenger's trophy competition organised by CII, Bengaluru team at the national level to TRB T2 team
- Received the Jury Award in Poka Yoke category in Challenger's trophy competition organised by CII, Bengaluru team at the national level to DGBB Ch-6 team
- Bagged the Jury Award in Poka Yoke category in Challenger's trophy competition organised by CII, Bengaluru team at the national level to TRB T6 team
- Received the Champions of Champion award in the Champion's trophy competition organised by CII, Bengaluru team at the national level to HT team
- Received Silver award in the 64th National Convention organised by IIIE (Indian Institution of Industrial Engineering) at Pune to factory resetting team



- Bagged Excellence Award in the 36th NCQC-2022 organised by NCQC to maintenance team
- Received Par excellence award to HUB1.2 team in the 36th NCQC-2022 organised by NCQC
- Honoured with the Par excellence award to factory resetting team in 36th NCQC-2022 organised by NCQC
- Conferred with Platinum award to maintenance team in 3M Competition organised by CII, Bengaluru on 23rd February 2023
- Received Gold award to factory resetting team in 3M Competition organised by CII, Bengaluru on 23rd February 2023
- Honoured with the Platinum award to factory resetting team in CII organised - SMED-Quick changeover on 24th February 2023
- Bestowed Gold award to Pune roller team for presenting their case study in Safety Case Study presentation competition organised by QCFI, Pune in March 2023
- Honoured with a Gold award to Pune factory resetting team for presenting their case study in Safety Case Study presentation competition organised by QCFI, Pune in March 2023
- Bagged a Gold award for the Pune maintenance team for presenting their case study in Safety Case Study presentation competition organised by QCFI, Pune in March 2023
- Awarded Silver award to Pune maintenance team for presenting their case study in Safety Case Study presentation competition organised by QCFI, Pune in March 2023
- Bestowed Silver award to Pune maintenance team for presenting their case study in Safety Case Study presentation competition organised by QCFI, Pune in March 2023
- Received Bronze award for the Haridwar manufacturing team in 9th kaizen competition organised by QCFI, Haridwar chapter



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 Director

Mr. Karl Robin Joakim Landholm

Non-Executive Director

Mr. Manish Bhatnagar

Managing Director & KMP

Mr. Shailesh Sharma

Whole-time Director & KMP

Mr. Ranjan Kumar

Company Secretary and Compliance Officer

Mr. Ashish Saraf

Chief Financial Officer

Committees of Board

Audit Committee

Stakeholders' Relationship Committee

Nomination and Remuneration and Committee

Risk Management Committee

Corporate Social Responsibility Committee

Auditors

M/ s. Deloitte Haskins & Sells LLP, Chartered Accountants

Secretarial Auditors

M/s Parikh & Associates, Company Secretaries

Bankers

The Hong Kong Shanghai Banking Corporation Limited

HDFC Bank Limited

Yes Bank Limited

Deutsche Bank

State Bank of India

Share Transfer Agent

TSR Consultants Private Limited

(Formerly known as TSR Darashaw Consultants Private Limited)

Director's Report

Dear Members,

The Board of Directors of your Company are pleased to present the 62nd Annual Report, with audited financial statements (standalone and consolidated) for the financial year ended on 31st March 2023.

1. Summary - Financial Results (Standalone and Consolidated)

INR in mn

	Year Ended		Year Ended	
	31 st March 2023 Standalone	31 st March 2022 Standalone	31 st March 2023 Consolidated	31 st March 2022 Consolidated
Revenue from Operations	43,049.2	36,658.9	43,049.2	36,658.9
Other Income	518.7	346.2	518.7	346.2
Total Income	43,567.9	37,005.1	43,567.9	37,005.1
Operating Expenditure	35,570.2	31,124.5	35,570.2	31,124.5
Depreciation	668.4	571.0	668.4	571.0
Profit before Tax	7,329.3	5,309.6	7,329.3	5,309.6
Share of Net Profit/(loss) of Associate	-	-	0.9	(1.7)
Provision for Taxation	2,081.4	1,358.3	2,081.4	1,358.3
Profit after Tax	5,247.9	3,951.3	5,248.8	3,949.6
Other Comprehensive Income	25	(13.5)	25	(13.5)
Total Comprehensive Income for the Period	5,272.9	3,937.8	5,273.8	3,937.8

2. Operations

The Standalone Revenue from operations of the Company for the year ended on 31st March 2023, stood at INR 43,049.2 mn compared to INR 36,658.9 mn in the previous year. The Company's Standalone Profit before Tax for the year under review was INR 7,329.3 mn compared to INR 5,309.6 mn in the previous year.

The Standalone Profit after Tax for this period was INR 5,247.9 mn, compared to INR 3,951.3 mn during the previous year.

The Company incurred a capital expenditure of INR 1,084.1 mn during the year.

3. Standalone and Consolidated Financial Statements

The standalone and consolidated financial statements of the Company for FY 2022-23 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 2022-23.

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 **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> under 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 which 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.

The Registered Office of the Company, which was earlier situated at 'MGM Building, Netaji Subhash Road, Mumbai, Maharashtra 400002' in the jurisdiction of Registrar of Companies, Mumbai, was shifted to 'Chinchwad, Pune 411 033' vide application made by the Company on 09th June 2022 and approval from the office of Registrar of Companies, Pune on 15th July 2022.

Director's Report (contd.)

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. 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**.

The Group has also reached a milestone of completing 100 years of its business operations in India.

6. Transfer to Reserves

The Board of Directors decided to retain the entire amount of profit for FY 2022-23 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 2022-23, the Company has declared dividend as the final dividend of INR 40/- per equity share of INR 10/- each to its shareholders.

FY 2022-23 was an exceptional year, with efficient planning and robust operational performance. The Board of Directors at their meeting held on 17th May 2023 has recommended the payment of INR 40/- per equity share of the face value of INR 10/- each as the final dividend for the financial year ended

31st March 2023, compared to INR 14.50/- per equity share for the preceding financial year ended 31st March 2022. The pay-out is expected to be INR 1,977.5 mn, the payment of the final dividend is subject to the approval of the shareholders of the Company at the ensuing 62nd Annual General Meeting (AGM) of the Company to be held on 2nd August 2023.

The record date is Thursday, 29th June 2023, for the purpose of determining the eligibility of the shareholders for payment of the dividend for the financial year ended 31st March 2023.

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

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 2014-15 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 2023, is INR 494.38 mn - divided into 49,437,963 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 2022-23. As of 31st March 2023, none of the Directors of the Company hold any instruments convertible into equity shares of the Company.

Director's Report (contd.)

9. Awards and Accolades

Your Directors are pleased to share that during the year under review, your Company received numerous awards and felicitations from distinguished bodies for achievements in different fields that re-emphasise SKF's strong position in the Indian manufacturing industry. Some of the achievements are:

- SKF India was awarded 'Towards quality performance with sustenance without major claims' at the Yamaha Virtual Supplier Conference on 28th April 2022, under the 'Quality' category. SKF India has met and sustained its quality targets and requirements with no cases of a warranty claim or performance non-conformance. Yamaha Motors considers SKF as a reliable partner and the award is a testimony and a significant milestone in SKF India's journey towards operational excellence and our uncompromising commitment to customer-centricity.
- Also pleased to inform you that Bajaj Auto has recognized SKF's efforts for 2022-23 & awarded with prestigious 'GOLD Award' during BAVA Supplier Convention at Pantnagar on 31st January 2023
- Winner (1st prize) – Manufacturing Company of the year award at 10th Annual Manufacturing Today Conference & Award-2022 for Pune, Haridwar and Bangalore factory
- Gold Award at 47th International Convention on Quality Control Circles on 22nd November 2022 in Jakarta, Indonesia, to TRB T1 & Roller team
- Gold award at 11th CII National Poka-yoke Competition-2022 for TRB T2 team
- Silver award at 11th CII National Poka-yoke Competition-2022 for DGBB Ch-6 & Maintenance team
- 1st position at 17th Continuous Improvement (Kaizen) Competition 2022 for DGBB Ch-11, Maintenance and Heat Treatment team
- Gold award in 55th Mini Convention organized by QCFL, Pune chapter to factory resetting team, maintenance team and HUB team
- Jury Award in restorative category in Challenger's trophy competition organized by CII, Bengaluru team at national level to factory resetting team
- Jury Award in restorative category in Champion's trophy competition organized by CII, Bengaluru team at national level to HUB1.1 team
- Jury Award in Muda category in Challenger's trophy competition organized by CII, Bengaluru team at national level to TRB T2 team
- Jury Award in Poka Yoke category in Challenger's trophy competition organized by CII, Bengaluru team at national level to DGBB Ch-6 team
- Jury Award in Poka Yoke category in Challenger's trophy competition organized by CII, Bengaluru team at national level to TRB T6 team
- Champions of Champion award in Champion's trophy competition organized by CII, Bengaluru team at national level to HT team
- Silver award in 64th National Convention organized by IIIE (Indian Institution of Industrial Engineering) at Pune to factory resetting team
- Excellence Award in 36th NCQC-2022 organized by NCQC to maintenance team
- Par excellence award to HUB1.2 team in 36th NCQC-2022 organized by NCQC
- Par excellence award to factory resetting team in 36th NCQC-2022 organized by NCQC
- Platinum award to maintenance team in 3M Competition organized by CII, Bengaluru on 23rd February 2023
- Gold award to factory resetting team in 3M Competition organized by CII, Bengaluru on 23rd February 2023
- Platinum award to factory resetting team in CII organized - SMED-Quick changeover on 24th February 2023
- Gold award to Pune roller team for presenting their case study in Safety Case Study presentation competition organized by QCFL, Pune in Mar-23
- Gold award to Pune factory resetting team for presenting their case study in Safety Case Study presentation competition organized by QCFL, Pune in Mar-23
- Gold award to Pune maintenance team for presenting their case study in Safety Case Study presentation competition organized by QCFL, Pune in Mar-23
- Silver award to Pune maintenance team for presenting their case study in Safety Case Study presentation competition organized by QCFL, Pune in Mar-23

Director's Report (contd.)

- Bronze award to Haridwar manufacturing team in 9th kaizen competition organized by QCFL, Haridwar chapter.

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 2022-23 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 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.

Pursuant to the provisions of section 152(6) of the Companies Act, 2023, Mr. David Leif Henning Johansson is liable to retire by rotation as he has been the longest in office since his last appointment on 28th June 2022. Mr. David Leif Henning Johansson being eligible has offered himself for re-appointment as a Director of the Company. The resolution for re-appointment of Mr. David Leif Henning Johansson forms the part of notice convening Annual General Meeting.

Mr. Aldo Cedrone (DIN: 08455073), Non-Executive and Non-Independent Director and Ms. Ingrid Viktoria Van Camp (DIN: 08945782), Non-Executive and Non-Independent Director, have resigned as Director of the Company with effect from 28th June 2022, due to their other engagements. The Board placed on record the appreciation for the valuable services, support and guidance extended by Mr. Aldo Cedrone and Ms. Ingrid Viktoria Van Camp during their tenure as Directors of the Company.

The tenure of Mr. Manish Bhatnagar (DIN: 08148320) as the Managing Director of the Company is concluding on 15th August 2023. It is proposed to appoint him as the Managing Director of the Company for further period of 5 years as recommended by the Nomination and Remuneration and Audit Committee. The resolution for the approval for appointment of Mr. Manish Bhatnagar as the Managing Director of the Company along with the Explanatory Statement forms the part of the Notice convening the Annual General Meeting.

b. Changes in Key Managerial Personnel:

Mr. Ashish Saraf was appointed as Chief Financial Officer (CFO) of the Company with effect from 11th May 2022 as recommended by the Nomination and Remuneration and Audit Committee pursuant to resignation of Mr. Anurag Bhagania as a Chief Financial Officer of the Company.

Director's Report (contd.)

During the year under review, 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 Independent Directors of the Company.

The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act 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 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 Sector Specific knowledge, Finance, Marketing, Strategic Thinking, Regulatory Laws, and Leadership skills as mentioned in CG Report. These domains are integral part of every business and therefore the collective expertise of these board members ensure 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. All the Independent Directors have successfully passed the test.

15. Key Managerial Personnel

In terms of Section 203 of the Act, the following are the Key Managerial Personnel (KMPs) of the Company as 31st March 2023:

- 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.

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 forthcoming financial year (2023-24) 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 several proposals by circulation from time to time.

During FY 2022-23, 4 (four) 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 **Annexure B**.

Details of Committee is 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

Director's Report (contd.)

a whole) / Committees / Independent Directors / Chairman / self-assessments, covering various relevant criteria such as degree of fulfilment 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.

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

The Audit Committee was re-constituted due to the resignation of Ms. Ingrid Viktoria Van Camp (Non-Executive, Non-independent Director) with effect from 28th June 2022. Mr. David Leif Henning Johansson was inducted as a Member of the Audit Committee in place of Ms. Ingrid Viktoria Van Camp with effect from 28th June 2022.

Details of the roles and responsibilities of the Audit Committee, the particulars of meetings held and attendance of the Members at such meetings are given in the Report on Corporate Governance, which forms a part of the Annual Report.

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

Director's Report (contd.)

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 three (3) 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 Committee are of Independent Directors.

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

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 Responsibilities Committee were accepted by the Board.

22. Corporate Social Responsibility

We aim to build more capable, inclusive, and resilient communities through a shared approach that takes into cognisance the specific needs of each community. Our social strategy aligns with our core business strategy to empower communities and provide opportunities for us to create common value across our footprint.

The Company has been actively engaged in various CSR activities over the years, which cover the entire gamut of social welfare/upliftment activities across the nation. The thrust areas under CSR inter-alia included education, employment enhancing vocational skills, empowerment of women, socially/economically backward groups, etc., which have always been built on the Company's values of 'SKF Care' built on four pillars of 'Business care, Employee care, Environment care and Community care'.

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.

Total unspent CSR amount for the Financial Year under review is INR Nil-, the Company will spend the said unspent amount within prescribed time lines as per Companies Act, 2013 and rules made there under.

23. Risk Management

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

Director's Report (contd.)

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.

24. Safety/Sustainability

Safety

The company has a vision of "Zero-harm to our employees and society". Safety always comes first and we are convinced that all work-related accidents can be prevented.

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

The company has adopted a structured approach toward the implementation of Safety Policies and programs to integrate safety with business processes with the objective of continuously improving 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 organizations. Safety risks are managed across our businesses using standards, controls, and compliance systems. More focus is given to the elimination of unsafe acts. The company also started mapping the Safety competency of the employees & plan actions to improve Skills & knowledge through

our training centre KUSHAL. Training and awareness are considered key elements of our safety strategy. We work with our contractors and suppliers so they understand our safety requirements.

We commemorate National Safety Month and World Environment Day 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.

The Company has adopted a structured approach toward the implementation of safety policies and programmes to integrate safety with the business process to continuously improve safety performance. The Company always takes a safety-first approach while taking any business decision.

Sustainability

Sustainability is an integral part and one of the driver of SKF Group and we at SKF India are committed to it.

The company has well-defined ESG Materiality analysis and having various actions in place.

The company has launched its green manufacturing initiative focussing on GHG emission reduction, conservation of natural resources, and eliminating/reducing the generation of hazardous waste. With these projects, we are aiming to reduce negative impacts on the environment due to our manufacturing operations, products, and services.

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

1. Energy efficiency improvement and renewable energy sourcing to reduce carbon emission footprint
2. Water conservation
3. Oil and chemical consumption reduction
4. Waste elimination
5. Saving trees

We are working on reducing GHG emissions in manufacturing to achieve the objective of 100% decarbonization by 2030 in our manufacturing processes and to become a net Zero GHG Emission organization across the full value chain by 2050. SKF has committed itself to Science Based targets Initiatives (SBTi) for net zero.

In the year 2022-23, SKF India sourced 41% of renewable energy required for its manufacturing. This year we have signed a captive power purchase agreement for SKF Bangalore factory for a wind-solar

Director's Report (contd.)

hybrid project and will start the supply of renewable energy in the 3rd quarter of 2023. Through this agreement, the Bangalore factory will be sourcing 95-100% renewable energy for manufacturing. Similarly, the Pune factory has entered into a captive farm solar power purchase agreement increasing the renewable energy sourcing capacity to 55-60% by this year. All these initiatives will help us to reduce scope 1 & 2 GHG emissions from 41% to 70% by the end of 2025.

SKF India is working with suppliers and transporters to reduce upstream and down-stream emissions across the full value chain up to customer delivery. The team is working with the top 50 critical suppliers to assess their status with the ESG parameters, identify gaps and help them to finalize an action plan to reduce their GHG emissions and ensure compliance with ESG norms. SKF India has initiated a sustainability supply chain program with the objective of 15% reduction in CO₂ emission of forging and ring suppliers by 2025, the base year is 2019.

SKF logistic team is also working to reduce CO₂ emission 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 and road transport last-mile reduction projects.

SKF India manufacturing sites are committed to water conservation and ensure zero water discharge by treating the used water through ETP and STP plants for gardening and personal hygiene. All the factories are having rainwater harvesting and water storage facilities minimizing the usage of fresh water. SKF India sites reduce their water consumption by 10% over the last year.

SKF India 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 the transport of sludge. All the SKF India sites are VOC free for the last 3 years. Both SKF Bangalore and Haridwar plants recycle the grinding dust and avoid landfilling or incineration.

SKF India sites are proactively working on a reduction in paper and plastic consumption through various packaging optimization projects in collaboration with suppliers and customers. A major initiative was launched for the segregation of plastic and paper wastes at all manufacturing locations and offices to improve the recycling of the waste.

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.

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 2023, the internal financial controls were adequate and operating effectively.

Director's Report (contd.)

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 by them, 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 2023, 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 2023, and of the profit of the Company for the period ended 31st March 2023
- 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, 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 ID) 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 not 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 Audit Committee, Board of Director 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 the 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.

Within the prescribed timeline with Stock exchanges and the same is published on website of the Company.

Director's Report (contd.)

28. Subsidiaries, Joint Venture and Associates Companies

As of 31st March 2023, the Company has 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, SKF India has established a reputation for doing business with integrity and displaying zero tolerance for any form of unethical behaviour. Your 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 Compliance Week Celebration, Workshops, e-learning modules and, periodic compliance communications for creating greater awareness with respect to its Code of Conduct including - Fair Competition Directive, Insider Trading Awareness and 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

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 Report covering the above initiatives has been prepared in accordance of 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 2023.

32. Statutory Auditors

At the 61st Annual General Meeting of the Company, **M/s Deloitte Haskins and Sells LLP, Chartered Accountants** (Firm Registration No. 007567S/S200012) 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 (Firm Registration No. 007567S/S-200012), have submitted their Report on the

Director's Report (contd.)

Financial Statements of the Company for the FY 2022-23, which forms a part of the Annual Report of FY 2022-23. 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 the FY 2022-23.

The report of the Secretarial Auditor for the financial year ended on 31st March 2023, 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 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 08th February 2019 read with and Regulation 24A of SEBI LODR, all listed entities shall, additionally, on annual basis, submit a report to the stock exchange(s) on compliance of all applicable SEBI Regulations and circulars / guidelines issued thereunder within 60 days of end of Financial Year. Such report shall be submitted by Company Secretary in practice to the Company in the prescribed format.

The Company has received **Secretarial Compliance Report** from M/s Parikh & Associates, Company Secretaries for the Financial Year ended 31st March 2022 and it has been submitted to the stock exchange(s) within the stipulated time. Certificate forms part 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

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.

Cost Audit

In terms of Section 148 of the Act read with Companies (Cost Records and Audits) Rules, 2014, M/s. RA & Co. (Firm Registration No. 000242), Cost Accountants were appointed as Cost Auditors of the Company for FY 2022-23 by the Board of Directors on the recommendation of the Audit Committee. The Cost Auditors have 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 the FY 2022-23 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 RA & Co, Cost Auditor is included in the Notice convening the 62nd 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

The Registered Office of the Company, which was earlier situated at 'MGM Building, Netaji Subhash Road, Mumbai Maharashtra 400002' in the jurisdiction of Registrar of Companies, Mumbai, was shifted to 'Chinchwad, Pune 411 033' vide application made by the company on 9th June 2022 and approval from the office of Registrar of Companies, Pune on 15th July 2022.

Director's Report (contd.)

Certificate of registration of the order of regional director confirming transfer of The registered office within the same state was issued on 15th July 2022.

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 8,99,330/- (Rupees Eight Lakh Ninety Nine Thousand

Three hundred and Thirty Only) being the unpaid and unclaimed dividend amount pertaining to the year 2014-15 to the IEPF in in June 2022.

As per the IEPF Rules, all shares in respect of which dividend has not been paid or claimed for 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 the year 2014-15 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 2015-16 and shares where dividend had remained unpaid for the last consecutive seven years will be transferred to the IEPF within the stipulated time period.

The Company has sent individual notices to the concerned shareholders, whose shares and dividends are liable to be transferred to the IEPF Authority to their latest available addresses.

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 invested INR 26,000/- in Clean Max Taiyo Private Limited in the form of the acquisition of Equity Shares to the tune of 26% of its equity share capital during the financial year.

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 second and third tranche of investment will be done in FY 2023-24 by SKF India in Clean Max Taiyo Private Limited to

Director's Report (contd.)

comply with the captive requirements. Your company is planning to expand this investment considering the recent changes in the local electricity laws.

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. Your company is planning to expand this investment considering the recent changes in the local electricity laws.

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 2023 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/financial-results>

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, 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 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 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 also conducted an e-learning programme for employees to cover various aspects of the subject matter.

1.	Number of complaints pending as on the beginning of FY 2022-23	[0]
2.	Number of complaints of sexual harassment received in the year	[3]
3.	Number of complaints disposed off during the year	[1]
4.	Number of complaints pending as on the end of FY 2022-23	[2]

ICC Committee details are provided in Posh Policy The PoSH Policy is available on 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 2023.

Director's Report (contd.)

The Report of Secretarial Auditors for the Financial Year ended 31st March 2023 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 2022-23.

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 Managing Director to this effect is annexed as a part of 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.

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

Place: Gothenburg, Sweden

**Gopal Subramanyam
Chairman**

Date: 17th May 2023

DIN: 06684319

Management Discussion & Analysis

Global economy

Global economic recovery endures but the outlook is uncertain again amid financial sector turmoil, high inflation, and three years of Covid-19 pandemic.

Over the past three years the global economy has been subjected to an unprecedented series of crises, including high inflation and the ongoing effects of Russia-Ukraine conflict. These uncertainties continue to undermine the confidence among consumers and businesses to spend, therefore impacting economic growth. According to the International Monetary Fund (IMF), global growth is projected to fall from an estimated 3.4% in 2022 to 2.8% in 2023. Furthermore, advanced economies are expected to experience a significant slowdown in growth, dropping from 2.7% in 2022 to 1.3% in 2023. Meanwhile, Emerging Market Economies (EMEs) are predicted to have an average growth rate of 3.9% in 2023, with a projected increase to 4.2% in 2024.



Global economic growth (in %)

	Year-on-Year		
	Estimate	Projections	
	2022	2023	2024
World	3.4	2.8	3.0
Advanced Economies	2.7	1.3	1.4
United States	0.9	1.0	1.3
Euro Area	1.9	0.7	1.8
Japan	0.6	1.3	1.0
Emerging Market and Developing Economies	4.0	3.9	4.2
China	3.0	5.8	4.7
Russia	(4.0)	0.9	1.4

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023>)



The global trade outlook may be at risk of downside due to renewed bottlenecks in the supply chain and weaker-than-anticipated global demand. The intensification of trade protectionism, fragmentation of trade networks, and security concerns about supply chains could further exacerbate trade concerns, leading to a slowdown in trade growth and supply chain disruptions.

Outlook

The economic forecast for the next ten years predicts a prolonged period of turbulence and unpredictability for businesses. Following the conclusion of regional recessions in 2023, global growth is expected to decelerate once more, with mature markets contributing less to global GDP in the coming decade. A portion of this deceleration can be attributed to the inherent convergence of previously fast-growing economies such as China and Korea. In addition, the recent sluggishness may be attributed to slow progress in implementing structural reforms, escalating trade tensions, declining direct investment, and a slower adoption of innovation and technology in scattered regions. Nevertheless, companies can still capitalise on investment prospects in mature markets that require innovation to offset the decline in labour force. Furthermore, emerging markets present opportunities for investment in physical and digital infrastructure, owing to their large and young labour force.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023>)

Indian economy

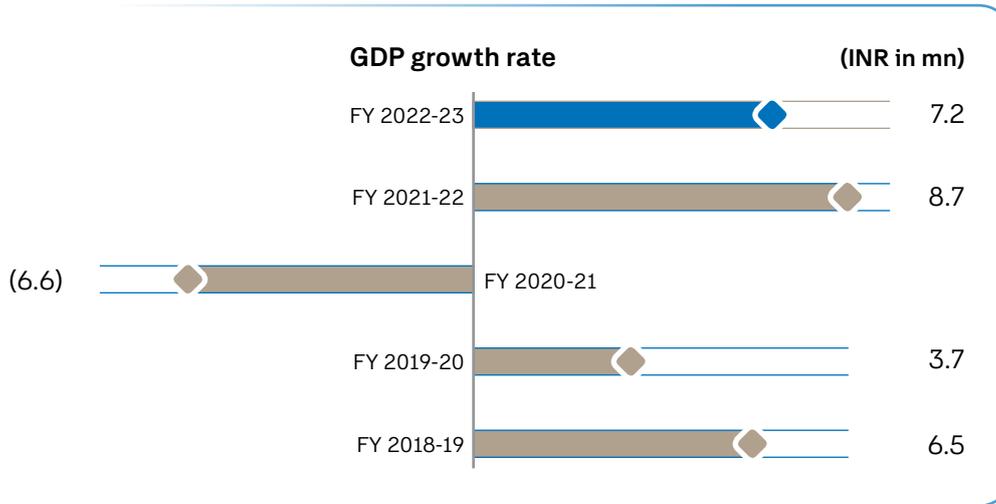
Global uncertainties will weigh on growth this year, and India will need a strong rebound in investments to attain sustainable growth.

India is bound to get impacted from these global developments. However, several analysts remain optimistic about India's economic outlook in 2023. In particular, domestic demand-led growth will provide India with the necessary momentum to post reasonably strong growth this year.

Despite global challenges, India has achieved an impressive growth of 7.2% in FY 2022-23, supported by local consumption and a favourable policy environment, as well as a stable political democracy.



Indian economy GDP growth rate (in %)



(Source: <https://www.indiabudget.gov.in/economicsurvey/doc/echapter.pdf>)

With respect to sector-wise growth, the agricultural industry experienced a growth rate of 3.5% in the FY 2022-23, while the industrial sector expanded by 4.1%. Moreover, initiatives such as the 'Production Linked Incentive (PLI)' schemes, implemented across 14 categories with an estimated capex of INR 4 lakh cr over the next five years, will serve to integrate India into global supply chains.

The private sector balance sheet has improved over the past couple of years, implying that the private sector is poised to increase spending, which can boost capex as and when the investment cycle picks up. Besides, corporate deleveraging has improved banks' balance sheets, aiding the banking system to come out of the asset quality cycle. Furthermore, high Goods and Services Tax (GST) and direct tax collections have provided the Government ammunition to spend and cushion the impact of the impending global slowdown and keep the economy buoyant. Consumer demand remains strong as is evident from the robust growth in the retail industry and the better profit performance of consumer staples and discretionary companies in recent quarters. Also, recent labour market data suggests a strong rise in labour force participation and job creation in certain sectors. However, job growth has to sustainably improve to translate into durable demand growth.

(Source: <https://www2.deloitte.com/us/en/insights/economy/asia-pacific/india-economic-outlook-01-2023.html>)

Outlook

The Government's capital expenditure (capex) has steadily increased in FY 2022-23, contributing to the growth of the Indian economy, helping the country maintain its position as the world's fastest-growing

major economy. Looking ahead, the Government must continue calibrating policies and trying out new approaches to boost investments, as it has done in the past.

Our overall outlook for the Indian economy remains positive – the country is expected to retain the top spot throughout FY 2023-24, with a growth rate of 6.5%. We expect investments to see a turnaround and thrust the economy into sustainable growth. Private capex is also expected to rise as corporations strengthen their balance sheets and gain access to more credit financing. Well-capitalised public sector banks are increasing credit supply, resulting in remarkable credit growth for the Micro, Small, and Medium Enterprises (MSME) sector. The Government's Emergency Credit Linked Guarantee Scheme (ECLGS) is further supporting this growth.

All in all, this economic expansion is expected to boost business confidence and kickstart the virtuous circle of job creation, income, productivity, demand, and exports supported by favourable demographics to fuel the growth of the Indian economy.

However, the road to higher growth rate for the Indian economy is expected to be longer. Continued inflationary pressures, geopolitical crises, supply chain reorientations, will weigh on the outlook. At this point in time, investments will be critical to meet India's rising demand and are expected to be the primary drivers of growth, along with the Government's capital spending playing a major role.

(Source: <https://www.indiabudget.gov.in/economicsurvey/doc/echapter.pdf>)

Ball bearing industry

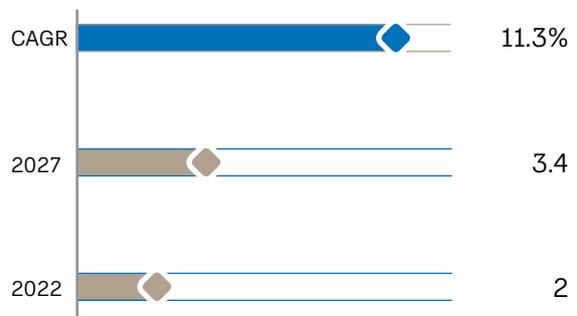
Bearings are essential in almost every application that involves motion. They help minimise friction between different mechanical components in several industrial machinery and equipment, resulting in reduced energy consumption.

India is the world’s biggest manufacturer and exporter of top brand bearing goods. Because of the growing need for bearings in all industries, ranging from automobiles, household appliances, and aerospace to industrial machinery, water pumps, and fans, bearing manufacturing in India has continuously increased over the years.

The Indian bearings market is projected to register a Compound Annual Growth Rate (CAGR) of 11.3%, and by 2027, will be valued at USD 3.4 bn.



Indian bearings market (in USD bn)



(Source: <https://www.astuteanalytica.com/industry-report/india-bearings-market>)

According to a report by CareEdge Research, over 50% of the bearing consumption in India is fulfilled by domestic production. Imports account for less than 40% of the demand and have been on a decline due to the increasing localisation efforts of multinational companies, operating in the domestic bearing industry. These companies are expected to continue investing in enhancing product localisation, resulting in a further decline in imports, while boosting domestic production.

The bearings market is categorised based on application. It is segmented into automotive and industrial machinery, among others. The automotive segment is expected to be the maximum share holder owing to the increasing emphasis on cleaner mobility solutions. Rising popularity of Electric Vehicles (EV) has also contributed to this growth. Today, the automotive sector is continuously working to develop an integrated approach to a cleaner environment and lower carbon emissions. Similarly, in the industrial sector, there is a rising demand for precision bearing because of increased focus on industrial automation.

Several Government initiatives, including 'Make in India,' 'Aatmanirbhar Bharat,' and 'National Infrastructure Pipeline' aim to boost the demand for ball bearings. Rapid industrialisation and the shifting focus on renewable energy will further lead to increased demand for bearings in India. Moreover, India is an attractive destination for foreign investments in the manufacturing sector, which has the potential to reach USD 1 tn by 2025. However, the organised ball bearings market faces a significant threat from counterfeit products, which are readily available at low cost.

(Source: <https://www.astuteanalytica.com/industry-report/india-bearings-market>)

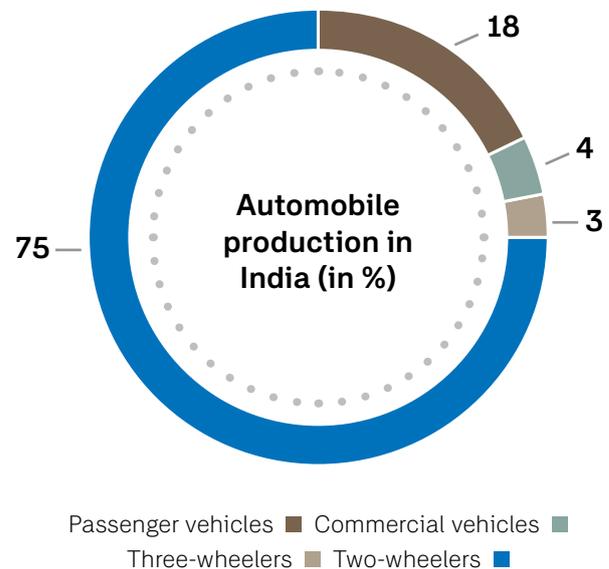
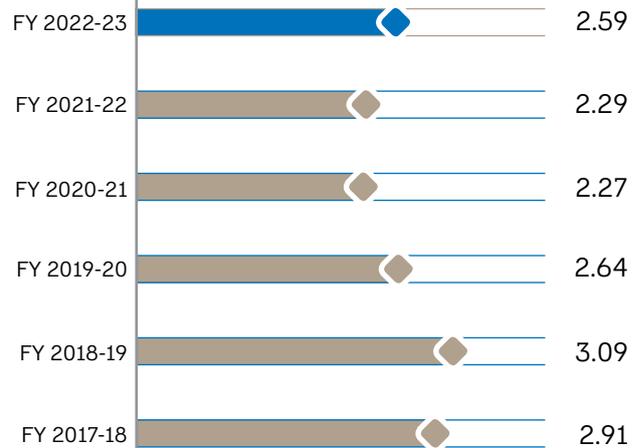
Key segments

Automotive

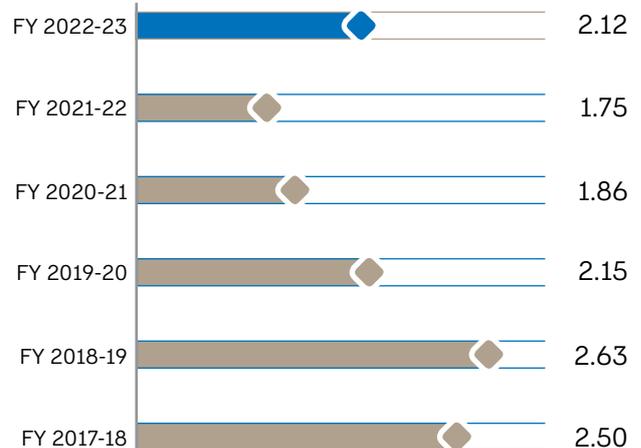
Today's automotive industry is focussed towards providing cleaner mobility solutions to customers. Bearings constitute as one of the most important components for enhancing the performance of all the rotating parts. Their use in the manufacturing of modern powertrains, which are fuel-efficient as well as lead to lesser emissions, is rapidly increasing. Acceleration in adoption of electric vehicles is also expected to boost the market growth.

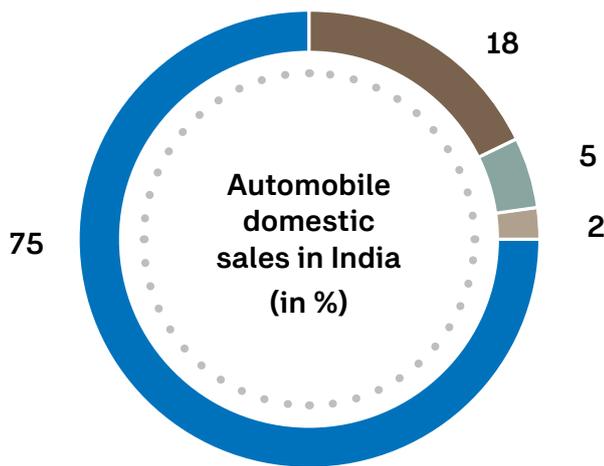
The automotive industry is a crucial driver of the Indian economy, employing approximately 19 mn people and contributing about 7.1% to the country's GDP.

Automobile production in India (in cr)

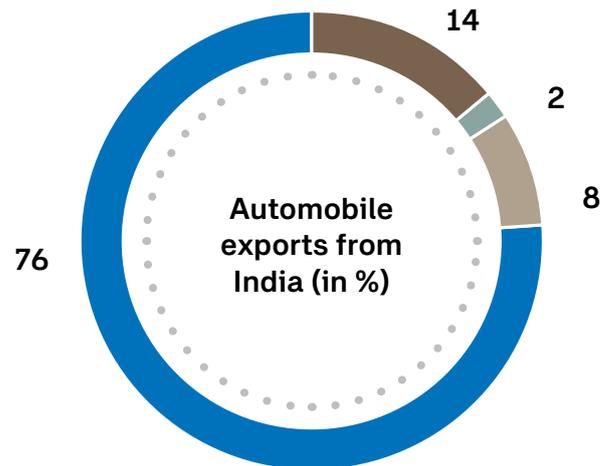


Automobile domestic sales in India (in cr)





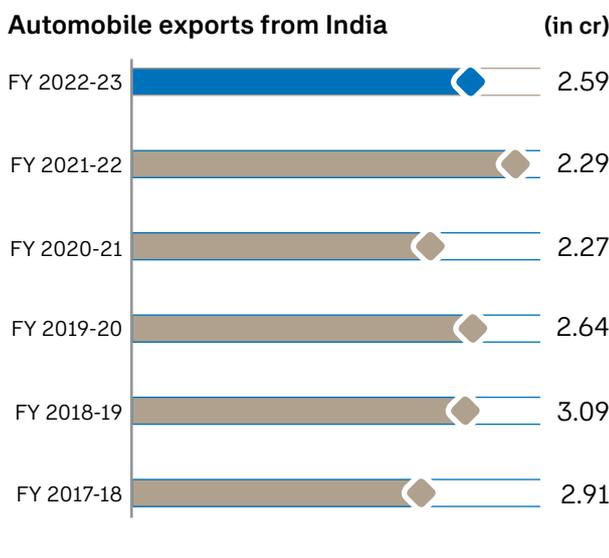
Passenger vehicles ■ Commercial vehicles ■
Three-wheelers ■ Two-wheelers ■



Passenger vehicles ■ Commercial vehicles ■
Three-wheelers ■ Two-wheelers ■

(Source: <https://static.pib.gov.in/WriteReadData/specificdocs/documents/2023/feb/doc2023217160601.pdf>)

(Source: <https://www.siam.in/statistics.aspx?mpgid=8&pgidtrail=13>)



India also holds the distinction of being the largest manufacturer of two-wheelers and three-wheelers globally, with the fourth-largest production of passenger cars. Furthermore, the trucking market in India is predicted to witness significant growth of more than four times by 2050. To encourage foreign investment, the Indian Government has allowed 100% FDI in the automotive sector through the automatic route. By 2030, the Indian automotive market is projected to be the third-largest in the world in terms of volume. Over the years, it has faced several challenges such as semiconductor shortages, transitioning towards electric vehicles, complying with emissions regulations, and being vulnerable to cybersecurity risks. However, the Indian automotive industry has successfully navigated these challenges by implementing effective planning and execution strategies, sustaining its growth momentum.

Segment-wise sales of automobiles in India (in mn)

	FY 2022-23	FY 2021-22	FY 2020-21	FY 2019-20	FY 2018-19
Two-wheelers	15.86	13.57	15.12	17.42	21.18
Passenger vehicles	3.89	3.07	2.71	2.77	3.40
Commercial vehicles	0.96	0.72	0.57	0.72	1.00
Three-wheelers	0.49	0.26	0.22	0.64	0.70

(Source: <https://www.statista.com/statistics/608392/automobile-industry-domestic-sales-trends-india/>)

While experiencing significant growth, the passenger vehicles segment has also encountered unforeseen challenges, including high raw material prices and the ongoing Russia-Ukraine conflict, which has impacted commodity prices, including precious metals. The supply of components continues to pose a challenge, potentially impacting production in the near future. However, the passenger vehicles segment has shown signs of recovery, largely driven by increased Government spending on infrastructure activities and the automotive sector.

According to the Society of Indian Automobile Manufacturers (SIAM), the industry produced more than 25,931,867 units in FY 2022-23, a 20% increase from FY 2021-22. The industry is projected to achieve an 8.1% CAGR through 2027, with passenger vehicles achieving their highest-ever sales of 38.9 lakh units as of March 2023.

(Source: <https://www.siam.in/pressrelease-details.aspx?mpgid=48&pgidtrail=50&pid=539>)

Electric vehicles

The electric vehicle (EV) industry in India is rapidly growing, driven by several factors, including, increasing concerns about air pollution, Government incentives, and decreasing battery costs. The Economic Survey 2023 estimates that India's domestic electric vehicle market is expected to experience a 49% CAGR between 2022 and 2030, with annual sales of 10 mn by 2030. The EV industry is also expected to create 50 mn direct and indirect jobs by 2030.

To support the growth of the EV industry, the Indian Government has implemented various policies and incentives. These include the Faster Adoption and Manufacturing of Electric Vehicles (FAME) scheme, which aims to promote the adoption of EVs by providing financial incentives for buyers, and the National Electric Mobility Mission Plan, which aims to promote the manufacturing of EVs and their components in the country. Additionally, the Government has set a target to achieve 30% electrification of its vehicle fleet by 2030, which will further drive the growth of the EV industry in India. With these initiatives and targets in place, the Indian EV industry is poised for significant growth in the coming years, creating numerous opportunities for both domestic and international players.

Electric vehicle sales in India

Segment	FY 2022-23	FY 2021-22
Two-wheelers	720,733	252,539
Three-wheelers	399,540	188,447
Passenger vehicles	39,562	17,760
Total	1,171,944	458,746

(Source: <https://www.autocarpro.in/analysis-sales/ev-sales-in-india-hit-117-million-units-in-fy2023-charge-past-100000-for-six-months-in-a-row-114543>)

(Source: <https://corpbiz.io/learning/government-initiatives-for-electric-vehicles-in-india/#:-:text=FAME%20I%20plan%20was%20launched,set%20to%20expire%20in%202022>)

Outlook

The automotive industry in India is experiencing robust growth and is expected to expand at a CAGR of 11.3% until 2027. This growth can be attributed to various factors such as rising disposable incomes, the availability of credit and financing options, and the increasing population in India. Moreover, the growth of the passenger transport sector and the increasing demand for commercial vehicles are expected to drive future growth in the automotive sector.

Additionally, the demand for electric vehicles is expected to surge significantly in India, particularly in the two-wheeler segment. Experts predict that as many as 9.1 mn electric vehicles may be on the road in India by 2027.

Over the near term, domestic industry volumes will continue to drive growth, creating opportunities for both domestic and international players.

Manufacturing

Manufacturing has emerged as one of the high-growth sectors in India. The country's manufacturing sector market is expected to register a CAGR of more than 4% during the forecast period (2023 - 2028).

Government's policies have increasingly been tailored towards supporting and expanding the economy's manufacturing footprint, as a source of improving trend growth and employment. One of the initiatives by the Government of India's Ministry for Heavy Industries & Public Enterprises is SAMARTH Udyog Bharat 4.0, or SAMARTH Advanced Manufacturing and Rapid Transformation Hubs. This is expected to increase the manufacturing sector's competitiveness in the capital goods market. With an impetus on developing industrial corridors and smart cities, the Government is focussed on developing a conducive environment for industrial development and manufacturing. Similarly, initiatives like the National Manufacturing Policy and the PLI scheme for manufacturing is helping the gradual shift of manufacturing sector in India to a more automated and process-driven manufacturing which is expected to increase the efficiency and boost production of the manufacturing industry.

(Source: https://www.mordorintelligence.com/industry-reports/india-manufacturing-sector-market_)

Propelled by growth in priority sectors and driven by favourable megatrends, India's manufacturing sector has opened itself into new geographies and segments.



Indian railways

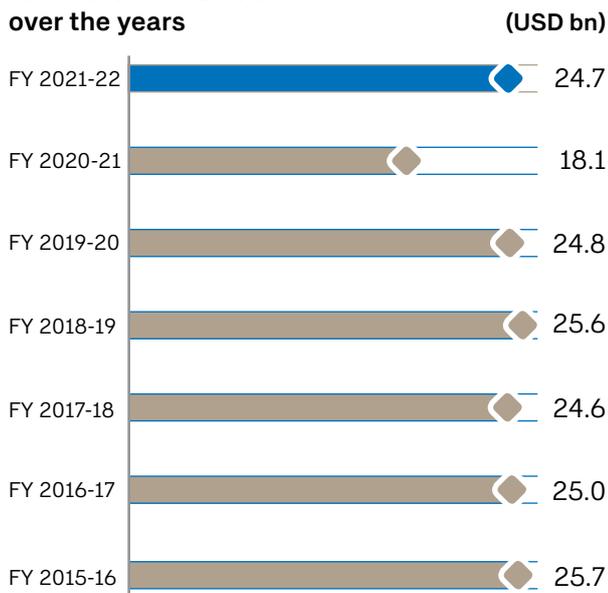
Indian railways is the fourth-largest railway network worldwide having 75,439 miles of total track spanning 67,368 km route.

Today, the Indian railways sector is working rapidly to modernise itself to enhance the passenger experience including actively investing in the development of new lines, modernisation of stations, and electrification of tracks. It has established new freight corridors, including the Western and Eastern dedicated freight corridors, to enhance the efficiency of freight transportation. In FY 2022-23, the Indian railways took a host of steps to improve its infrastructure and services including freight loading, adding new line, production of locomotives, electrification of existing and new track as well as the adoption of advanced technologies, like artificial intelligence and machine learning to improve efficiency.

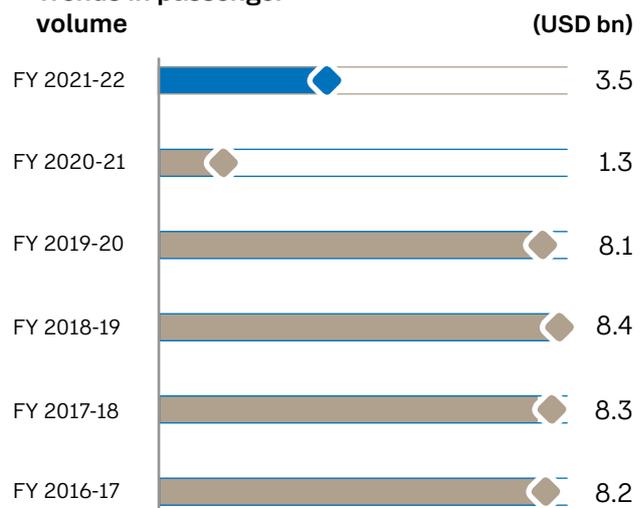
According to Railway Ministry statement, Indian railways has registered a record revenue of INR 2.40 lakh cr in FY 2022-23, up by nearly INR 49,000 cr from the previous year. The freight revenue rose to INR 1.62 lakh cr, a growth of nearly 15 % from the previous year. Similarly, Indian railways' passenger revenue has registered an all-time high growth of 61 % to reach INR 63,300 cr.

(Source: <https://www.outlookindia.com/business/railways-earns-record-revenue-of-rs-2-40-lakh-crore-in-2022-23-news-279323>)

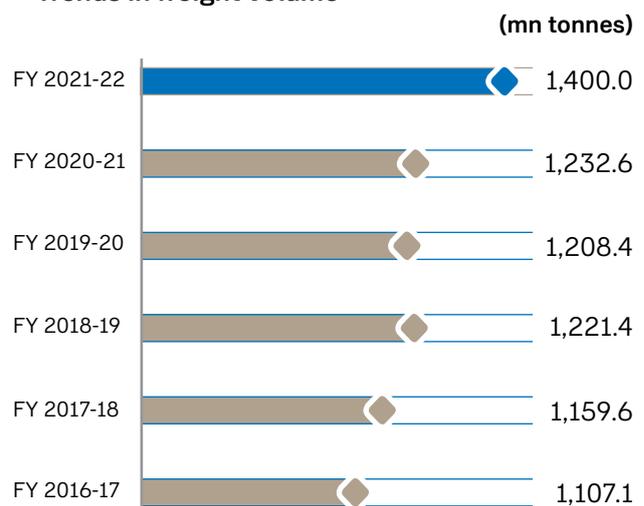
Gross revenue trends over the years



Trends in passenger volume



Trends in freight volume



(Source: <https://www.ibef.org/uploads/industry/Infographics/large/railways-infographic-february-2023.pdf>)

During FY 2022-23, the track length increased by 5,243 kms, compared to 2,909 km in FY 2021-22, and 785 electric locomotives were produced. Additionally, electronic interlocking was provided to 538 new stations, a 27.79% increase compared to 421 stations in FY 2021-22. In FY 2022-23, the Indian railways registered the highest-ever freight loading in any financial year, with a turnover of 1,512 MT, an increase of 8.3% over the previous year.

(Source: <https://www.investindia.gov.in/sector/railways>)

Outlook

The Indian Government is focussed on meeting country's infrastructural needs and has developed various schemes and policies in this regard. The National Infrastructure Pipeline (NIP), introduced in 2019 emphasises on social



and infrastructure projects including energy, roads, railways, and urban development projects worth INR 102 lakh cr.

Railways, one of the most important segments of India's overall infrastructure development, has been allocated INR 2.4 lakh cr for the development of new semi high-speed Vande Bharat trains, that are aimed at enhancing connectivity, and for the upgradation and maintenance of railway tracks to allow for high-speed travel. Additionally, the Ministry of Railways is working on a mission to fully electrify all the existing and new routes. It is targeted to become the largest green railway network by 2030.

With these steps and targets, the Indian railways continues to play a crucial role in the economic growth and development of the country. Altogether, with a focus on infrastructure and technology investment, the outlook for the Indian railways is positive. Thus, further bolstering its journey towards becoming a world-class railway system.

(Source: <https://www.investindia.gov.in/sector/railways#:~:text=India%20has%20the%204th%20largest,2909%20Kms%20during%202021-22>)

Capital goods

The Indian capital goods sector is poised for significant growth, with a current value of USD 43.2 bn in 2022. The Government's decision to allow 100% FDI under the automatic route has increased the sector's potential for growth. The capital goods sector holds substantial significance in India's manufacturing output. It is projected

to offer direct employment opportunities to 5 mn individuals and indirect employment opportunities to 25 mn individuals by the year 2025.

The Union Budget 2023-24 has increased capital investment by 33% to INR 10 lakh cr, equivalent to 3.3% of GDP, nearly three times the outlay in FY 2019-20. This move is expected to provide a significant boost to the capital goods sector by promoting the development of advanced infrastructure and manufacturing capabilities, creating new employment opportunities and increasing the sector's contribution to India's economy. Despite challenges such as intense competition and technology adoption gaps, the Indian capital goods industry's outlook appears optimistic.

(Source: <https://www.investindia.gov.in/sector/capital-goods#:~:text=The%20Capital%20Goods%20in%20India,market%20size%20of%20%24%2043.2%20Bn.&text=The%20market%20size%20of%20each,and%20mining%20machinery%3A%20%243.3%20Bn>)

The Indian Government has consistently augmented its capital expenditure as a percentage of the GDP, year on year. Furthermore, it has provided interest-free loans and increased borrowing ceilings to encourage state governments to prioritise their spending on capital expenditure. The Government's heightened focus on infrastructure-intensive sectors like roads and highways, railways, housing, and urban affairs is expected to have significant positive implications for medium-term growth. This capital expenditure-led growth strategy is set to enable India to maintain a positive growth-interest rate differential, leading to a sustainable Government debt to GDP ratio in the medium-term.

(Source: <https://www.indiabudget.gov.in/economicsurvey/doc/echapter.pdf>)

Outlook

The capital goods industry in India is experiencing significant growth due to a variety of factors such as infrastructure development, increasing investments, and rising consumption. The Government's National Infrastructure Pipeline initiative aims to invest USD 1.4 tn in infrastructure projects over the next five years, which will drive demand for capital goods. The 'Make in India' initiative is also driving the manufacturing industry towards becoming a global hub. However, despite positive projections, the capital goods sector faces challenges such as intense competition, requiring constant investment in research and development to stay ahead. Additionally, India still faces technology adoption and skill development gaps compared to other countries, which could hinder the growth of the capital goods sector. Overall, the future prospects of India's capital goods industry seem promising, buoyed by a burgeoning economy, surging investments, and a substantial demand for infrastructure development and manufacturing.

Renewable energy

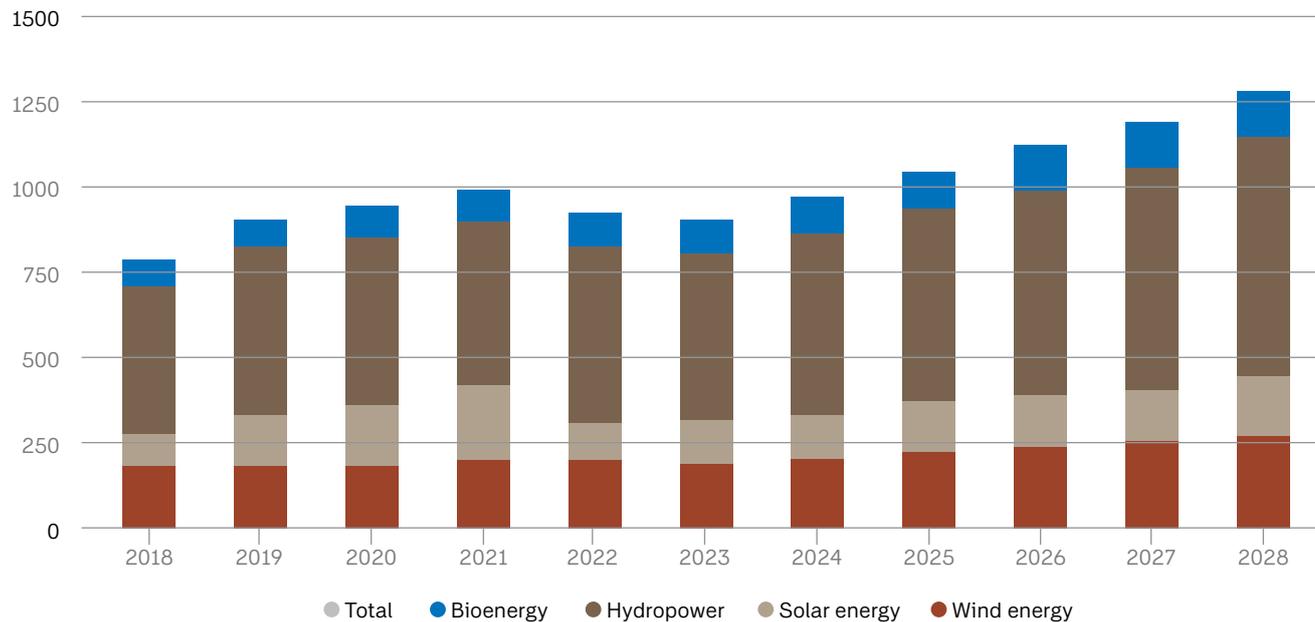
India has committed to lowering its emission intensity and increase non-fossil capacity to 500GW by 2030. According to Ministry of New and Renewable Energy, the Government has decided to invite bids for 50 GW of renewable energy capacity annually for the next five years i.e., from FY 2023-24 till FY 2027-28.

Maintaining strong growth, while making this shift, presents a challenging yet crucial opportunity to establish a decarbonised recovery path. India currently has a total renewable energy capacity of 168.96 GW (as of 28th February 2023) with about 82 GW at various stages of implementation and about 41 GW under tendering stage. Encouragingly, an annual growth rate of 7.13% is expected (CAGR 2023-2028). This is expected to be driven by a combination of factors, including falling costs of renewable energy technologies, increasing demand for clean energy sources, supportive policies and regulations, and improvements in energy storage and grid integration technologies.

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



Renewable energy production in India (in bn KWh)



Outlook

India has emerged as one of the world leaders in energy transition and this is evident in the growth that the country has achieved in the area of renewable energy. This growth is driven by a combination of factors, including falling costs of renewable energy technologies, increasing demand for clean energy sources, supportive policies and regulations, and improvements in energy storage and grid integration technologies.

Looking ahead, the outlook for the renewable energy

market is positive, and the sector is expected to continue to play an increasingly important role in meeting global energy demand while reducing greenhouse gas emissions. The structured bidding trajectory will provide sufficient time to the renewable energy developers to plan their finances, develop their business plans and manage the supply chain more efficiently.

To conclude, the move towards the net-zero target by 2070 will require incremental steps in the short-term, including disincentivising fresh investments into fossil sources, and retrofit energy intensive industries.

Way forward for Indian ball bearing industry

The global bearing market has surpassed USD 50 bn and is projected to attain a CAGR of 8.5% from 2022 to 2032. In comparison, the Indian bearing market is expected to experience a higher CAGR of 11.3% from 2022 to 2027, with an estimated market value of USD 3.4 bn. The market's growth is attributed to the increasing demand for ball bearings in industries such as automotive, construction, and mining equipment. The utilisation of high-precision bearings in specific applications will also contribute to the market's growth. The demand for bearings in the production of modern powertrains, which are fuel-efficient and have lower emissions, is increasing rapidly. Additionally, advancements in industries such as aerospace and defence, shipbuilding, energy, capital goods, and railways are poised to positively impact the ball bearing market in the future.

(Source: <https://www.gminsights.com/industry-analysis/bearings-market-report>)

Opportunities

Investing in advanced technologies

Manufacturers have increased their digital investment over the past few years and accelerated the adoption of emerging technologies to drive future competitiveness. Apart from the conventional functions of bearings, to operate load on the shaft and facilitate the torque transfer smoothly, manufacturers are focussing on increasing the efficiency by using specialised bearings leading to growing preference for high-quality bearings with superior durability and fatigue resistance.

Similarly, auto component manufacturers, for instance, are adopting the latest technologies to achieve efficiency goals, reduce emissions, and improve fuel efficiency. Bearings play a critical role in realising these objectives. Additionally, increasing demand for electric vehicles, is driving the demand for high-performance bearings for the transmission and wheel assemblies. In this direction, the bearing manufacturers are innovating and advancing technologically to meet the evolving requirements of their customers. The bearing industry's ability to innovate and adapt to changing customer needs is expected to drive its growth and contribute to the growth of the industries it serves. Furthermore, the Government's robust policies and initiatives is providing an impetus to the growth of the bearing industry.

As a result, the market for bearings in India is expected to expand in the coming years, with manufacturers seeking more advanced and customised solutions to improve their production processes and meet the evolving demands of their customers.

Demand for hybrid bearings

Around the world, the electrification of passenger transport is picking up momentum. SKF India's range of offerings in this area can raise energy efficiency, enable compact design and simplify assembly, to create a new generation of vehicles with mechanical and electronic robustness. As an example, electric vehicles play a huge role in reducing emissions, but the powerful electrical motors that they use can be damaging to bearings. This can be overcome with hybrid bearings, which combine steel rings with rolling elements made from silicon nitride, an effective electrical insulator. This means that hybrid bearings can insulate the housing from the shaft in both AC and DC motors, as well as in generators. As a ceramic material, silicon nitride also exhibits low density, high strength, stiffness, toughness and hardness. Hybrid bearings have higher speed capabilities and provide a longer service life, under identical operating conditions, than equally sized, all-steel bearings. They also withstand excess vibration and oscillation, and, under these conditions, it is often unnecessary to preload the bearing or apply special grease.

Development of precision bearings for power trains

The demand for precision mechanical bearings is experiencing rapid growth across various industries, owing to their ability to enhance equipment efficiency, decrease downtime, and improve productivity. Chromium steel is widely utilised in the production of precision mechanical bearings due to its exceptional hardness, wear resistance, stiffness, fatigue life, and other properties in comparison to traditional bearings. Moreover, bearing manufacturers are using advanced materials such as tungsten carbide and ceramic to cater to the specific requirements of industries that operate in severe environments.

Threats

Raw materials

The production of bearings heavily relies on the availability of raw materials at right prices. Any volatility in the market can significantly impact the bearing industry, affecting its profitability. High-grade steel is the primary material used in manufacturing bearings. Hence, any fluctuations in the global steel price or supply crunch can lead to price fluctuations, scarcity of the material, and impact profitability, ultimately affecting the production of bearings.

Growing advancements

Bearing manufacturers are facing significant challenges with the increasing digitalisation of the value chain, which includes design, manufacturing, procurement, and maintenance. The adoption of new technologies

such as Industry 4.0 is not uniform due to differentiated capabilities, a lack of knowledge in use cases, minimal availability of design thinking, and limited skilled labour. Hence, these factors pose serious issues in technological advancement and upgradation for the bearing manufacturers.

Counterfeit products

Ball bearings and roller bearings are critical components in the design of various machines across different industries. The usage of counterfeit bearings can lead to equipment failure and unplanned shutdowns, resulting in potential revenue and profitability losses, as well as damage to brand equity. Therefore, it is crucial for companies to prioritise educating customers on the importance of using genuine bearings to avoid such risks.

Company overview

SKF India (the Company), the pioneer of ball bearing manufacturing in India, was incorporated in 1961. Having commissioned the first manufacturing plant in Pune in the year 1965, the Company has come a long way with 3 manufacturing facilities, 4 offices, a supplier network of over 1,700, 700 distributors and an employee base of 1,662 dedicated professionals as on 31st March 2023. The Company is a well-known supplier of ball bearings, catering to over 40 industries globally with products and services, helping customers achieve sustainable and competitive advantage.

Being one of the leading bearing manufacturers known for its deep groove ball bearings, the Company has a strong presence across the industrial and auto sectors. With a rich experience in design and manufacture of bearings, seals and lubrication systems, the Company is able to offer unique solutions for companies across automotive, agriculture, construction, food and beverage, oil and gas, metals and other industrial sectors. Keeping pace with technological advancements, the Company integrated digital technology and wireless sensors to expand its offerings to provide machine health assessment, engineering and remanufacturing services.

Sustainable development is at the heart of Company's operations. It has integrated clean technology, innovation and digital solutions across its world-class manufacturing facilities. The Company has a simple, clear and differentiated strategy across verticals such as industrial markets, automotive OEM and automotive aftermarkets. With support of the employees and suppliers across the value chain, the Company aims to have net zero emissions across its production facilities by 2030 and to 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. The Company 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

In the automotive sector, SKF India provides solutions for various applications, 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 solutions are catered 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 570 distributors in India.

The demand for these offerings is driven by electrification, energy efficiency, and reduction of emissions in the light vehicle market. In the truck market, the focus is 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 the development of 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 a broad range of products and services 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. Furthermore, digitalisation enables monitoring and predictive maintenance throughout the product lifecycle, providing additional value to customers.

The Company holds a leading position in industries such as railway, heavy industries, and the industrial distribution market, and a prominent position in other industries.

Financial overview

The Company's standalone Revenue from Operations for FY 2022-23 stood at INR 43,049.2 mn compared to INR 36,658.9 mn the previous fiscal. Profit After Tax (PAT) for the year ended 31st March 2023 increased from INR 3,951.3 mn in FY 2021-22 to INR 5,247.9 mn in FY 2022-23.

Statement of Profit and Loss for 31st March 2023 (MINR)

Particulars	FY 2022-23	FY 2021-22
Revenue from Operations	43,049.2	36,658.9
Other Income	518.7	346.4
Total Income	43,567.9	37,005.1
Expenses		
Cost of Materials Consumed	10,416.9	9,007.0
Purchases of Stock-in-Trade	15,536.5	15,177.1
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(295.2)	(1,732.2)
Employee Benefit Expense	2,996.3	2,856.9
Finance Costs	15.1	20.8
Depreciation and Amortisation Expense	668.4	571.0
Other Expenses	6,900.6	5,794.9
Total Expenses	36,238.6	31,695.5
Profit before Tax	7,329.3	5,309.6
Income Tax Expense:		
Current Tax	2,075.7	1,377.0
Deferred Tax Charge / (credit)	5.7	(18.7)
Total Tax Expense	2,081.4	1,358.3
Profit for the Year	5,247.9	3,951.3

Key ratios

Ratios	FY 2022-23	FY 2021-22	% Change	Reason for change
Debtors' Turnover (Times)	6.3	5.8	9.2	-
Inventory Turnover (Times)	3.8	3.9	-4.0	-
Interest Coverage Ratio (Times)	486.4	256.3	89.8	The coverage has increased due to increase in profitability
Current Ratio (Times)	3.1	2.9	7.1	-
Debt to Equity Ratio (Times)	0.0	0.0	-27.7	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.
Operating Profit Margin (%)	17.3	14.8	17.5	-
Net Profit Margin	12.2	10.8	13.1	-
Return on Net Worth (%)	24.8	22.9	8.4	-

Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof	FY 2022-23:	FY 2021-22:	Reason for Change
	11.2	11.0	Increase in profit for the year

Risks and their mitigation strategy

Given the complex and dynamic market the Company operates in, it is exposed to various potential risks that can impact its financial, operational, and reputational performance. The Company recognises that effective risk management is critical to safeguarding its reputation in the market. To proactively manage risks, SKF India regularly conducts risk assessments, establishes contingency plans, and implements adequate insurance coverage. By taking a comprehensive approach to risk management, the Company can minimise the impact of potential risks and position itself for long-term success in an ever-changing and challenging market environment.

SKF India believes that risk management is a core part of its business philosophy. To ensure effective

management of risks, the Company's Board has established a dedicated Risk Management Committee to systematically manage, review, and improve its risk management systems, policies, and strategies.



Risks	Description	Mitigation strategy
Economic uncertainty	An economic slowdown initiated by high inflation and the Russia-Ukraine war might have an adverse effect on the Company's operations.	The Company has been diligently monitoring and evaluating macro-environmental conditions to determine the best course of action to sustain business growth. This concerted effort ensures that any rising challenges are promptly addressed and managed to maintain the Company's upward trajectory.
Counterfeit products	Counterfeit items may erode the customer's trust in the brand and have a negative influence on the Company's profitability.	In order to ensure customer satisfaction and prevent the circulation of counterfeit products, the Company consistently raises awareness by organising a range of training courses and programmes in partnership with different stakeholders. Any individual caught promoting or misusing fraudulent goods is subject to legal action and penalties.
Competitive landscape/ challenges	Increasing industry rivalry, both at the global and domestic levels, can put pressures on pricing and margins.	The exceptional expertise and solid reputation of the Company has helped to establish an unparalleled position in the market, resulting in strong and enduring customer relationships. Moreover, the Company's innovative and superior quality products and services provide a distinct advantage over its competitors in the industry it operates.
Data security	Data and personal information may be lost as a result of cyber-attacks. This might have a negative influence on the Company's brand and operations.	The Company has developed a comprehensive and robust security system that employs multiple layers of protection to detect and prevent any potential security breaches. In addition, the Company maintains a detailed policy framework that is continually updated to guarantee the smooth and effective management of data.
Evolution of new business models	E-commerce and fintech challenges may have an influence on the business of the Company.	The Company is strongly committed to pursuing new and innovative business models, such as the development of an e-commerce platform, in order to achieve unprecedented growth and expansion of its business. It is actively exploring 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 have always been crucial to the Company's ongoing business success and its aim is to create a diverse, equitable, and inclusive workplace that attracts, retains, and advances exceptional talent. Through ongoing employee learning & 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 so they can achieve their true potential—while learning, growing, and feeling engaged.

As the operating environment continues to rapidly evolve, the Company remains committed to investing in its employees, further enhancing learning and development opportunities to better meet its evolving business needs and strengthening its culture to achieve and sustain profitable growth. Given that people-centric approach has been a key differentiator for the Company, it provides its employees with learning experiences focussed on building multi-dimensional leadership skills and offer training programmes that are closely aligned with its business strategy. During the year under review, the Company implemented some major initiatives to promote inclusion and diversity. Similarly, multiple initiatives for building market-leading skills and capabilities of employees were undertaken to address skills gaps. For example, LeadX programme was rolled out to enable employees to get exposure in 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 instil 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 Union and Management and is strongly committed towards creating an environment of trust and collaboration. The Company's HR framework encompasses several essential business aspects.



This includes 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 2022-23, the Company had 1,662 permanent 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 on design and regulations. In addition, the IT technology has taken on the Herculean task of workplace monitoring and managing technostress issues, arising from the increase in digital presence. Across organisations and industries, digital adoption has taken a quantum leap. Establishing the necessary infrastructure to support a digitalised world and remain updated with the latest technology has become imperative to stay 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 full value chain. Enabled by IT, the implementation of Industry 4.0 solutions has resulted in significant improvements in the 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 & data driven decision-making remains a top priority for the Company. It has also embarked on the journey of ERP implementation to SAP S/4 Hana across region.

To deliver digital solutions that enhance operational processes, customer experiences, and enable new business models, the global IT team established the Global Competency Centre (GCC) in India. This has enabled the in-house development of digital capabilities, resulting in faster delivery of digital solutions.

Internal control systems and their adequacy

The Company'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 Controls team and Internal Audits, enables effective control on 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 SICS (SKF Internal Control Standards), 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. Compensating controls within the process, minimising deviations and exceptions are the key focus areas. 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

status of implementation 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 2023 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. 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 Management 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 2022-23

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 Programme has been adopted. The organisation is driving a culture of openness & fearlessness through various workshops or programmes 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 2022-23 (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 Programme
- 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>,

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 and persons of repute and eminence, who ensure sound standards of corporate governance is 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 comprise the (i) Audit Committee, (ii) Stakeholders' Relationship Committee, (iii) Nomination & Remuneration Committee, (iv) Risk Management Committee, and (v) Corporate Social Responsibility Committee.

Corporate Governance Report 2022-23 (contd.)

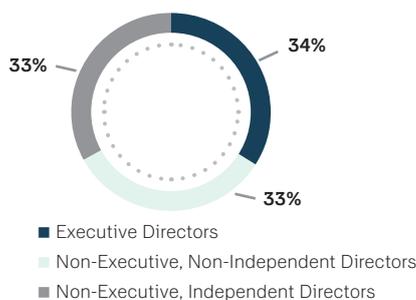
2.1 Composition and Category of Directors:

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 and 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 the date of this Report, the Board currently 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
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 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 Directors (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 under Regulation 16(1)

Corporate Governance Report 2022-23 (contd.)

(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 Rule.

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.

All the Directors except Independent Directors and Managing Director are liable to retire by rotation.

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 2023.

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.

2.2 Disclosure regarding appointment / re-appointment / cessation of Directors

Disclosure regarding appointment/ re-appointment/ cessation of Directors During the year under review, based on the recommendations of the Nomination & Remuneration Committee, the Board of Directors approved the appointment of Mr. David Leif Henning Johansson (DIN: 09651955) and Mr. Karl Robin Joakim Landholm (DIN: 09651911) as an Additional Director (Non-Executive, Non-Independent Director) of the Company, who are liable to retire by rotation with effect from 28th June 2022, shareholders had approved regularisation of above mentioned Directors at Last Year's Annual General meeting held on 27th July 2022.

Mr. David Leif Henning Johansson is liable to retire by rotation this year and proposed to be reappointed by shareholders at AGM.

Mr. Aldo Cedrone (DIN: 08455073) and Ms. Ingrid Viktoria Van Camp (DIN: 08945782), Non-Executive – Non-Independent Director of the Company, has resigned as Director of the Company with effect from 28th June 2022, due to their other engagements.

Brief profile of the persons sought to be appointed/ reappointed as Directors at the 62nd Annual General Meeting 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 Four Section, 1st section is pertaining to Introduction, 2nd Section pertains to Reviews and Update by the Managing

Corporate Governance Report 2022-23 (contd.)

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 Country Management Team 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 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 4 times during the year FY 2022-23 i.e. 11th May 2022 and 27th July 2022 and 3rd November 2022 and 8th February 2023. The intervening period between two meetings was within the maximum time gap as prescribed under the applicable law.

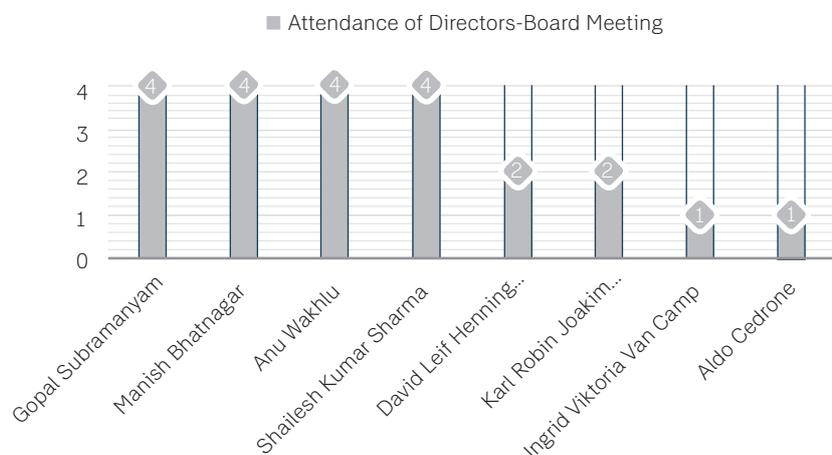
Pursuant to Clause VII of the Schedule IV (Code for Independent Directors) of the Companies Act 2013 and Regulation 25(3) of SEBI (Listing Obligations and Disclosure) Regulations, 2015. For the year, the Independent Directors of the Company met separately on 15th March 2023, to review the performance of Non-Independent Directors, Chairman of the Company, and the Board of the Company and to assess the quality, quantity and timeliness of flow of information between the Management of the Company and the Board. All the Independent Directors attended the meeting.

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 2023 are given herein below.

Corporate Governance Report 2022-23 (contd.)

Attendance of Directors-Board Meeting



Name of the Director, DIN and Designation	No. of Board Meetings held and attended during FY 22-23				Attendance at the last Annual General Meeting - 27 th July 2022
	11 th May 2022	27 th July 2022	3 rd November 2022	8 th February 2023	
Mr. Subramanyam Gopal DIN: 06684319 Non-Executive, Independent Director, Chairman	Present	Present	Present	Present	Present
Ms. Anu Wakhlu DIN: 00122052 Non-Executive, Independent Director	Present	Present	Present	Present	Present
Mr. Karl Robin Joakim Landholm DIN: 09651911 Non-Executive, Non-Independent Director (Appointed w.e.f 28 th June 2022)	NA	Absent	Present	Present	Absent
Mr. David Leif Henning Johansson DIN: 09651955 Non-Executive, Non-Independent Director (Appointed w.e.f 28 th June 2022)	NA	Absent	Present	Present	Absent
Mr. Manish Bhatnagar DIN: 08148320 Executive Director, Managing Director	Present	Present	Present	Present	Present
Mr. Shailesh Kumar Sharma DIN: 09493881 Executive Director, Whole – Time Director	Present	Present	Present	Present	Present
Ms. Ingrid Viktoria Van Camp DIN:08945782 Non-Executive, Non-Independent Director (Resigned w.e.f 28 th June 2022)	Present	NA	NA	NA	NA
Mr. Aldo Cedrone DIN:08455073 Non-Executive, Non-Independent Director (Resigned w.e.f 28 th June 2022)	Present	NA	NA	NA	NA

Note: NA stands for Not Applicable.

Corporate Governance Report 2022-23 (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 2023 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. Subramanyam Gopal	-	-	-
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 LODR 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 2023 and Non-Convertible instrument is not issued by 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/0941ae872a3dbdf6/pdf_preview_medium/0941ae872a3dbdf6_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	
4.	Strategic Thinking/ Planning	

Corporate Governance Report 2022-23 (contd.)

Sr. No.	Skills/ Competency/Expertise	Symbol
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 the Director in the year 2022-23, are as follows:

Sr. No.	Directors	Skills/ Competency/ Expertise
1.	Mr. Gopal Subramanyam Non-Executive, Independent Director	     
2.	Mr. Manish Bhatnagar Managing Director	       
3.	Ms. Anu Wakhlu 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

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
- Corporate Social Responsibility Committee
- Stakeholders' Relationship Committee and
- Risk Management 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 2022-23 (contd.)

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

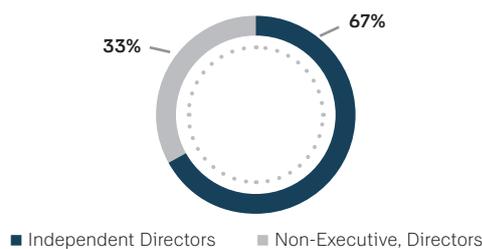
The Audit Committee (“AC”) of the Company is constituted in compliance with the provisions of Regulation 18 of the SEBI LODR and the provisions of Section 177 of the Companies Act, 2013. All members

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 Audit Committee as on 31st March 2023 and changes during the year 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 (Appointed w.e.f 28 th June 2022)	Non-Executive, Non-Independent Director	Member
4.	Ms. Ingrid Viktoria Van Camp (Resigned w.e.f 28 th June 2022)	Non-Executive, Non-Independent Director	Member



3 Members

as on 31st March 2023

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, Chairperson of the Audit Committee was present at the 61st Annual General Meeting of the Company held on 27th July 2022.

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

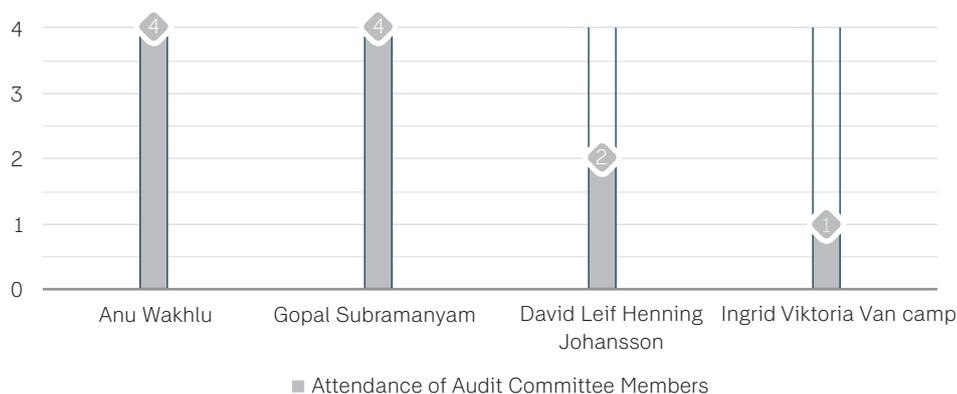
3.2 Meetings and Attendance during the year

The Committee met 4 (Four) times during the year FY 2022-23. The meetings were held on 11th May 2022, 27th July 2022, 3rd November 2022, and 8th February 2023.

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 2022-23 (contd.)

ATTENDANCE OF AUDIT COMMITTEE MEMBERS



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 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.

Corporate Governance Report 2022-23 (contd.)

- m. discussion with internal auditors of any significant findings and follow up there on;
- 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 cr 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.

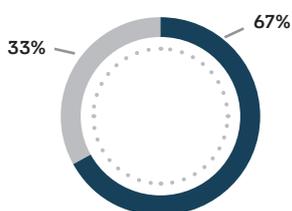
- v. To mandatorily review the following information:
 1. Management discussion and analysis of financial conditions and results of operations;
 2. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 3. internal audit reports relating to internal control weaknesses; 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

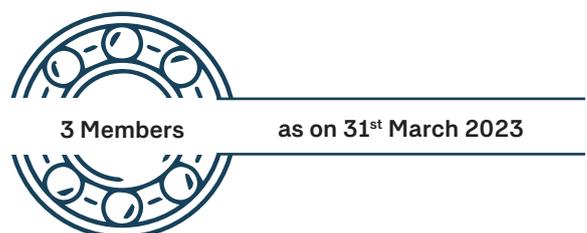
4.1 Composition, Name of Members, and Chairperson

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 2023 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 (Appointed w.e.f 28 th June 2022)	Non-Executive, Non-Independent Director	Member
4.	Ms. Ingrid Viktoria Van Camp (Resigned w.e.f 28 th June 2022)	Non-Executive, Non-Independent Director	Member



■ Independent Directors ■ Non-Executive Directors



Corporate Governance Report 2022-23 (contd.)

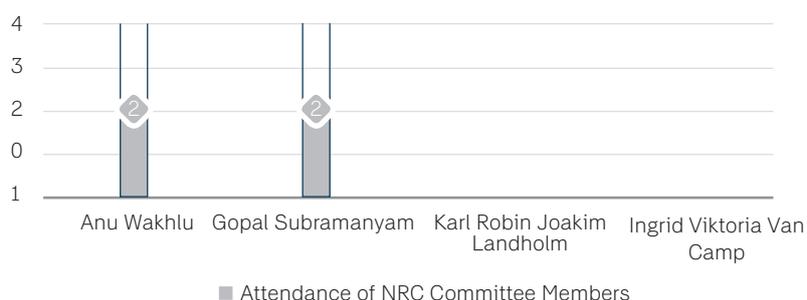
All the recommendations of the Nomination and Remuneration Committee have been accepted by the Board of Directors.

Pursuant to Regulation 19 (3) of SEBI LODR, Ms. Anu Wakhlu, Chairperson of the Nomination and Remuneration Committee was present at the 61st Annual General Meeting of the Company held on 27th July 2022.

4.2 Meeting and Attendance during the year

The Committee met 2 (Two) times during the year FY 2022-23. The meetings were held on 11th May 2022 and 17th March 2023 with the requisite quorum present for both the meetings.

Attendance of NRC Committee Members



4.3 Performance evaluation criteria for Independent Directors

The Nomination and Remuneration committee shall carry out the evaluation of the Board as the whole, its committee and individual Directors as per the provisions of the Companies Act, 2013 and the 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 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:-

- To formulation 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;
- 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:

- use the services of an external agencies, if required;

Corporate Governance Report 2022-23 (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 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) participates 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 2022-23 (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 Rs		
Description	Mr. Manish Bhatnagar	Mr. Shailesh Kumar Sharma
Salary	3,28,59,360	1,18,76,421
Perquisites	-	-
Deferred Benefits (PF and Superannuation)	24,48,000	9,02,220
Stock Award*	31,69,157	21,12,224
Performance Linked Incentives	57,23,762	15,16,117
Total	4,42,00,279	1,64,06,983

* 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 is payable to the Directors.

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)	Total (₹ INR)
Mr. Gopal Subramanyam	7,45,000	34,20,580	41,65,580
Ms. Anu Wakhlu	5,95,000	27,98,180	33,93,180

Note: 1) payable subject to approval of annual accounts by the Shareholders at the 62nd Annual General Meeting to be held on 2nd August 2023.

2) Mr. David Leif Henning Johansson, Mr. Karl Robin Joakim Landholm, Mr. Aldo Cedrone and Ms. Ingrid Victoria Van Camp were not entitled to any sitting fees or commission during the FY 2022-23.

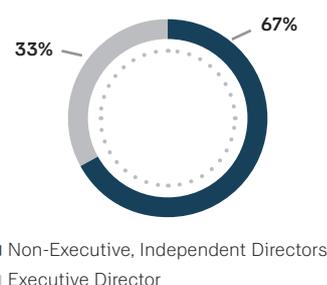
5. Stakeholders' Relationship Committee

5.1 Composition, Name of members and Chairperson

The Stakeholders' Relationship Committee (SRC) has been constituted by 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 2023 are as under:

Sr. No.	Name of Member	Designation	Position held in the Committee
1.	Mr. Gopal Subramanyam	Independent Director	Chairman
2.	Ms. Anu Wakhlu	Independent Director	Member
3.	Mr. Manish Bhatnagar	Executive Director (Managing Director)	Member



All the recommendations of the Stakeholders' Relationship Committee have been accepted by the Board of Directors.

Mr. Gopal Subramanyam, Chairperson of the Stakeholders' Relationship Committee was present at the 61st Annual General Meeting of the Company held on 27th July 2022.

5.2 Meeting and Attendance during the year

The Committee met 1 (one) time during the year FY 2022-23. The meetings were held on 17th March 2023 with the requisite quorum present for both the meetings.



Corporate Governance Report 2022-23 (contd.)

5.3 Name and designation of the Compliance Officer

Name: Mr. Ranjan Kumar Title: Company Secretary

Phone: (+91) 022 22857777 Fax: (+91) 22 22819074

Email: investors@skf.com Address: Chinchwad, Pune
411033, Maharashtra,
India

During the financial year, M/s TSR Consultants Private Limited (name changed from M/s TSR Darashaw Consultants Private Limited) 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 TSR Consultants Private Limited ('TCPL') 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: -

- a. 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.
- b. 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.

- c. Review of measures taken for effective exercise of voting rights by shareholders.
- d. 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.
- e. The Committee undertook an annual performance evaluation of its own effectiveness.
- f. To approve transfer/ transmission of shares, issue of duplicate shares.
- g. To review the queries received from investors.
- h. To review the work done by the share transfer agent.
- i. To review corporate actions related to shareholder issues, if any.
- 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, SRC Committee approved 16 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)	60	60	0
C	Issue of new drafts against unencashed drafts / recovery drafts	41	40	1

Corporate Governance Report 2022-23 (contd.)

Sr. No.	Particulars	Total Received	Total Replied	Total Pending
	D Non-receipt of warrants (where Recon In Progress)	0	0	0
	E Non-receipt of payments (where new instruments already issued)	0	0	0
	F Unclaimed and unpaid amounts transferred to ROC / IEPF	16	15	1
	G Miscellaneous	23	17	6
2.	Annual Report	0	0	0
3.	Bonus Issue	0	0	0
4.	Change in name / status	11	11	0
5.	Communication received through SEBI and other statutory / regulatory bodies	22	21	1
6.	Conversion / demerger – scheme of arrangement / exchange/ merger – amalgamation of companies / sub-division	21	21	0
7.	Demat / Rematerialisation of Shares	11	11	0
8.	Document Registration	195	182	13
9.	Legal matters	11	10	1
10.	Loss of securities	540	497	43
11.	Nomination	0	0	0
12.	Tax Exemption	2	2	0
13.	Transfer of Securities	2	2	0
14.	Transmission of Securities	92	87	5
15.	Other queries	86	84	2
	Total	1,133	1,060	73
	<i>Request For</i>			
1.	Change of address	48	47	1
2.	Change in Bank details	60	59	1
3.	Issue of new certificates on split / consolidation / renewal	0	0	0
4.	Nomination	170	155	15
5.	Pan updation	57	56	1
	Total	335	317	18
	Grand TOTAL	1,468	1,377	91

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.

1468 correspondences were received by the Company, out of which 1377 correspondences were replied to the satisfaction of shareholders during the year under review and of the total 91 Outstanding correspondences as on 31st March 2023, 91 have been attended by 29th April 2023.

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 as its share transfer system.

6. Risk Management Committee:

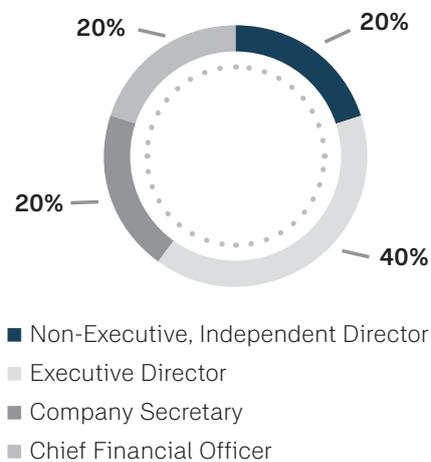
6.1 Composition, Name of members and Chairperson

The Risk Management Committee (RMC) has been constituted by Board in compliance of Regulation 21 of the SEBI LODR.

Corporate Governance Report 2022-23 (contd.)

The composition of the Risk Management Committee as on 31st March 2023 is as follows:

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)	Member
3.	Mr. Shailesh Sharma (Appointed w.e.f. 28 th June 2022)	Executive Director (Whole-Time Director)	Member
4.	Mr. Ranjan Kumar	Company Secretary and Compliance Officer	Member
5.	Mr. Ashish Saraf (Appointed w.e.f. 28 th June 2022)	CFO	Member
6.	Ms. Ingrid Viktoria Van Camp (Resigned w.e.f. 28 th June 2022)	Non-Executive, Non-Independent Director	Member

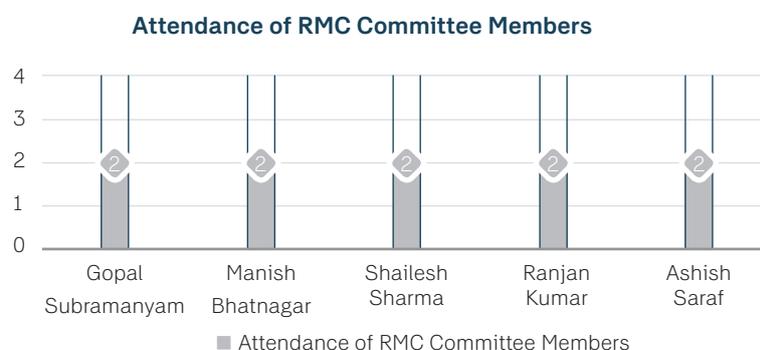


All the recommendations of the Risk Management Committee have been accepted by the Board of Directors.

Mr. Gopal Subramanyam, Chairperson of the Risk Management Committee was present at the 61st Annual General Meeting of the Company held on 27th July 2022.

6.2 Meetings and attendance during the year

The Committee met 2 (Two) times in the FY 2022-23. The meetings were held on 19th September 2022 and 17th March 2023.



The meetings of the Committee during the FY 2022-23 are within the timelines as specified in Regulation 21 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

Chairman of the Risk Management Committee was present at 61st AGM held on 27th July 2022.

Corporate Governance Report 2022-23 (contd.)

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.
 - 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 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.

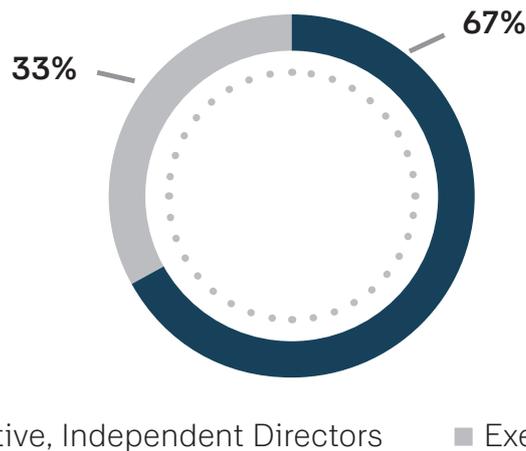
7.1 Composition, Name of members and Chairperson

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 2023 are as under

Corporate Governance Report 2022-23 (contd.)

Sr. No.	Name of Member	Designation	Position held in the Committee
1.	Mr. Manish Bhatnagar	Executive Director (Managing Director)	Chairman
2.	Ms. Anu Wakhlu	Non-Executive, Independent Director	Member
3.	Mr. Gopal Subramanyam	Non-Executive, Independent Director	Member



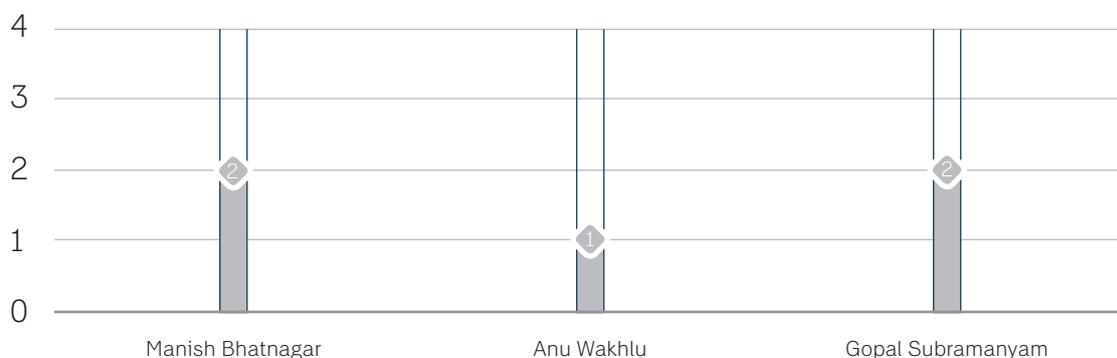
All the recommendations of the Corporate Social Responsibility Committee have been accepted by the Board of Directors.

Mr. Manish Bhatnagar, Chairperson of the Corporate Social Responsibility Committee was present at the 61st Annual General Meeting of the Company held on 27th July 2022.

7.2 Meetings and attendance during the year

The Committee met 2 (Two) times in the FY 2022-23. The meetings were held on 11th May 2022 and 8th February 2023.

Attendance of CSR Committee Members



■ Attendance of CSR Committee Members

Corporate Governance Report 2022-23 (contd.)

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 the FY 2022-23 forms part of the Board's Report. The brief outline of the initiatives undertaken by the Company on CSR activities during them 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 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
2.	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
3.	Annual General Meeting for the Financial Year ended 31 st March 2020	23 rd July 2020	Thursday	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

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 2022	27 th July 2022	None.
2.	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.
3.	Postal Ballot Conducted by Mr. Jayavant Bhawe of M/s. J.B. Bhawe & Co, Company Secretaries	9 th December 2022 (date of passing resolution)	None.
4.	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.
5.	Annual General Meeting for the Financial Year ended 31 st March 2020	23 rd July 2020	Shifting of the Registered Office of the Company from Mumbai to Pune within the State of Maharashtra.

Corporate Governance Report 2022-23 (contd.)

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- NO, details of voting pattern-NA**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 and (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 Company's website ([https:// www.skf.com/in/investors](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, Financials of the Company is another channel of communication to the Shareholders. The Company provided live webcast of the proceedings of the AGM held on 27th July 2022.

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 dividend and transfer of shares to Investors Education and Protection Fund.

During the year Company had attended 2 Investor Meets (9th June 2022 and 23rd February 2023) and arranged 1 Analyst Call (28th July 2022), audio link and transcript of same was submitted to Stock exchanges and same is available on website of the Company.

10. General shareholder information

Annual General Meeting - date, time, and venue	Wednesday, 2nd August 2023, 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 2022 to 31 st March 2023	
Cut off for Dividend (if any)	Thursday, 29th June 2023	
Cut off for E - Voting	Wednesday, 26th July 2023	
Dividend Payment Date	The Dividend, if declared at AGM will be paid on or before, 25 th August 2023	
E Voting Lines open	Commence from 30th July 2023 (Sunday) at 9:00 a.m. (IST) and ends on 1st August 2023 (Tuesday) 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)	BSE Limited 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 Limited, Exchange Plaza, 5 th Floor, Plot no.C-1,G Block, Bandra-Kurla Complex, Bandra(E), Mumbai-400051 Maharashtra, India Tel No: (022) 26598100 - 8114 Fax No: (022) 26598120

Corporate Governance Report 2022-23 (contd.)

Stock Code	500472	SKFINDIA
ISIN	INE640A01023	
Registrar to an issue and Share Transfer Agents	TSR Consultants Private Limited (Formerly known as TSR DARASHAW CONSULTANTS PRIVATE LIMITED) 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: INR000004009 Email: csg-unit@tcplindia.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 2022-23 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 in 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 yearly basis for transfer of equity shares and quarterly report on Reconciliation of Share Capital from a practicing Company Secretary has been submitted to Stock Exchanges within stipulated time.	
In case the securities are suspended from trading, the directors report shall explain the reason thereof	N.A.	
Plant Locations	1. Chinchwad, Taluka Haveli, Pune - 411 033, 2. Plot 2, Bommasandra Industrial Area, Hosur Road, Bengaluru – 560 099, 3. Plot No 2, Industrial Park II, Salempur- Mehdood, Haridwar - 249402	
Address for correspondence	SKF India Limited Registered Office & Corporate : Chinchwad, Pune 411 033, Maharashtra, India	
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 31 st March 2023.	

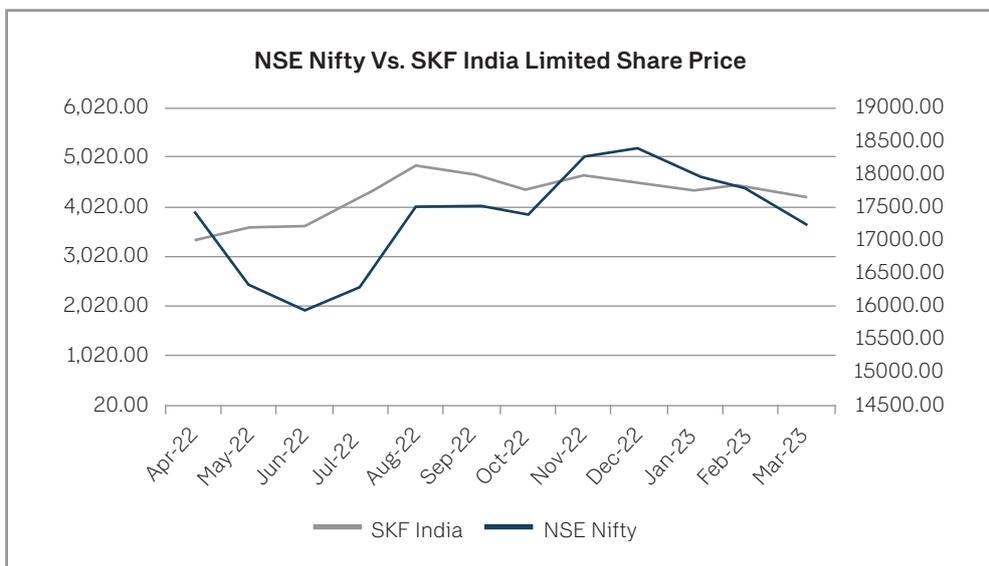
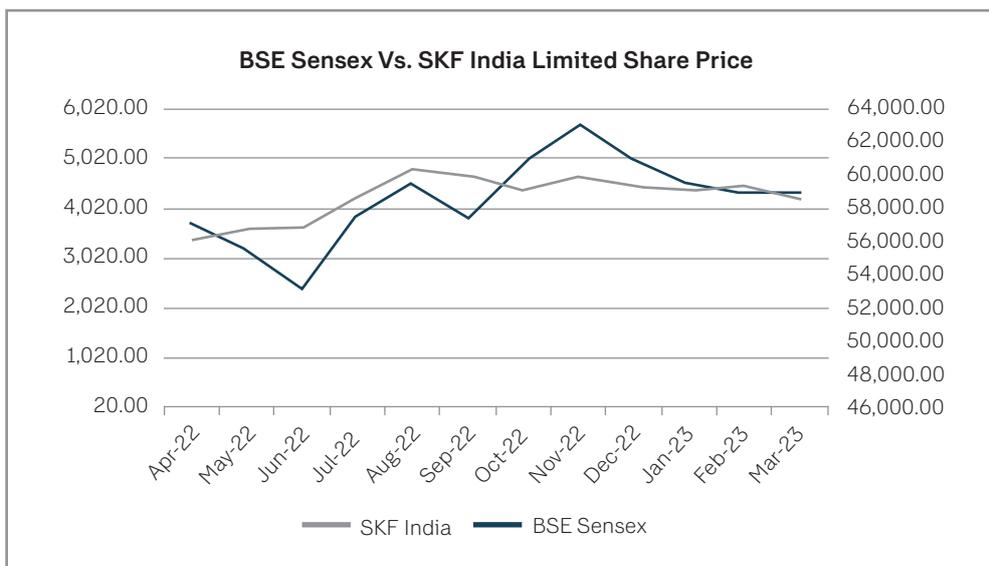
10.1 Market price data- high, low during each month in last financial year

Month	BSE		NSE	
	High Price	Low Price	High Price	Low Price
Apr-22	3,621.15	3,328.95	3,627.00	3,325.15
May-22	3,655.00	2,984.40	3,657.65	2,981.30
Jun-22	3,688.95	3,123.95	3,688.00	3,111.55
Jul-22	4,291.90	3,581.45	4,300.00	3,578.05
Aug-22	4,920.00	4,178.00	4,919.85	4,219.90
Sep-22	5,074.20	4,367.00	5,052.00	4,363.35
Oct-22	4,816.75	4,302.60	4,819.40	4,301.00
Nov-22	5,170.85	4,298.50	5,175.00	4,351.00

Corporate Governance Report 2022-23 (contd.)

Month	BSE		NSE	
	High Price	Low Price	High Price	Low Price
Dec-22	4,948.60	4,406.75	4,951.00	4,404.00
Jan-23	4,807.05	4,270.05	4,804.40	4,270.25
Feb-23	4,556.85	4,286.75	4,560.00	4,283.05
Mar-23	4,582.40	3,961.00	4,581.25	3,960.10

10.2 Performance in comparison to broad-based indices such as BSE Sensex, BSE Sensex and NSE Nifty



Corporate Governance Report 2022-23 (contd.)

10.3 Distribution of shareholding as 31st March 2023

SHARES RANGE			NUMBER OF SHAREHOLDERS	% OF TOTAL SHAREHOLDERS	TOTAL SHARES FOR THE RANGE	% OF ISSUED CAPITAL
1	to	500	42,349	95.3291	2,126,068	4.3005
501	to	1,000	1,070	2.4086	801,477	1.6212
1001	to	2,000	530	1.1930	760,618	1.5385
2001	to	3,000	141	0.3174	341,487	0.6907
3001	to	4,000	82	0.1846	291,958	0.5906
4001	to	5,000	45	0.1013	201,777	0.4081
5001	to	10,000	80	0.1801	579,842	1.1729
10001	to	*****	127	0.2859	44,334,736	89.6775
			44,424	100.0000	49,437,963	100.0000

10.4 Dematerialisation of shares and liquidity

	No. of Shares	% of total capital issued
Held in dematerialised form in NSDL	46,155,912	93.36
Held in dematerialised form in CDSL	2,810,570	5.69
Physical	471,481	0.95
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.

11. Other Disclosures**11.2 Disclosures on materially significant related party transactions that may have potential conflict with the interests of 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.

11.3 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.

11.4 Details of establishment of vigil mechanism whistle blower 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 Whistle Blower Policy, below is link of policy.

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

11.5 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 non-mandatory requirement as mentioned in CG Report.

11.6 Web link where policy for determining 'material' subsidiaries is disclosed: N.A.

Corporate Governance Report 2022-23 (contd.)

11.7 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

11.8 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.

11.9 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).

11.10 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 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**

11.11 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 2022-23.

11.12 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.

11.13 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 Prevention of Sexual harassment at Workplace is available at https://cdn.skfmediahub.skf.com/api/public/0901d19680abcff8/pdf_preview_medium/0901d19680abcff8_pdf_preview_medium.pdf

Number of complaints filed during the financial year : 3
Number of complaints disposed of during the financial year: 1

Number of complaints pending as on end of the financial year: 2

11.14 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 2022-23.

11.15 Details of material subsidiaries of the listed entity; including the date and place of incorporation and

Corporate Governance Report 2022-23 (contd.)

the name and date of appointment of the statutory auditors of such subsidiaries: N.A.

11.16 Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed: NA

11.17 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

11.18 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

11.19 Compliance under Non-Mandatory Requirement under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Also, the Company has adopted non-mandatory requirement as per details given below:

(a) The Board – The Company does not maintain a separate office for the Non-Executive Chairman.

(b) Shareholders' Rights:

The quarterly report, along with additional information and official news releases, are posted on our website, at <https://www.skf.com/in>. The reports contain select financial data extracted from the audited standalone and consolidated financial statements. It is also submitted to the Stock Exchanges where the shares of the Company are listed. The half-yearly results are not separately circulated to the shareholders.

(c) 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.

(d) Reporting of Internal Auditors : Internal Auditor reports observations to the Audit Committee and make detailed presentation at quarterly meetings.

11.20 Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons:

The Company has in place a Code of Conduct for 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.

Mr. Ranjan Kumar, Director Ethics, Legal & Internal Audit has been appointed as the Company Secretary & Compliance Officer.

Shares held by the Directors and KMP as at 31st March 2023 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 (from 28 th June 2022)	Nil
Mr. Karl Robin Joakim Landholm (from 28 th June 2022)	Nil
Mr. Manish Bhatnagar	Nil
Mr. Shailesh Sharma (from 10 th February 2022)	Nil
Mr. Ashish Saraf (from 11 th May 2022)	Nil
Mr. Ranjan Kumar	Nil

11.21 OTHER INFORMATION FOR SHAREHOLDERS

- I. 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 the financial year 2014-15 to the Fund and no claim shall lie against the Company or the Fund in respect

Corporate Governance Report 2022-23 (contd.)

of dividends remaining unclaimed or unpaid and transferred to the Fund. Members who have not yet encashed their dividend warrants for the years 2016 to 2022 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 dividend 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 2023 (Rs.)
2015	4,237.00
2016	4,394,149.00
2017	3,317,586.00
2018	2,256,080.00
2019	1,945,312.0
2020	8,475,993.0
2021	2,282,887.50
2022	3,228,044.50

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, 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 2015. 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>

11.22 '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 the copy of the Annual Report for the year 2022-23 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 report/ 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.

For and on behalf of the Board,
SKF India Limited

Place: Gothenburg, Sweden
Date: 17th May 2023

Gopal Subramanyam,
Chairman
DIN: 06684319

Corporate Governance Report 2022-23 (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 June 29, 2022.
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 March 31, 2023, 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 March 31, 2023.
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 Rajee

Partner

(Membership No. 102637)

UDIN: 23102637BGXUSP2905er

Place: Pune

Date: 17th May 2023

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, 2022**

1. Brief outline on CSR Policy of the Company: The Board of Directors of the Company has approved the revised Corporate Social Responsibility Policy ("Policy") on the recommendation of the CSR Committee on 14th May 2021 to accommodate the new changes in law. The Policy defines the Scope and Applicability, CSR Spend Approach, CSR Thrust Areas, Modes of Implementation, CSR Focus area, Planning, Implementation and Impact Assessment and other relevant aspects of spending CSR.

2. Composition of CSR Committee:

SL.NO	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the	Number of meetings of CSR Committee attended during the
01	Manish Bhatnagar	Chairman and Managing Director	02	02
02	Anu Wakhlu	Member (Independent Director)	02	01
03	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: **4,258.5 mn**
 (b) Two percent(2%) of average net profit of the Company as per sub-section (5) of section 135: **INR 85.3 mn**
 (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. **Not applicable.**
 (d) Amount required to be set-off for the financial year, if any. **Not applicable**
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)]. **INR 85.3 mn**

- 6.** (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **INR 105.5 mn**
 (b) Amount spent in Administrative Overheads: **INR 3.6 mn**
 (c) Amount spent on Impact Assessment, if applicable: **Not applicable**
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: **INR 109.1 mn**

*** Note- INR 109.1 mn towards CSR in FY 2022-23 out of which INR 23.2 mn pertain to unspent amount of FY 2021-22 spent in FY 2022-23 and INR 85.9 mn pertain to FY 2022-23.**

(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.
INR 109.1 mn	NIL	NIL	NIL	NIL	NA

(f) Excess amount for set-off, if any:

Sl. 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	85.3 mn
(ii)	Total amount spent for the Financial Year	85.9 mn
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.6 mn
(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)]	0.6 mn

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1 Sl. No.	2 Preceding Financial Year(s)	3 Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in INR)	4 Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in INR)	5 Amount Spent in the Financial Year (in Rs)	6 Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		7 Amount remaining to be spent in succeeding Financial Years (in Rs)	8 Deficiency, if any
					Amount (in Rs)	Date of Transfer		
1	2019-20	NIL	NIL	NIL	NIL	NIL	NIL	
2	2020-21	NIL	NIL	NIL	NIL	NIL	NIL	
3	2021-22	23.4 mn	23.4 mn	NIL	NIL	NIL	23.4 mn	
4	2022-23	NIL	23.4 mn	23.2 mn	NIL	NIL	0.2 mn	

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 No

If 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:

Sl. 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			
					CSR Registration Number, if applicable	Name	Registered address	
(1)	(2)	(3)	(4)	(5)	(6)			
	NIL	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).

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.

Gopal Subramanyam
Chairman

Manish Bhatnagar
Managing Director

DIN: 06684319
Place: Gothenburg, Sweden
Date: 17th May 2023

DIN: 08148320
Place: Gothenburg, Sweden
Date: 17th May 2023

**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 2022-23 (“period”) and do hereby certify that:

- a) During the period, the Company was required to spend **INR 85.3 mn** 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 the FY 2022-23, as approved by the Board on recommendation of 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 109.1 mn** towards CSR in FY 2022-23 out of which INR 23.2 mn pertain to unspent amount of FY 2021-22 and INR 85.9 mn pertain to FY 2022-23 out of total CSR obligation of **INR 108.5 mn** and an amount of **INR 0.6 mn** 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 utilization 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: Pune

Place: Gurugram

Date: 17th May 2023

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 Spent (disbursed) towards CSR in the FY 2022-23	Amount Utilized	Mode of Spending (Direct / Indirect)	Unspent Amount, if any (in mn)
1	Item no. (II)	Youth Empowerment -Employment Enhancing Vocational Skills (On-going)	36.0	37.1	37.1	Indirect	(1.1)
2(a)	Item no. (III)	Promotion of Education - Scholarship for Girls (On-going)	23.7	28.0	28.0	Indirect	(4.3)
2(b)	Item no. (III)	Promotion of Education - STEM School Programme (On-going)	4.4	0.4	0.4	Indirect	4.0
2(c)	Item no. (III)	Promotion of Education - Pratham Projects (On-going)	0.9	2.2	2.2	Indirect	(1.3)
3	Item no. (IV)	Environment - Ensuring Environmental Sustainability (On-going)	14.3	10.3	10.3	Indirect	4.0
4	Others	Projects & Expenses	2.0	4.3	4.3	Direct	(2.3)
		Sub Total	81.3	82.3	82.3		(1.0)
5		Administrative Expenses (5% of CSR Budget)	4.0	3.6	3.6	Direct	0.4* ¹
6		Overspent of FY 2021-22 (less)	-	-	-		-
		Total FY 2022-23	85.3	85.9	85.9		(0.6)*²

Note:

*1 Administrative Expenses of INR 4,000,000.

*2 SKF CSR Overspent of FY 2022-23.

As on 31st March 2023, Total CSR Amount remaining Unspent for FY 2021-22 is INR 0.2 mn.

SKF India Limited's CSR Unspent Account for FY 2021-22 has balance INR Nil, as on 30th April 2023.

Ashish Saraf
CFO

Tanul Singhal
Head - Corporate Affairs & CSR

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
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, Raw Material, components, spares & Finished Goods, Reimbursements Paid and received and Sale of Goods and services on a continuous basis	FY 2022-23	The transactions are entered as ordinary course of business. The detailed information forms part of the notes to financial statements for FY 2022-23	11 th May 2022	NIL

For and on behalf of the Board,
SKF India Limited

Gopal Subramanyam
Chairman
DIN: 06684319

Place: Gothenburg, Sweden

Date: 17th May 2023

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:

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 December 2022	31 st March 2023
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) 309,750 Shares as on 31 st March 2023	a) 2,600 Shares as on 31 st March 2023
a. Number of Shares	b) INR 24,78,000	b) INR 26,000/-
b. Amount of Investment	c) 26.73%	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	N.A.	N.A.
Net worth attributable to shareholding as per latest audited Balance Sheet	23.6	-0.1
Profit or Loss for the year:		
a. Considered in Consolidation	0.9	-0.1
b. Not Considered in Consolidation	2.54	-0.19

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 2023.

For and on behalf of the Board,
SKF India Limited

Gopal Subramanyam
Chairman
DIN: 06684319

Place: Gothenburg, Sweden
Date: 17th May 2023

ANNEXURE – F

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2023

(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 Ltd.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SKF India Ltd. (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 warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2023, 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 2023 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

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 Ltd. and National Stock Exchange of India Ltd. 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. As on March 31, 2023, an amount of INR 0.2 mn remained unspent for FY 2021-22, towards corporate social responsibility.

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.

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**

Place: Mumbai

Date: 17th May 2023

**Jigyasa N. Ved
Partner**

**FCS No: 6488 CP No: 6018 UDIN: F006488E000313432
PR No.: 1129/2021**

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. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of 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: 17th May 2023**

**Jigyasa N. Ved
Partner
FCS No: 6488 CP No: 6018 UDIN: F006488E000313432
PR No.: 1129/2021**

ANNEXURE – G

Secretarial Compliance Report of SKF India Limitedfor the year ended 31st March 2023

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 2023 (“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 warranted due to the spread of the COVID-19 pandemic, 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 Practising Company Secretary	Management Response	Remarks
NIL										

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
---------	---	--------------------------	------------	-----------------	--	----------------------	-------------	---	---------------------	---------

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 Director 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> <ul style="list-style-type: none"> (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	

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations /Remarks by PCS*
8.	<p>Related Party Transactions:</p> <p>(a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions</p> <p>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</p>	Yes	
9.	<p>Disclosure of events or information:</p> <p>The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.</p>	Yes	
10.	<p>Prohibition of Insider Trading:</p> <p>The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015</p>	Yes	
11.	<p>Actions taken by SEBI or Stock Exchange(s), if any:</p> <p>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</p>	Yes	
12.	<p>Additional Non-compliances, if any:</p> <p>No any additional non-compliance observed for all SEBI regulation/circular/guidance note etc.</p>	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

Jigyasa N. Ved
Partner

FCS No.:6488 C P No.:6018
UDIN: F006488E000313388
PR No.: 1129/2021

Place: Mumbai
Date: 17th May 2023

ANNEXURE – H

CERTIFICATE

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 and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, 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 2023 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	16/05/2019
2.	Mr. Gopal Subramanyam	06684319	16/05/2019
3.	Mr. Manish Bhatnagar	08148320	16/08/2018
4.	Mr. Shailesh Kumar Sharma	09493881	10/02/2022
5.	Mr. Karl Robin Joakim Landholm	09651911	28/06/2022
6.	Mr. David Leif Henning Johansson	09651955	28/06/2022

*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.

For Parikh& Associates
Practising Company Secretaries

Jigyasa N Ved

Partner

FCS: 6488 CP: 6018

Mumbai, 17th May 2023

UDIN: F006488E000313531

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 FY 2022-23; 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	2.39	32.99%
Mr. Manish Bhatnagar	Managing Director	22.00	31.19%*
Mr. Ashish Saraf	CFO	4.52	20.84%
Mr. Ranjan Kumar	Company Secretary	5.49	16%
Ms. Anu Arun Wakhlu	Independent Director	1.95	32.99%
Mr. *David Leif Henning Johansson (From 28 th June 2022)	Non-Executive	NA	NA
Mr. *Karl Robin Joakim Landholm (From 28 th June 2022)	Non-Executive	NA	NA
Mr. Shailesh Sharma	Whole Time Director	7.87	15%

*The MD's salary considered for Mar 2023 was effective from Feb 2022, therefore the increase has been computed from Jan 2022 to Mar 2023.

(B) The percentage increase in remuneration of Chief Financial officer (CFO) and Company Secretary (CS) in FY 2022-23: 20.84% and 16% respectively

(C) The percentage increase in the median remuneration of employees in FY 2022-23: 7.2%

(D) The number of permanent employees on the rolls of company: 1662

(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: 9.77% and 11.94% 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**

Gopal Subramanyam

Chairman

DIN: 06684319

Place: Gothenburg, Sweden

Date: 17th May 2023

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 FY 2022-23 saw addition of new manufacturing channels at Pune and Bangalore which necessitated increase in energy demand. As a part of SKF group's decarbonisation program by 2030, SKF India initiated many 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.

Following important energy conservation activities were carried out at Pune, Bangalore and Haridwar plants inline ISO50001 guidelines.

1.1 Pune

- Through energy review process, identified significant energy users in the manufacturing processes such as grinding channels 37%, Heat treatment 20%, Centralised utilities 18%, Compressors 18% and others 7%.
- Identified and completed 57 energy saving activities and project to reduce both fixed and variable energy component. These projects resulted into saving of 1024 MWH savings in the financial year.
- Specific electrical energy consumption was reduced from 15.8 (FY 2021-22) to 15.3 (FY 2022-23) MWH/MINR VASC GWH, 3.2% reduction over FY 2021-22.
- As a part of SustEn six sigma umbrella project, identified and closed more than 600 compressed air leakages, maintaining the specific energy consumption of compressors to 0.145 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 80 grinding and honing machines on various channels by optimising energy consumption during idle working on machines. Approximate energy saving achieved is 370 MWH.
- Use of IE3/IE4 energy efficient motors for utility systems.
- Power factor was maintained at near unity 0.998 PF for the complete year.

- Achieved overall saving of 1024 MWH through all the projects.

1.2 Bangalore

- Specific electrical energy consumption was reduced from 16.4 (FY 2021-22) to 15.58 (FY 2022-23) MWH/MINR VASC GWH, 5% reduction over FY 2021-22.
- 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.
- For heat treatment furnaces, high energy efficient Kanthal Heaters developed in place of Tubular heaters.
- 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 0.98 PF.
- All the above activities resulted into 680 MWH of saving in the year.

1.3 Haridwar

- Hydraulic power pack optimisation projects for FSF/HHE and Laucage machines.
- Energy saving by reduction of compressor air leakage at plant, Approx.- 320 major leakage points.
- Downsizing of work head motors from 2.2KW to 1.5 KW 10 Nos. with IE3 energy efficient motors.
- Reducing energy consumption by modification in conveyor systems, elimination of motorised system to gravity flow system in assembly machines- 25 Nos.
- Energy consumption optimisation by running the Air-Cooled Air dryer, in place of water cooled, (10.2 Kw to 4.4 Kw).
- Replacement of Condenser pump of Chiller to Energy Efficient pump IE-3, from 15Kw to 11 Kw.
- All these above projects resulted into 154 MWH of saving in the year.

2. THE STEPS TAKEN BY THE COMPANY FOR UTILISING ALTERNATE SOURCES OF ENERGY;

SKF India is committed to maximise renewable sources Such as Solar, Hydal and wind in Pune, Bangalore and Haridwar.

Pune

- SKF Pune started receiving farm solar power through Captive Solar power purchase agreement through off site solar project of 8.4 MW capacity from 1st April 2021 catering to 30% of its total yearly energy requirement.
- In the FY 2022-23, SKF Pune received 12.3 GWH of farm and rooftop solar energy.

Bangalore

In the FY 2022-23, SKF Bangalore received 14.7 GWH of farm and roof top solar power which is 76% of total power requirement.

Haridwar

We are working on a possibility of group captive offsite solar project for Haridwar.

3. THE CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENTS.

All the energy saving projects completed in this financial year in Pune, Bangalore and Haridwar are completed on revenue budget.

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**

- In house design & development of Inner Ring Honing machine for sDGBB bearing helps to improve Channel output.
- Process optimisation on Channel 4 for Product type 6308 type.
- For Channel 4 Intelligent Dressing cycle implemented on SGB machine
- Wheel life improvement on Channel 8 & Channel 11.
- Productivity improvement on HUB1T Channel.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution.

- Five Truck HUB unit (THU1s) ,Three New Wheel HUB, Four New TRB and Three DGBB bearing products Launched.
- Five Inhouse roller developed for Truck HUB unit (THU1s) bearing.
- Abrasive Localisation at DGBB Channel 5, HUB1T, TRB benefited in cost reduction.
- Abrasive cost reduction at Channel 5 & HUB 1.1 for IR Track Grinding operation.

(iii) Imported Technology

- Nil

1.2. BANGALORE**(i) Product and Process Development/ improvement and Import Substitution**

- New Bore Honing Machine installed in VAS area to increase capacity by 2 mn-completed
- Local development of Outer ring race honing machine - completed
- Local development of Series packing machine installed in new channel.
- Local development of missing component and Torque measuring equipment installed in 2 channels
- TMA -70 Bearing washing machines installed in 4 channels – completed
- Electronics upgradation from MTC to NEW PLC system – 29 nos completed
- Vision Camera for capturing sealing defects – Installed
- Before and After grease filling machine installed in one channel.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution.

- FCCRB 0569 series started
- Steering races with Polyamide cage for OEM - 2-wheeler - series production
- Cam Follower – for electric application series production started.

(iii) Imported Technology

- CBN wheel Introduction to increase the speed from 1000 to 1800 per/ hour
 - a) Details of technology imported – Cubic Boron Nitrated wheel for speed
 - b) Import year – 2021
 - c) Absorption year – 2022
 - 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, No expenditure on R&D however import cost is INR 0.25 mn/annum

1.3. Haridwar

(i) Product and Process Development/ improvement and Import Substitution

- Capacity Improvement by Pure Output Improvement & Series Production with added machines at Grinding Section (Outer Ring Honing) and in Assembly Section (OD & ID Detection Equipment's & Free Running Inspection)
- New Product Development -Wheel End Application Bearings for Electrical Vehicles, Series Supply of has started.
- Support to Customer in Thailand & Indonesia for Crank Shaft Application.
- Installation of Detection Equipment at entry of Channel to avoid mix-up of Rings.

(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),
- Reliability Improvement of Detection Equipment (ID & OD Inspection)& laser marking by Upgradation
- Upgradation of Utility System & Installation of Oil Recovery System across the Channels.
- Projects on Repair and Maintenance and Projects on Tooling and abrasives to Reduce the cost of shop-supply.

(iii) Imported Technology

- Upgradation of Quality Equipment's (Vibration & Noise Inspection equipment's, MWA Machines) in the Metrology Lab by SKF QTC & Taylor Hobson Machine.
 - a) Details of technology imported – Vibration & Noise Inspection equipment's
 - b) Import year – 2022
 - c) Absorption year – Jan 2023
 - 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 INR 4.4 mn

(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 2022 onwards. This helped to increase exports. Exports is INR 3,455 mn which is about 8% 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 2022 export was higher by INR 2,155 mn compared to 2021
- The information on foreign exchange earnings and outgo is as below:
Earnings in foreign exchange is INR 4,043 mn which is about 9% of the total sales, comprising of exports of INR 3,455 mn and technical and other service income and reimbursement of expenses INR 588 mn
- Outgo in foreign currency-purchase of finished products INR 10,995 mn; purchase of components, stores, capital goods INR 1,842 mn; royalty INR 660 mn, trademark fee INR 414 mn, IT services INR 283 mn, professional fees, travel and other expenses INR 23 mn and dividend remitted INR 377 mn.

For and on behalf of the Board,
SKF India Limited

Place: Gothenburg, Sweden
Date: 17th May 2023

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 board of Directors and senior management personnel have affirmed compliance with code of conduct of board of directors and senior management for the Financial Year ended 31st March 2023.

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

**Manish Bhatnagar
Managing Director
DIN: 08148320**

**Place: Gothenburg, Sweden
Date: 17th May 2023**

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 INR 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

Introduction

Pursuant to Regulations 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

SKF is dedicated to delivering sustainable results via its business and business conduct. SKF Care is Company's sustainability framework covering the business, environment, employee and community. We have embarked on the journey of developing this Business Responsibility and Sustainability Report (BRSR) based on the suggested framework of SEBI. This is our first year of publishing the Business Responsibility and Sustainability Report and we consider this as an opportunity to showcase our performance and progress across Environmental, Social and Governance aspects.

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	https://www.skf.com/in
9	The financial year for which reporting is being done	FY 2022-2023
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 (In 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) 20 66112231
	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

II Product / Services

14. Details of business activities (accounting for 90% of the turnover)

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing and dealers of Bearings	Manufacturing Bearing products and dealers of its components, condition monitoring and maintenance services.	100%

15. 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	100%

Business Responsibility and Sustainability Reporting (contd.)

III Operations**16 Number of locations where plants and/or operations/offices of the entity are situated**

Location	Number of plants	Number of offices	Total
National	3	7	10
International	0	0	0

17 Markets served by the entity**A Number of locations**

Locations	Number
National (No. of States)	28
International (No. of Countries)	30

b. What is the contribution of exports as a percentage of the total turnover of the entity?

8%

c. Brief on types of customers

SKF India Limited, is India's leading technology and solutions provider of bearings and units, seals, lubrication, condition monitoring and services. 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.

In automotive segment, our customers include two-wheeler, four-wheeler, heavy vehicle manufacturers and aftermarket. In industrials, our market covers segments from Metal industry, Railways, Wind Energy, General Machinery and Food and Beverage Industry.

IV Employees**18 Details as at the end of Financial Year 2022-23****A. Employees and workers (including differently abled)**

S. No.	Particulars	Total (A)	Male		Female		Other	
			No. (B)	% (B / A)	No. (C)	% (C / A)	No. (H)	% (H / A)
EMPLOYEES								
1	Permanent (D)	743	626	84 %	117	16%	0	0
2	Other than permanent (E)	919	152	75%	50	25%	0	0
3	Total employees (D + E)	1,662	778	82%	167	18%	0	0
WORKERS								
4	Permanent (F)	919	918	99.1%	1	0.1%	0	0
5	Other than permanent (G)	2,350	2265	96%	85	4%	0	0
6	Total workers (F + G)	3,269	3183	97%	86	3%	0	0

Business Responsibility and Sustainability Reporting (contd.)

B. Differently abled employees and workers:

S. No.	Particulars	Total (A)	Male		Female		Other	
			No. (B)	% (B / A)	No. (C)	% (C / A)	No. (H)	% (H / A)
DIFFERENTLY ABLED EMPLOYEES								
1	Permanent (D)	0	0	100%	0	0 %	0	0%
2	Other than Permanent (E)	1	1	100%	0	0%	0	0%
3	Total differently abled employees (D + E)	1	1	100%	0	0%	0	0%
DIFFERENTLY ABLED WORKERS								
4	Permanent (F)	1	1	100%	0	0%	0	0%
5	Other than Permanent (G)	0	0	0%	0	0%	0	0%
6	Total differently abled workers (F + G)	1	1	100%	0	0%	0	0%

19 Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	16%
Key Management Personnel	4	0	0

20 Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	Turnover rate in current FY (2022-23)				Turnover rate in previous FY (2022-21)				Turnover rate in the year prior to the previous FY (2020-21)			
	Male	Female	Other	Total	Male	Female	Other	Total	Male	Female	Other	Total
Permanent Employees	15.8%	18.8%	NA	16.3 %	13.4%	22.1%	NA	14.5%	22.3%	33%	NA	23%
Permanent Workers	5.9%	0.0%	NA	5.9%	5%	0.0%	NA	5%	5.0%	0%	NA	5.1%

V Holding, Subsidiary and Associate Companies (including joint ventures)**21. (a) Names of holding / subsidiary / associate companies / joint ventures**

S. No.	Name of the holding / subsidiary/ associate companies/joint ventures (A)	Indicate whether holding/Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Sunstrength Renewables Private Limited	Associate	26.73%	No
2	Cleanmax Taiyo Private Limited	Associate	26%	No

VI CSR (Corporate Social Responsibility) Details

(i)	Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	YES
(ii)	Turnover (in INR)	43,049,156,150
(iii)	Net worth (in INR)	23,415,028,703

Business Responsibility and Sustainability Reporting (contd.)

VII Transparency and Disclosures Compliances**23 Complaints/Grievances on any of the 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 (2022-23)			FY (2021-22)		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	No	NA	0	0	We periodically engage with community representatives for understanding their concerns.	0	0	During the year, we actively sought the feedback from the community members through third party audits, impact assessments, workshops and counselling sessions.
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/for-supplier	0	0	We directly engage with our CSR partners who abide by SKF's CoC for implementation of CSR programmes and we have a mechanism where CSR Beneficiaries can raise their concerns through our CSR programme implementation partners.	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.
Investors (other than shareholders)	Yes	https://www.skf.com/in/investors	0	0	-	0	0	-
Shareholders	Yes	https://www.skf.com/in/investors	1468	91	In FY 2022-2023, the Company received 1468 complaints of various natures. Of which 1377 were successfully resolved to the satisfaction of stakeholders and remaining 91 were carried forward and resolved by 29th April 2023.	1155	49	In FY 2021-2022, SKF India received 1155 complaints from shareholders. Of which 1106 were resolved to the satisfaction of stakeholders and remaining 49 were resolved by 26th April 2022.
Employees and workers	Yes	https://www.skf.com/binaries/pub12/Images/0901d196809a699a-Vigil-Mechanism-Policy-April-2019_1115_tcm_12-526427.pdf	2	1	Employees and workers concerns were duly addressed by the Company. Standard formal mechanisms were effective in timely resolution of the complaints.	0	0	Nil
Customers	Yes	https://www.emarketplace.in.skf.com/privacy-policy	NIL	NIL	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 31st March 2023..	NIL	NIL	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 352 admin complaints, 197 technical complaints and 2641 customer care calls. Out of these, 0 (0%) admin complaints, 90 (45%) technical complaints and 0 (0%) customer care calls are pending to be resolved as of 31st March 2022.

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 (2022-23)			FY (2021-22)		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Suppliers and Distributors	Yes	Suppliers and other value chain 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. https://www.skf.com/in/organisation/for-supplier	NIL	NIL	Suppliers can register their grievances through dedicated E-Mail Id.	NIL	NIL	Suppliers can register their grievances through dedicated E-Mail Id.

24 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 its customers through innovative products and solutions.	-	Positive Implications
2	Economic Performance	Opportunity	SKF is a profit-driven organization. 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
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

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)
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

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 Question

No	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
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	<p>The links for the policy to be viewed online are provided below: P1, P9 – The links for the policy to be viewed online are provided below:</p> <ul style="list-style-type: none"> P1 to P9 common for all https://www.skf.com/binaries/pub12/Images/0901d19680bccd5f-The-Code-of-Conduct-Handbook-SKF-in-India_tcm_12-567931.pdf P1- https://www.skf.com/binaries/pub12/Images/0901d196809a699a-Vigil-Mechanism-Policy-April-2019_1115_tcm_12-526427.pdf P2, P3 & P6 https://www.skf.com/binaries/pub12/Images/094e1bb46354cddc-Group-EHS-Policy_SKF_tcm_12-595022.pdf P2 https://www.skf.com/binaries/pub12/Images/SKF%20Code%20of%20Conduct%20for%20suppliers%20and%20sub-contractors_English%20version%201_tcm_12-45396.pdf#cid-45396 P8 – https://www.skf.com/binaries/pub12/Images/0901d19680cb2f37-SKF-India-CSR-Policy-2021_tcm_12-583398.pdf P9 - https://www.skf.com/binaries/pub12/Images/094fc3b8be9b69dd-20-0102---Quality-poster_210702_tcm_12-595156.pdf 								

Business Responsibility and Sustainability Reporting (contd.)

No	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
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	ISO 9001:2015, ISO 14001:2001:2015 / ISO450001:2018 , OECD guidelines for multinational enterprises, UN Global Compact Ten principle, Sustainable development Goals, SteelZero, RE100 and SBTi, Responsible Steel Initiatives LEED certification								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	<ul style="list-style-type: none"> By 2030, facilities of SKF India would be operating with decarbonisation strategy. By 2050, SKF India will achieve Net-Zero emissions across the value chain 5% reduction in water consumption YoY 								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Refer to Principle 6 for performance against the targets								

* A common consensus is taken into consideration while finalising the policies and one signatory (MD/ Business Functional heads) signs the policies on everyone's behalf.

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', in the article 'Driving intelligent and Clean growth' on page number 12.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

The oversight and implementation of Business Responsibility Policies at SKF India is delegated by heads of Ethics, legal, Compliance, CSR and sustainability function. The board is periodically apprised about the observations and for taking appropriate actions wherever needed.

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No).

If yes, provide details.

The delegation of material topics lies with Individual directors of Ethics, Legal, Sustainability and Corporate Affairs and overlooked by MD and Executive Director. Board is regularly apprised on the performance and management approach of the material topics by executive leaders.

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								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
	Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y

Business Responsibility and Sustainability Reporting (contd.)

No	Subject for Review	Frequency (Annually / Half yearly / Quarterly/ Any other-please specify)								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
	Performance against above policies and follow up action	Need-based, Regular								
	Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances									

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.

No	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
9	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N
10	If yes, provide name of the agency	NA								

• These policies have been approved by the Board or, by the Managing Director or, by other person(s) under the authority of the Board and the Company reviews these policies periodically either on its own review or, on the inputs from Compliance team / Internal Controls / Internal Audits.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

No	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The entity does not consider the principles material to its business (Yes/No)	Not Applicable								
2	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
3	The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
4	It is planned to be done in the next financial year (Yes/No)									
5	Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

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	On time to time basis.	100%
Key Managerial Personnel	Ongoing		100%

Business Responsibility and Sustainability Reporting (contd.)

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
Employees other than BoD and KMPs	15	Employees were imparted training on various aspects like Code of Conduct, Antitrust, Anti-corruption, Anti-Bribery, Mindfulness, Safety trainings, Energy Management, EHS Management System and other job-related training for skill enhancement	100%
Workers	36	POSH Awareness workshop for employees	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):

In FY 2023, there were no substantial fines/penalties/punishment/awards/compounding fees/settlement amount paid by the Company with regulators/law enforcement agencies/judicial institutions.

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 –

Yes. The Company has in place an anti-corruption and anti-bribery policy.

For more details, refer to the link.

https://www.skf.com/binaries/pub12/Images/0901d19680bccd5f-The-Code-of-Conduct-Handbook-SKF-in-India_tcm_12-567931.pdf

The Company expects the employees and workers to adhere to highest ethical standards during the discharge of official duties.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23	FY 2021-22
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	-	NIL	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	-	NIL	-

Business Responsibility and Sustainability Reporting (contd.)

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.

We believe that ethical behaviour and good governance help an organisation in building stakeholder confidence. Our business ethics require us to drive high ethical standards in our business, increase our accountability by performing our duties with honesty and integrity and acting in a responsible and professional manner to follow the practice of fair competition and treat everyone with respect.

We have a well-defined Code of Conduct that requires full compliance with all applicable laws and regulations and exhibits our approach towards implementation of our core values - High ethics, Empowerment, Openness and Teamwork. We have constant communication with employees, including training on various topics of COC. We have also dedicated one week to create awareness about compliance, anti-corruption, conflict of interest and code of conduct implementation.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe**Essential Indicator**

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 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	Nil	Nil	-
Capex	10%	2%	Various capital investments targeting the improvement in social and environmental performance have been taken up in FY 2023 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)
Yes. Our EHS (Environment Health & Safety) policy outlines guidelines for energy and other natural resources conservation and this is extended to our value chain partners to promote green procurement. The Company is also conducting annual supplier sustainability assessment for Direct Material suppliers covering various ESG aspects. The Company also supports the outliers for the improvement and disengages with the defaulters.
- 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) - SKF India abides by EPR (Extended Producer Responsibility) regulations for management of packaging plastic materials.
The Company collects and recycles equivalent quality and quantity of plastics and in FY 2023, 318 tons were recycled as a part of EPR regulations.
- (b) E-waste - Nil.
- (c) Hazardous waste - Nil.
- (d) other waste - Nil
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.
Yes, SKF India is registered as brand owner under EPR regulations for recycling of plastic wastes. The Company has recycled 318 tons of plastics wates in FY 2023.

Business Responsibility and Sustainability Reporting (contd.)

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.

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	626	626	100%	626	100%	0	0%	626	100%	0	Nil
Female	117	117	100%	117	100%	117	100%	0	0	117	100%
Total	743	743	100%	743	100%	117	100%	626	100%	117	100%
Other than permanent employees											
Male	152	152	100%	152	100%	0	0%	0	0%	0	Nil
Female	50	50	100%	50	100%	50	100%	0	0%	0	Nil
Total	202	202	100%	202	100%	50	100%	0	0%	0	Nil

b. Details of measures for the well-being of workers:

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	918	918	100%	918	100%	0	0%	918	100%	0	Nil
Female	1	1	100%	1	100%	1	100%	0	0%	1	100%
Total	919	919	100%	919	100%	1	100%	918	100%	1	100%
Other than permanent workers											
Male	2265	2265	100%	2265	100%	0	0	0	0%	0	0%
Female	85	85	100%	85	100%	85	100%	0	0%	0	0%
Total	2350	2350	100%	2350	100%	85	100%	0	0%	0	0%

2. Details of retirement benefits

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100 %	100 %	YES	100%	100%	YES
Gratuity	100 %	100 %	YES	100%	100%	YES
ESI	0 %	27 %	YES	0 %	24 %	YES
Others – please specify	NA	NA	NA	NA	NA	NA

Business Responsibility and Sustainability Reporting (contd.)

Details Of Other Retirement benefits

Sr.	Name Of Benefits	FY 2022-23			FY 2021-22		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
NA							

3. Accessibility of workplace

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.

Company is actively implementing and adding features across premises to make it more friendly for differently-abled. We have disabled friendly toilets at our Corporate office

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.

Upholding and protecting human rights and labour standards, within our organisation and across our value chain are of utmost importance to SKF. We ensure inclusive development through safe and fair employment practices and forbid discrimination against, or harassment of others based on race, caste, religion, nationality, gender, physical capability, marital status, sexual orientation, age, ancestry, or other reasons. For more details refer to Code of Conduct

https://www.skf.com/binaries/pub12/Images/0901d19680bccd5f-The-Code-of-Conduct-Handbook-SKF-in-India_tcm_12-567931.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

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%
Other	NA	NA	NA	NA
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	At SKF, we strongly believe in our core values and nurture a culture of free and transparent communication at all levels. We believe in gender neutrality and a policy has been framed accordingly. Every factory/ business unit has an Internal Complaint Committee constituted under the Prevention of Sexual Harassment Act. Further details on mechanisms for prevention of child labour and discriminatory employment are provided under Principle 5 of this report.
Other than Permanent Workers	YES	
Permanent Employees	YES	
Other than Permanent Employees	YES	

Business Responsibility and Sustainability Reporting (contd.)

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	743	0	0	769	0	
Male	626	0	0	651	0	Nil
Female	117	0	0	118	0	Nil
Total Permanent Workers	919	910	98.8%	911	901	98.9%
Male	918	908	98.9%	911	900	98.9%
Female	1	1	100%	1	1	100%

8. Details of training given to employees and workers:

Category	FY (2022-23)					PY (2021-22)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	626	626	100%	626	100%	651	505	78%	651	100%
Female	117	89	76%	90	77%	118	4	3%	49	42%
Total	743	715	96%	716	96%	769	509	66%	700	91%
Workers										
Male	918	870	95%	918	100%	911	654	72%	911	100%
Female	1	1	100%	1	100%	1	1	100%	1	100%
Total	919	871	95%	919	100%	912	655	72%	912	100%

Apart from above trainings, Company has conducted online training of 900 hours on Work and Personal Life Balance, Cancer Awareness, Immunity Based Nutrition, De-stress your Finances, Emotional Regulation.

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (D)	No. (E)	% (E / D)
Employees						
Male	626	626	100%	651	651	100%
Female	117	117	100%	118	118	100%
Other	-	-	-	-	-	-
Total	743	743	100%	769	769	100%
Workers						
Male	918	0	Nil	911	0	Nil
Female	1	0	Nil	1	0	Nil
Other	-	-	-	-	-	-
Total	919	0	Nil	912	0	Nil

Business Responsibility and Sustainability Reporting (contd.)

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No).

If yes, the coverage such system?

The overall health and safety ambition for SKF is to reach zero accidents. Safety comes first and we believe that all work-related accidents can be prevented. Our primary goals include preventing injuries as well as safeguarding the health of all employees at the workplace. Our internal systems and controls are very well aligned with strategic goals aiming to reduce waste, safety risks, environmental impacts and operational costs.

SKF India Limited is an ISO 14001:2015/ ISO 45001:2018 certified company and we strictly follow EnMS & EHS system for management of occupational health hazards. We conduct Management Review meetings once in a year where Safety & Environment Management related issues like Legal compliance, Internal & External audits, and observations including safety are discussed. For identification of hazards, we conduct Internal and external audits i.e., Group EHS audit and observations are used for improving the effectiveness of existing controls.

All occupants of the premises are given adequate training through third-party seminars, training programmes, and workshops in addition to in-house sensitisation programmes. We also circulate various learning modules, publications, and newsletters for regular appraisal of safety-related news. We celebrate National Safety Month and World Environment Day to increase awareness on safety and environment. During the year, we had five recordable accidents and actions were taken to prevent such incidents in future. We have intensified our focus to reach our zero accident vision by conducting various engagement and awareness programmes.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

As per the EMS, SKF India uses HIRA (Hazard Identification and Risk Assessment), a qualitative risk assessment to understand and identify the potential safety related risks and strategize mitigation plans for the management of risks. We have identified Emergencies like Fire, Spills / leakages, Accident, Food Poisoning, Vehicular Accidents, Electric Shock, Natural Disaster etc. ERP is available for management of precautionary controls of the above risks. Mock drills are conducted regularly. Details plan of ERP (Emergency Response Plan) & Mock drill reports are available at plant facilities. In addition, various third-part audits and compliance audits are taken up for management of potential health and safety risks.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks?

We have a clearly defined, communicated, well-known, established and maintained procedure for managing unsafe conditions throughout the operational boundary. Employee participation is our culture for identification of work-related unsafe conditions. We encourage the involvement of employees / supervisors / managers in structured HIRA (Hazard identification and risk assessment) preparation / Safety walk / and sharing valuable feedback. SKF health and safety committees operate at factory or unit management level with the objective of bringing together worker and management representatives to discuss and agree on essential measures to improve the health and safety performance of SKF India. Employees and workers are trained to take up precautionary measures and remove themselves in event of any hazard.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services?

SKF India has established dispensary support at all locations with tie-ups with doctors for employee health consultations. We have 24 hours ambulance service for emergency medical requirements. We have also tied up with hospitals to provide emergency services including healthcare services and treatment of workplace-related injuries.

Periodic health check-ups of employees and their families are done at renowned hospitals to ensure health and well-being of our workforce. We have an internal medical scheme for workers and an external scheme for staff employees, providing non-occupational health services to cater to their needs. Additionally, we organise need-based vaccination camps. Periodic health care/ awareness programmes are conducted in tie-ups with hospitals for employees on First Aid & Emergency, Women's Health, Hypertension & Diabetes management, Dental screening,

Business Responsibility and Sustainability Reporting (contd.)

eye check Audiometry etc. We have organised online or in-person training sessions on Work and Personal Life Balance, Health Hacks for Working Women, Importance of Sleep for a healthier lifestyle, Cancer Awareness, Yoga, Immunity Based Nutrition, Office Ergonomics and Desk Yoga for employee health and emotional wellbeing of our employees.

11. Details of safety-related incidents, in the following format:

Safety Incident / Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (c) (per one mn - person-hours worked)	Employees	0	0
	Workers	0.6	0.68
Total recordable work-related injuries	Employees	0	0
	Workers	5	5
No. of fatalities	Employees	0	0
	Workers	0	0
High-consequence work-related injury or ill health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Our people and their experience and skills form our Company's most important asset. We are committed to maintaining a culture in which the health, safety, and well-being of all our employees is an integral part of our business. Through regular trainings programmes and awareness sessions, we continued to advance employee health, safety, wellness and responsible business practices across our business and operations during FY23. We worked together as an organisation to enact additional safeguards and policies to protect our dedicated workforce, while meeting our customers' critical needs as detailed in Principle 3 and Principle 5.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	Nil	0	0	Nil
Health & Safety	0	0	Nil	0	0	Nil

14. Assessments 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

Business Responsibility and Sustainability Reporting (contd.)

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**Essential Indicator****1. Describe the processes for identifying key stakeholder groups of the entity.**

Engaging and building trust with all stakeholder groups is vital to support the progress towards our business goals which is aligned with sustainable development for all.

At SKF India, we have consciously embraced corporate sustainability as our business approach for creating long-term stakeholder value by mitigating risks and harnessing opportunities.

We have identified 10 internal and external stakeholders and laid down a systematic process for engaging with them for mutual trust and growth. Our stakeholder engagement plan comprises the following steps:

- Aligning business practices with the needs and expectations of stakeholders
- Identifying individuals for engaging and establishing ongoing dialogue
- Staying engaged with stakeholders through corresponding counterparts at SKF India
- Using the engagements to receive feedback and inputs beneficial to the stakeholders and to SKF India
- Addressing specific stakeholder concerns within the rubric of sustainability which might have implications for SKF business and stakeholder groups.

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 report, Quarterly reports, Newspaper Publications, Regular Updation of Websites Regular intimation to Stock Exchanges	Quarterly	(i) Appraise about Company's periodic results and disclosures (ii) Improve their understanding of SKF's ESG commitments and performance

Business Responsibility and Sustainability Reporting (contd.)

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
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

PRINCIPLE 5: Businesses should respect and promote human rights**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 2022-23			FY 2021-22		
	Total (A)	No. of employees/workers covered (B)	% (B / A)	Total (C)	No. of employees/workers covered (D)	% (D / C)
Employees						
Permanent	743	743	100%	769	769	100%
Other than permanent	202	202	100%	209	209	100%
Total Employees	945	743	100%	769	769	100%
Workers						
Permanent	919	919	100%	919	919	100%
Other than permanent	2,350	2,350	100%	2231	2231	100%
Total Workers	3,269	919	100%	3165	912	100%

Note: All employees of SKF India have to complete the SKF Code of Conduct commitment annually which outlines the Company standards on working ethics, Safe workplace, and key human rights issues applicable to SKF and its value chain. All the contractors have apprised about Code of conduct adharacne

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	743	0	0%	739	100%	769	0	0%	769	100%
Male	626	0	0%	626	100%	651	0	0%	651	100%
Female	117	0	0%	117	100%	118	0	0%	118	100%
Other than Permanent	202	9	4%	193	96%	209	6	4%	203	96%
Male	152	8	5%	144	95%	172	5	3%	167	97%
Female	50	1	2%	49	98%	37	1	3%	36	97%
Workers										

Business Responsibility and Sustainability Reporting (contd.)

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B /A)	No. (C)	% (C /A)		No. (E)	% (E /D)	No. (F)	% (F /D)
Permanent	919	0	0%	919	100%	944	0	0%	944	100%
Male	918	0	0%	918	100%	943	0	0%	943	100%
Female	1	0	0%	1	100%	1	0	0%	1	100%
Other than Permanent	2350	1392	62%	839	38%	2221	2015	58%	206	42%
Male	265	2062	90%	204	10%	2154	1948	90%	206	10%
Female	85	85	100%	0	0%	67	67	100%	0	0%

3. Details of remuneration/salary/wages, in the following format:

	Male		Female		Other	
	Number	Median remuneration/salary/ wages of respective category in INR	Number	Median remuneration/salary/ wages of respective category in INR	Number	Median remuneration/salary/ wages of respective category in INR
Board of Directors (BoD)	3	11244166	1	2780940	0	NA
Key Managerial Personnel	4	9544252	0	0	0	NA
Employees other than BoD and KMP	626	1457601.5	117	1122836	0	NA
Workers	919	876668	1	305745	0	NA

Non Executive Board of directors are not part of remuneration.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

The Sustainability team oversees the disclosures of due diligence with respect to human rights related issues. The team conducts supplier meets to create awareness among the suppliers on human rights related issues. Employees can raise their concerns relating to human rights through various channels as detailed in Section A, Principle 3.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

In case of any grievance related to discrimination, employees are free to approach either individually or through the union to the HR Manager, Factory Manager or Director HR. Our responsible sourcing team visits and audits suppliers for identifying potential social risks such as missing employment contracts, wage disparity for women, non-payment of overtime wages and other benefits of employment like leave payment. We ensure that our value chain respects the human rights of all employees (direct/indirect/pay roll and/or contractual worker). Further, Suppliers should maintain ethical standards as laid out in Code of Conduct for suppliers with respect to aspects such as child labour, forced labour, discrimination, disciplinary practices, working hours, legal compensation, health, and safety practices.

Business Responsibility and Sustainability Reporting (contd.)

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	3	2	The Company has taken necessary action to resolve the pending actions	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/ Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

SKF India is a fair and equal opportunity employer and believes in gender parity. The Company encourages employees and workers to report on any grievances or potential social risks and ensures the protection of the whistle-blower. Any victimisation, discrimination or harassment of the complainant by any of the parties is intolerant and the Company takes necessary actions. Employees and workers can report any concerns of breach of code of conduct and unethical behaviour through various channels like emails etc., The escalation is directed to senior executives including audit committee for preliminary investigations. Actions are taken up as per the directives laid down during the grievance resolution.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No) - Please share answer

Yes, we believe that it is our obligation to respect human rights. Our commitment to human and labour rights enables us to provide a safe and healthy workplace, offering a non-discriminatory environment, and enhance diversity across the organisation. In addition, human rights related clauses form a part of our business agreements and contracts enabling a collaborative environment to work actively against the employment of child and forced labour and any form of harassment.

9. Human rights 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%

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

There were no significant risks/concerns identified during the assessments.

Business Responsibility and Sustainability Reporting (contd.)

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	Unit	FY 2022-23	FY 2021-22
Total electricity consumption (A)	GJ	241812	237848
Total fuel consumption (B)	GJ	8939	13097
Energy consumption through other sources (C)	GJ	0	0
Total energy consumption (A+B+C)	GJ	250751	250945
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	GJ/mn Rupees of Turnover	5.82	6.85
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA	NA

“Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an 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?

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 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	7585	6820
(iii) Third party water	291414	298306
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	298999	305126
Total volume of water consumption (in kilolitres)	298999	305126
Water intensity per rupee of turnover (Water consumed in kilolitre/ turnover)	6.95	8.33
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

No

1. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

SKF assures that environmental matters are prioritised by integrating environmental performance delivery into the responsibilities of the factory manager or EHS team. Zero Liquid Discharge (ZLD) is a water treatment process designed to remove all the liquid waste from a system. The focus of ZLD is to reduce wastewater economically and produce clean water that is suitable for reuse. Effluent treatment plant and Sewage treatment plants are installed at all units. The treated water is used for gardening purposes.

Business Responsibility and Sustainability Reporting (contd.)

5. Please provide details of air emissions (other than GHG (Greenhouse Gas) emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	Metric Tonnes	1310	1501
SOx	Metric Tonnes	720	826
Particulate matter (PM)	Metric Tonnes	14.3	13.5
Persistent organic pollutants (POP)		NIL	NIL
Volatile organic compounds (VOC)		NIL	NIL
Hazardous air pollutants (HAP)		NIL	NIL

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) - No

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
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 Tons of CO ₂	1783	2612
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 Tons of CO ₂	48228	47437
Total Scope 1 and Scope 2 emissions per rupee of turnover		1.12	1.37
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	NA	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

7. Does the entity have any project related to reducing Green House Gas emission?

If yes, then provide details.

SKF India is committed to maximizing the deployment of renewable sources in operations such as Solar, Hydro and Wind which are listed below.

- SKF Pune uses solar power through Captive Solar power purchase agreement from an offsite solar project of 8.4 MW capacity catering to 30% of its total yearly energy requirement. In the FY 2022-23, SKF Pune received 12.3 GWh of solar energy leading to savings of 9963 tCO₂ emissions
- In FY 2022-23, SKF Bangalore received 14.7 GWh of farm and roof top solar power which is 76% of total power requirement resulting in savings of 11907 tCO₂ emissions.

8. Provide details related to waste management by the entity, in the following format:

“For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)”

	FY 2022-23	FY 2021-22
Category of waste		
(i) Recycled	3435.6	2459.7
(ii) Re-used	0	0
(iii) Other recovery operations	232.0	219.9
Total	3667.6	2679.7

Business Responsibility and Sustainability Reporting (contd.)

	FY 2022-23	FY 2021-22
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	1666.7	1759.7
(ii) Landfilling	417.2	85.7
(iii) Other disposal operations	0	0
Total	2082.9	1845.4

“Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)” – No, we have not conducted independent assessment

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	76.4	78
E-waste (B)	13.3	5.6
Bio-medical waste (C)	0.007	0.006
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. (Grinding dust, ETP sludge, Filter paper, Oily waste and used oil) if any. (G)	3122	2772
Other Non-hazardous waste generated (H). All waste which is not listed above	2538.5	1669
Total (A+B + C + D + E + F + G + H)	5750	4525

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Our robust waste management processes details the strategies for the safe handling of hazardous and toxic chemicals.. Plastic wastes which are generated from the operations are recycled and diverted from landfill. E-Wastes generated are handed over to authorised recyclers for safe disposal. SKF India ensures resource-efficiency throughout the operations resulting in reduced waste generations. Various product sustainability requirements such as REACH, ROSH, and Conflict minerals are adhered to by SKF and material suppliers. We provide information to our customers for specific customer-driven system like CDX (Component Data Exchange) IMDS standards. (The International Material Data System) for the effective and safe handling of hazardous substances.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

We do not have any operations in ecologically sensitive areas.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not Applicable

Business Responsibility and Sustainability Reporting (contd.)

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).

If not, provide details of all such non-compliances, in the following format:

Yes, Company is compliant with Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**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

SR No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National/ International)
1	Confederation of Indian industry	TPM, Quality, Sustainability, CSR, Sales, Industrial relations, Supplier TPM deployment and other admin issues related to the local industries
2	Indian Wind Turbine Association	Wind Industry and Policy updates and influence
3	Textile Machinery Manufacturer Association	Textile industry updates and connect
4	Indian Machine Tools Manufacturers Association	Machine tool industry updates and connect
5	Swedish Chambers of Commerce	Association of Swedish Companies in India
6	Condition Monitoring Society of India	To promote more Reliability of equipment. Paid lifetime subscription.
7	Bangalore Chamber of Industry and Commerce	Employee training and development
8	Institute of Internal Auditors	Connect with the Internal Auditors community and sharing of knowledge and best practices
9	National Safety Council	Providing guidance and services to make workplaces safer, healthier and environmentally friendly.
10	Quality Circle Forum of India	Propagation of quality concepts and philosophy with a special focus on Quality Circles for promoting material, human and spiritual level of people.

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.

Sr.	Name of authority	Brief of the case	Corrective action taken
1	Nil	Nil	Nil

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development**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:

Not applicable.

Business Responsibility and Sustainability Reporting (contd.)

3. Describe the mechanisms to receive and redress grievances of the community.

The Company's CSR team receives feedback from beneficiaries during the implementation of CSR programs. Annual feedback is collected from all beneficiaries. Across all our operating locations, community members can reach us through the HR (Human Resources) department or the union representatives. Local Plant HR managers are responsible for resolving issues in the community. Impact studies are conducted to help SKF India understand the effectiveness and reach of implementation and plan for increasing the beneficiaries of CSR programmes.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	50%	50%
Sourced directly from within the district and neighbouring districts	20%	20%

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

We receive the ratings from customers as feedback towards our products and services. Average customer rating in the reporting year was observed to be around 97%. We have established dedicated channels such as a Complaint Handling system (administrative and technical), Customer care and website for customers to raise their concerns. The Company ensures the timely resolution of the complaints/concerns.

2. Turnover of products and/or services as a percentage of turnover from all products/services that carry information about.

The Company displays product information on the product label, as per mandatory declaration in compliance under the legal metrology laws i.e., the Legal Metrology (Packaged Commodities Rules) 2011. We also declare significant information about the product such as traceability, and special anti-counterfeit marking to make the entire process genuine.

We share the information given below about our products and services

- The sourcing of components of the product or service (Conflict Minerals)
- Content, particularly with regard to substances that might produce an environmental impact as per REACH, ROHS,
- Safe use of the product or service
- Disposal of the product & environmental impact.

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100
Safe and responsible usage	100
Recycling and/or safe disposal	100

3. Number of consumer complaints in respect of the following

	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remark	Received during the year	Pending resolution at end of year	Remark
Data privacy	0	0	NIL	0	0	Nil
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of essential services	0	0		0	0	
Restrictive Trade Practices	0	0		0	0	

Business Responsibility and Sustainability Reporting (contd.)

	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remark	Received during the year	Pending resolution at end of year	Remark
Unfair Trade Practices	0	0	Nil	0	0	Nil
Other	0	0		0	0	

4. Details of instances of product recalls on account of safety issues

	Number	Reasons for recall
Voluntary recalls	0	0
Forced recalls	0	0

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? If available, provide a web-link of the policy

Increasing information security threats, increasing customer scrutiny and regulatory requirements to adhere to information security standards have placed responsibility on the Company to establish suitable due diligence for preventing the loss of customer data.

We have Risk management policy to assess and identify risks arising out of internal and external operating environments including financial, operational, sectoral, sustainability, information, cyber security risk or other risks. In addition, Risk management Committee also identifies other probable risks from time to time. To mitigate information security risk, cyber security risk and data privacy risks, we will continue the implementation of the information security program, including the controls in SKF's Information Security Management System (ISMS).

Kindly Refer to following policies for more details

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

<https://investors.skf.com/en/risk-management>

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 during the reporting year.

ANNEXURE – N

To,
The Board of Directors of,
SKF India Limited
Chinchwad, Pune 411 033,
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"), certify to the best of our knowledge and belief that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March 2023 and, we state that:
 - 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - 2) These statements together present a true and fair view of the listed entity's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are no transactions entered into by the Company during the year ended 31st March 2023 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, and necessary steps have been taken or proposed to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit committee that:
 - 1) There are no significant changes in internal control over financial reporting during the year ended 31st March 2023. Any changes in the same, if any in future, will be informed.
 - 2) There are no changes in accounting policies during the year, hence, same is not disclosed in the notes to the financial statements, and
 - 3) 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**

MANISH BHATNAGAR
Managing Director

DIN: 08148320
Date: 16th May 2023
Place: Gothenburg, Sweden

ASHISH SARAF
Chief Financial Officer

Date: 16th May 2023
Place: Pune

NOTICE OF 62nd ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Sixty-Second (“62nd”) Annual General Meeting (“AGM”)** of the Members of SKF India Limited (“the Company”) will be held on **Wednesday, 2nd August 2023, at 3:00 p.m. IST** through **Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”)** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a) the Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2023 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 2023 together with the Report of the Auditors thereon.
2. To approve and declare final dividend of INR 40.00/- per equity share having face value of Rs. 10 each fully paid up for the financial year ended 31st March 2023.
3. To appoint a Director in place of Mr. David Leif Henning Johansson (DIN No. 09651955), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment

SPECIAL BUSINESS:

4. Reappointment of Mr. Manish Bhatnagar (DIN: 08148320) as Managing Director of the Company

To consider and if thought fit, to pass, the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any of the Companies Act, 2013 (the “Act”) read with Schedule V thereto, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and pursuant to the relevant provisions of Articles of Association of the Company and SEBI (Listing and Obligation Disclosures Requirement) Regulation 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and on the recommendation of Nomination and Remuneration Committee, Audit Committee and Board of Directors of the Company and subject to such other approvals as may be necessary, the reappointment of Mr. Manish Bhatnagar as Managing Director of the Company, not liable to retire by rotation, for a period of 5 (five) years with effect from 16th August 2023 on the terms and conditions and remuneration as approved by

the Nomination and Remuneration Committee and as contained in the agreement between Mr. Manish Bhatnagar and the Company, copy whereof initialed by the Chairman for the purpose of identification be and is hereby approved.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profit in any financial year the remuneration payable to Managing Director shall be governed by Section II, Part II of Schedule V of the Companies Act, 2013 or any statutory modifications thereof or re-enactments thereof, or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT the Nomination & Remuneration Committee and Board of Directors of the Company be and are hereby authorised to increase, alter and vary the aforesaid terms as to remuneration including perquisites without further reference to the Members, subject to the same not exceeding the limits specified under Section 197, read with Schedule V to the Companies Act, 2013, as in force from time to time and to do all such acts, matters, deeds and things as are usual or expedient to implement this resolution.”

5. 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 & 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) / Agreements(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 & Service Fees, Purchase of Capital Goods & Services, Purchase of Raw Material, components, spares & Finished Goods, Reimbursements Paid, Reimbursement Received, Technical & Service Income and Sale of Goods and services and any other business transactions on continuous basis upto 6,247.83 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 the financial year 2023-24 and thereafter upto the date of the next annual general meeting of the Company to be held in FY 2023-24 or fifteen months from the date of 62nd 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 6,247.83 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 or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

6. 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 / 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 on loan, rent on leased property, sale of goods and services, Technical & 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 the financial year 2023-24 and thereafter upto the date of the next Annual General Meeting of the Company to be held in FY 2023-24 or fifteen months from the date of 62nd Annual General Meeting, whichever is earlier such that the maximum value of the Material Related Party Transactions with SELIPL in aggregate, does not exceed 5,502.62 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/ approval of the Audit Committee & Board of Directors, and, in pursuance to the approval of the shareholders through postal ballot dated 3rd November 2022, the approval of the Members of the Company be and is hereby accorded to the Board of Directors to grant/ execute/ extend/disburse the loan of 1,200 MINR (which is part of previous approval as aforesaid and forms part of aforesaid Material Related Party

Transaction Limit of 5,502.62 MINR) in one or more tranche(s) to M/s SKF Engineering and Lubrication India Private Limited ("SELIPL") FY 2023-24 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.

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."

7. Ratification of Remuneration to Cost Auditor for the financial year 2022-23

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 430,000/- (Rupees Four lakhs and thirty 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. R A & Co., (Membership No: 7628, Firm's Registration No.:000242), who have been appointed as Cost Auditors by the Board of Directors of the Company, to conduct cost audit of the cost records of the Company for the FY 2022-23."

8. Ratification of Remuneration to Cost Auditor for the financial year 2023-24

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 4,30,000/- (Rupees Four lakhs and thirty 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. R A & Co., (Membership No: 7628, Firm Registration No:000242), who have been appointed as Cost Auditors by the Board of Directors of the Company, to conduct cost audit of the cost records of the Company for the FY 2023-24."

**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: 17th May 2023

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 8th December 2021, Circular No. 21/2021 dated December 14 2021, General Circular no 2/2022 dated 5th May 2022, and read with General Circular No 10/2022 dated 28th December 2022 (“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 62nd 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 5th January 2023, and (hereinafter referred 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 29th June 2023 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 2022-23 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 is also available on the website of www.evoting.nsdl.com (agency for providing the remote e-voting facility) i.e. National Securities Depository Limited.
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 8 of the Notice is annexed hereto. The relevant details, pursuant to regulation 36 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 62nd 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.co.in 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, 1st 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 TSR Consultants 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 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 TSR Consultants 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, 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, 29th June 2023 for the purpose of determining the eligibility of member(s) entitled to receive dividend, if declared at the AGM.
11. The final dividend of INR 40/-per equity shares of INR 10/- each for the financial year 2022-23, 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:
- 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, 29th June 2023. and
 - 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, 29th June 2023.
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 dividend 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@tcplindia.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 dividend. 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 unpaid dividend account in respect of financial year 2015-16 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 www.skf.com/in, 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 21st July 2023. 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/MIRSDRTAMB/P/CIR/2021/655 dated 3rd 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.
- 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 62nd 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 upto 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 62nd 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 Wednesday, 26th July 2023.

(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** closing of business hours of **Wednesday, 26th July 2023** only shall be 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: 30th July 2023 (Sunday) at 9:00 a.m. (IST) ,

(b) End of remote e-voting : 1st August 2023 (Tuesday) 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 cast 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.co.in
- (xi) The Board of Directors of the Company has appointed Mr. Jayavant Bhave (Membership FCS 4266/CP 3068) of M/s J B Bhave & 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, not later than 48 hours of 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 and 022 - 2499 7000 Mr Sanjeev Yadav, Assistant Manager email at evoting@nsdl.co.in
- (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@tcplindia.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@tcplindia.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.
- (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 Wednesday, 26th July 2023. 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 (Wednesday, 26th July 2023). may obtain the login id and password by sending a request at evoting@nsdl.co.in. 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 Sunday, 30th July 2023 at 9:00 A.M and ends on Tuesday, 1st August 2023 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. Wednesday, 26th July 2023, 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 26th July 2023.

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 9th 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.

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.nsdl.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.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. 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 (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.

Type of shareholders	Login Method
	<p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <p> App Store  Google Play</p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>
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 evoting is in progress as per the information provided by company. On clicking the evoting 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 evoting 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	<p>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.</p>

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.

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.co.in or call at 022 - 4886 7000 and 022 - 2499 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?

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. 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.

4. 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*** Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. 26 th July 2023, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 022 - 4886 7000 and 022 - 2499 7000 In case of Individual Shareholders holding securities in demat mode 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 i.e. 26 th July 2023 may follow steps mentioned in the Notice of the AGM under " Access to NSDL e-Voting system ".

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) 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.
 - c) How to retrieve your 'initial password'?
 - (i) 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'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
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.co.in 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 authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to jbhhave@gmail.com with a copy marked to evoting@nsdl.co.in. 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 toll free no. 022 - 4886 7000 and 022 - 2499 7000 or send a request to NSDL Official Prajakta Pawle at evoting@nsdl.co.in

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@tcplindia.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@tcplindia.co.in. If you are an Individual shareholders 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.**
3. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.
4. In terms of SEBI circular dated 9th 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:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not cast 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.
3. 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.

4. 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:

1. 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 link" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General 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.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. 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 by 21st July 2023. The same will be replied by the Company suitably.
6. 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.
7. 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. David Leif Henning Johansson (DIN No. 09651955) 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 – third 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, Managing Directors is not liable to retire by rotation.

The Board of Directors (“Board”) on recommendation of Nomination and Remuneration Committee appointed Mr. David Leif Henning Johansson (DIN: 0009651955) as Additional Director of the Company with effect from 28th June 2022 and shareholders had approved his appointment as Director of the Company at its last Annual general meeting held on 27th July 2022.

Mr. David Leif Henning Johansson 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. David Leif Henning Johansson (DIN No. 09651955) , 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.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item No.3 of the Notice except Mr. David Leif Henning Johansson (DIN No. 09651955).

Item No. 4

Reappointment of Mr. Manish Bhatnagar (DIN: 08148320) as Managing Director of the Company

The Board on the recommendation of the Nomination and Remuneration Committee and Audit Committee reappointed Mr. Manish Bhatnagar as Managing Director of the Company effective from 16th August 2023 for a period of 5 (five) years at its meeting held on 17th May 2023 on the terms and conditions including remuneration as set out in the agreement a brief which are as under:

A. Salary

The Managing Director shall be entitled to a basic salary of INR 1,58,40,000 per annum which shall be revised annually as of 1st April, beginning

1st April 2023. The increase shall be at the discretion of the Nomination & Remuneration Committee / Board of Directors of the Company.

In addition to the basic salary, the Managing Director shall be entitled to a flexible Pay Plan (“FPP”) equivalent to a sum of INR 1,87,21,296 per annum. The Managing Director shall be allowed to select from amongst the various Heads that are offered under this scheme based upon his preference.

The scheme shall be revised annually beginning April 1, 2023.

B. Retirement Benefits:

Provident Fund : SKF will contribute 12% of Annual Base Salary towards Provident Fund.

Superannuation : SKF will contribute 15% of Annual Base Salary towards Superannuation Fund.

Gratuity : Gratuity at 4.81% of Annual Base Salary (as per law).

C. Basic salary and Flexible Pay Plan according to paragraph A above together with retirement benefits according to paragraph B above will form the Gross annual salary which will be revised annually beginning April 1, 2024. The increase shall be at the discretion of the Nomination & Remuneration Committee / Board of Directors of the Company.

D. Incentives:

(i) **Short-Term Variable Salary (STVS):** The Managing Director shall be entitled to STVS incentive as per the Group Bonus Plan The maximum STVS payable is 50 % based on the sum of basic salary and FPP.

(ii) **Long Term Scheme (LTVS):** The Managing Director shall be entitled to participate in the Group LTVS programme.

Note: STVS & LTVS payment shall always be subject to the Group policy/programme prevailing at the time of pay-out.

E. Perquisites

In addition to the above remuneration, the Managing Director shall also be entitled to the following perquisites as per the policy of the Company:

- Car – The Company shall provide one Car and driver with fuel, insurance, and maintenance borne by the company as per the Company policy.
- Club Membership of two clubs.
- Mobile reimbursement.
- Medical reimbursement to self and family (spouse and children) for outpatient medical care, shall be provided.
- Group Medical Insurance for Self, Spouse, and dependent children.

- f) Group Medical Insurance for Parents/Parents-in-Law (50% (fifty percent) premium borne by the Company).
- g) Group Personal Accident and Term life coverage.
- h) Joining Expenses as per the Company's "Joining Expenses Policy."

Provision for the use of company car & telephone(s) at residence and mobile including payment for local calls & long-distance official calls shall not be included in the computation of perquisites for the purpose of calculating such ceilings.

Leave – Entitlement for leave as per the rules of the Company. Encashment of unutilised leave at the end of tenure shall not be considered as a perquisite for purposes of ceiling on remuneration prescribed in the Companies Act, 2013.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules wherever applicable and in the absence of any such rules, perquisites shall be evaluated at actual costs.

The total remuneration and perquisites payable to the Managing Director shall be within the ceiling limits prescribed in Sections 197 to 200 of the Companies Act, 2013. In case of absence or inadequacy of profits in any financial year, the Company shall, subject to the provisions of Section II, Part II of Schedule V of the Companies Act, 2013 or any statutory modifications thereof and/or the approval of the Central Government where necessary, pay the remuneration mentioned above as minimum remuneration to Mr. Bhatnagar.

The Board of Directors will be authorised to alter, increase and vary the remuneration and perquisites provided that total remuneration by way of salary and perquisites and other allowances shall be within the maximum limits as laid down under Sections 196 to 200 and all other applicable provisions, if any of the Act read with Section II, Part II of Schedule V of the Companies Act, 2013, as may be amended from time to time or any equivalent statutory re-enactment thereof for the time being in force.

2. Other material terms of appointment

1. Mr. Bhatnagar, while acting as Managing Director of the Company, shall exercise and perform such powers and duties as the Board of Directors of the Company ("the Board") may from time to time determine. Subject to the directions and restrictions as may be imposed by the Board from time to time, he shall be responsible for general governance, risk & compliances of the Company with powers to enter into contracts on behalf of the Company in the ordinary course of business, and to do and perform all other

acts, deeds and things which in the ordinary course of business he may consider necessary, expedient or proper towards the assigned areas in the interests of the Company.

2. Mr. Bhatnagar shall not, during the period of his employment and without the previous consent in writing of the Board engage or interest himself, either directly or indirectly in the business or affairs of any other person, firm, company, body corporate or concern or in any undertaking or business of a nature similar to or competing with the Company's business.
3. Mr. Bhatnagar shall not be paid any fees for attending meetings of the Board of Directors or any Committee thereof.
4. Mr. Bhatnagar undertakes that as long as he functions as Managing Director, he will not become interested or otherwise concerned directly or through his relative(s) in any buying/selling agency of the Company.
5. The Company shall be entitled to forthwith determine this Agreement in the event of Mr. Bhatnagar being found guilty of misconduct or negligence in the discharge of his duties or in the conduct of the Company's business or to any other act or commission inconsistent with his duties as Managing Director or any breach of this Agreement/ employment terms which in the opinion of the Board requires his termination from the office of Managing Director.
6. If, before the expiration of this Agreement, the tenure of office of Mr. Bhatnagar shall be determined by reason of reconstruction or amalgamation, whether by winding up of the Company or otherwise, Mr. Bhatnagar shall have no claim against the Company for damages or otherwise whatsoever.
7. The terms and conditions of appointment of MD also include clauses pertaining to strictly observe the provisions of SKF code of conduct & other applicable policy of the Company.

A copy of the agreement entered into between Mr. Bhatnagar and the Company is available at the Registered Office of the Company for inspection on any working day (except Saturday) during normal working hours of the Company.

The Board of Directors recommends resolution set out at Item No. 4 of this Notice for your approval.

Mr. Bhatnagar is not related to any of the Directors of the Company.

None of the Directors, Key Managerial Personnel or other relative except Mr. Manish Bhatnagar is interested in the resolution set out at Item No.4 of this Notice.

Item No.5**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 1,000 cr 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 & 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 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 & rules made thereunder and SEBI Regulations, aforesaid transaction requires 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 financial year 2023-24 and thereafter upto the date of the next annual general meeting of the Company to be held in FY 2023-24 or fifteen months from the date of 62nd 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 November 22, 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 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.
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	6,247.83 MINR for FY 2023-2024
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, Reimbursements Received Technical & Service Income and Sale of Goods and services and any other business transactions on continuous basis. Monetary value of proposed aggregate transactions during financial year 2023-24 and thereafter upto the date of the next annual general meeting of the Company to be held in FY 2023-24 or fifteen months from the date of 62 nd Annual General Meeting, whichever is earlier, is expected to be 6,247.83 MINR .
6	Tenure of the proposed transaction (particular tenure shall be specified);	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 2023-24 and thereafter upto the date of the next annual general meeting of the Company to be held in FY 2023-24 or fifteen months from the date of 62 nd Annual General Meeting, whichever is earlier, on such terms and conditions as mutually agreed between the Company and SKF wherein the value of proposed transaction is disclosed in the Annual Financial Statement.

Sr. No	Particulars	Remarks
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 43049.2 MINR)	14.51 %
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	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	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. 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.
9 (b)	Any advance paid or received for the contract or arrangement, if any.	NIL
9 (c)	Details about valuation/ arm's length and ordinary course of business	NA

The Related Party Transactions as aforesaid are necessary, normal and incidental to business as also play 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.

Members may note that the aforesaid Related Party Transaction, placed for members' for 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 in 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 17th May 2023, on the approval and recommendation of the Audit Committee and subject to 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

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 (as 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 1,000 cr 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 on 3rd November 2022, the Company has issued Postal Ballot Notice for obtaining shareholders' approval to enter into Material Related Party Transactions, if required with SKF Engineering and Lubrication India Private Limited ("SELIPL") for 6,300 MINR (including fresh Loan of 2,500 MINR) and extension of the existing Loan of 676 MINR. E Voting for Postal Ballot was open from Thursday, 10th November 2022 at 9:00 am (IST) and ends on Friday, 9th December 2022 at 5:00

pm (IST). Shareholders had approved above mentioned resolution. The Company could not disburse/ execute previously approved loan in the FY 2022-23 and hence it was proposed to extend the approval of 1,200 MINR loan (part of previously approved 2,500 MINR loan) for FY 2023-24.

Accordingly, it is proposed (for FY 2023-24) to carry out various transactions (including but not limited to purchase of capital goods & services, raw material, components, spares & finished goods, reimbursements of expenses, grant of loan, interest on loan, rent on leased property, sale of goods and services, Technical & Service Income, trade advance on continuous basis with M/s SKF Engineering and Lubrication India Private Limited (a fellow subsidiary) (hereinafter referred as "SELIPL") in aggregate, does not exceed 5,502.62 MINR (including Loan of 1,200 MINR for FY 2023-24) 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 financial year 2023-24 and thereafter upto the date of the next Annual General Meeting of the Company to be held in FY 2023-24 or fifteen months from the date of 62nd 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.

As mentioned above, the Company had obtained shareholders' approval for granting loan upto 2,500 MINR in one or more tranches in FY 2022-23. This loan could not be executed / disbursed / extended during FY 2022-23 and hence/ it is proposed to extend/grant part of the said approved loan i.e., of 1,200 MINR (out of total 2,500 MINR) in FY 2023-24. Remaining loan i.e., 1,300 MINR will be proposed in FY 2024-25.

In compliance to the aforesaid provision of the Companies Act 2013 & 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 for its approval (which has been duly approved & recommended to the Shareholders for approval):

INFORMATION AT A GLANCE

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	5,502.62 MINR (including Loan of 1,200 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, 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 continuous basis. • Monetary value of proposed aggregate transactions during financial year 2023-24, is expected to be INR 5,502.62 MINR. • Granting Loan upto 1,200 MINR, (this loans is part of RPT Limit of 5,502.62 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 financial year 2023-24 and thereafter upto the date of the next annual general meeting of the Company to be held in FY 2023-24 or fifteen months from the date of 62nd 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 1,200 MINR; Tenure: 7 Years i.e., upto 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 Turnover 43049.2 MINR.	12.78%

Sr.No	Particulars	Remarks
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.
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	Loan: Amount 1200 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., upto 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 play significant role in the Company's business operations and accordingly the Board recommends the Ordinary Resolution set forth in Item No 6 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.

Members may note that the aforesaid Related Party Transaction, placed for members' for 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 in 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 17th May 2023, on the approval and recommendation of the Audit Committee and subject to 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. 6 for the approval of the members of the Company.

Item No. 7 & 8

Ratification of Remuneration to Cost Auditor for the financial year 2022-23 and 2023-24

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. R A & Co., Cost Accountants, having Firm Registration No. 000242 as Cost Auditors of the Company for the financial Year 2022-23 at its Board meeting held on 11th May 2022 at a remuneration INR 430,000/- (Rupees four lakhs and thirty thousand only) and for FY 2023-24 at its Board Meeting held on 17th May 2023 at a remuneration INR 430,000/- (Rupees four lakhs and thirty thousand only) for each financial year plus out of pocket expenses as actual, if any and applicable taxes.

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. 7 & 8 of this Notice for ratification and approval of remuneration payable to the Cost Auditors for the FY 2022-23 and FY 2023-24.

The Board accordingly recommends the Ordinary Resolution as set out at Item No. 7 & 8 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: 17th May 2023

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 62nd Annual General Meeting

Name of the Director	Mr. Manish Bhatnagar	Mr. David Leif Henning Johansson
Director Identification Number	08148320	09651955
Date of Birth	20 th April 1969	11 th December 1980
Age	54 years	42 Years
Nationality	Indian	Swedish
Date of first Appointment on Board of the Company	16 th August 2018	28 th June 2022
Qualification	BE (Electrical/Electronics)- BITS, Pilani MBA - IIM, Calcutta	Master's in science, Industrial Marketing, Electrical Engineering from Chalmers University of Technology ,Gothenburg.
Experience	Manish has more than 25 years' of global experience. As the Managing Director of SKF India Limited, Manish brings extensive strategic and leadership expertise to drive growth and achieve company's business objectives. His business acumen and multi-industry experience position him to provide strategic direction to SKF India's leadership team. He continues to focus on improving operational performance, progressing high-performance culture, and delivering attractive returns to shareholders while maintaining financial discipline. Prior to SKF, Manish has held a number of leadership positions across companies in Asia, Europe, and the US.	<ul style="list-style-type: none"> 15+ years of Global automotive and industrial experience, incl. BU mgmt. with full value chain and P&L responsibility 3.5+ years of working experience in China, leading local and Global operations, based in Shanghai 2018/09 - 2022/03 Proven leadership skills based on emotional intelligence, empowerment and accountability, with ability to successfully build and develop the organisational and individuals' performance to deliver results in the short and long term Strong strategic management skills, from strategy formulation to structuring, planning and effective implementation Lifecycle and TCO focus, with emphasis on sustainable profit generation through full value chain engagement
Terms & conditions of appointment/ re-appointment	As per the appointment letter	As per the appointment letter
Remuneration sought to be paid	as mentioned in the explanatory statement	NA
Remuneration last drawn	Please refer to the Corporate Governance report	NA
Number of Board Meeting attended during the FY 2022-23	4	2
Shareholding in SKF India Limited	Nil	Nil
List of Directorship held in other Listed Companies	Nil	Nil
Nature of expertise in specific functional areas	Please refer to the Corporate Governance report	Please refer to the Corporate Governance report
Chairmanship / Membership of Audit and Stakeholders Relationship Committee of SKF India Limited	Member of Stakeholder Relationship Committee	Member of Audit Committee w.e.f 28 th June 2022

Name of the Director	Mr. Manish Bhatnagar	Mr. David Leif Henning Johansson
Listed entities from which Director has resigned in last three years	Nil	Nil
Chairmanships / Memberships of the Committees of Boards of other Companies	NA	NA
Inter-se Relationship between the Directors, Manager and other Key Managerial personnel of the Company	None	None

Note: Other directorship does not include directorships of foreign companies.

INFORMATION AT A GLANCE

Sr.No	Particulars	Details
1.	Day, Date and Time of AGM	Wednesday, 2 nd August 2023 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 - 4886 7000 and 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 21 st July 2023 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 21 st July 2023.
7.	Recorded Transcript	Will be made available post AGM at https://www.skf.com/in
8.	Dividend for FY 2022-2023 recommended by the Board	INR 40/-per equity share of the face value of INR10/- each
9.	Dividend -Record Dates	29 th June 2023 (Thursday)
10.	Dividend Payment Date	On or before 25 th August 2023.
11.	Cut-off date for e-voting	26 th July 2023
12.	Remote e-voting start time and date	30 th July 2023 (Sunday at 9:00 a.m. (IST)
13.	Remote e-voting end time and date	1 st August 2023 (Tuesday at 5:00 p.m. (IST)

Sr.No	Particulars	Details
14.	Remote e-voting website	<p>Shares held in Demat mode with NSDL: 1. Shareholders registered for NSDL IDeAS facility: https://eservices.nSDL.com/ 2. Others: https://evoting.nSDL.com</p> <p>Shares held in Demat mode with CDSL: 1. Shareholders who have opted for Easi facility of CDSL: https://web.cdslindia.com/myeasi/home/login 2. Others: www.cdslindia.com</p> <p>Logging in through Depository Participants: Members can also login using the login credentials of their demat account through your DP registered with NSDL /CDSL for e-voting facility.</p>
15.	Name, address and contact details of e-voting service provider and registrar and transfer agent	<p>Registrar and Transfer Agent C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083 Tel : +91 22 66568484</p> <p>E-voting Service Provider National Securities Depositories Limited (“NSDL”) Trade World, A wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai - 400013 Tel No: 1800-1020-990/1800-22-44-30</p>
16	Email Registration and Contact Updation Process	<p>Demat Shareholders: Contact respective Depository Participant</p> <p>Physical Shareholders: TSR Consultants Private Limited website – 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, 2023, 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 then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 Matter

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</p> <p>(Refer to Note 37 to the standalone financial statements)</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:</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, 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 Company's consultant / legal advisors; • We involved our internal specialist to independently validate the management's position on the disputes / litigated matters and to consider legal opinions obtained by the management in evaluating its position on these tax positions; • We have assessed the adequacy of disclosures provided in the standalone financial statements.

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 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 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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement 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 is responsible for assessing the Company's

ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to 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

Independent auditor's report (contd.)

a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

Other Matter

The comparative standalone financial statements of the Company for the year ended March 31, 2022 included in these standalone financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative standalone financial statements dated May 11, 2022 expressed an unmodified opinion on the standalone financial statements and internal control over financial reporting.

Our opinion is not modified in respect of this matter.

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 Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) 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

Independent auditor's report (contd.)

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 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, other than as disclosed in the notes to the standalone financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer Note 46 of the standalone financial statements.
 - (b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer Note 46 of the standalone financial statements.
 - (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) 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. The dividend proposed is in accordance with section 123 of the Act, as applicable.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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)

Place: Pune
Date: May 17, 2023

Kedar Raje
Partner
(Membership No. 102637)
UDIN: 23102637BGXUSQ1017

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 of March 31, 2023 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 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.

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

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

Annexure “A” to the independent auditor’s report (contd.)

due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial 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, 2023, 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)

Kedar Raje
Partner
(Membership No. 102637)
UDIN: 23102637BGXUSQ1017

Place: Pune
Date: May 17, 2023

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 31 March 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories (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) (a) The Company has made investment during the year and provided loans and details of which are given below:

	Loan (Rs. in Million)
A. Aggregate amount granted / provided during the year:	Nil
- Others (Fellow Subsidiary)	
B. Balance outstanding as at balance sheet date in respect of above case:*	676
- Others (Fellow Subsidiary)	

*The loan had been granted in earlier years. (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.

- (b) The investments made during the year and the terms and conditions of the grant of above-mentioned loan 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

Annexure “B” to the independent auditor’s report (contd.)

repayments of principal amounts and receipts of interest are regular as per stipulation/renewal.

- (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) Loans granted by the Company which has fallen due during the year, has been renewed by modifying the terms.
- (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 (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 31 March 2023 for a period of more than six months from the date they became payable.

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

Name of Statute	Nature of Dues	Amount	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)
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	3.38	0	F.Y. 2017-18 (Tran-1)	
Sales tax Act		25.71	5.90	F.Y. 2005-06, 2006-07, 2007-08, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16,	Assessing Officer

Annexure "B" to the independent auditor's report (contd.)

Name of Statute	Nature of Dues	Amount	Amount Paid under protest	Period to which the amount relates	Forum where the dispute is pending
Sales tax Act		27.55	2.63	F.Y. 2007-08, 2009-10	Appellate Authority
Sales tax Act		64.72	4.44	F.Y. 2008-09, 2010-11, 2011-12, 2012-13, 2013-14, 2015-16, 2017-18	Appellate Tribunal
Sales tax Act	Sales Tax (including interest and penalty, if applicable)	79.57	1.73	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		7.58	4.74	F.Y. 2014-15, 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
Name of Statute	Nature of Dues	Amount	Amount Paid under protest	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax (including interest and penalty, if applicable)	2,877.1	622.51	AY 2004-2005, 2007 - 2008, 2012 - 2013, 2013 - 2014, 2014 - 2015, 2015 - 2016, 2016 - 2017, 2017 - 2018, 2018 - 2019	Income Tax Appellate Tribunal (ITAT)
		397.7	136.74	A.Y. 2000-2001, 2008 - 2009, 2009 - 2010, 2011 - 2012, 2015 - 2016	Commissioner of Income-tax (Appeals)

Annexure “B” to the independent auditor’s report (contd.)

- (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.
- (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 2022) and the draft of the internal audit reports where issued after the balance sheet date covering the period (January to March 2023) 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 resignation of the statutory auditors of the Company during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.
- (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

Annexure “B” to the independent auditor’s report (contd.)

our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a

period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) 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 (xx) (a) of the Order is not applicable for the year.

(b) In respect of ongoing projects, the Company has not transferred unspent Corporate Social Responsibility (CSR) amount, to a Special account within a period of 30 days from the end of the Previous financial year in compliance with section 135(6) of the Act. The details of the amounts unspent, the amounts transferred and the amounts remaining to be transferred are given below:

(Rs. in Million)

Financial year	Amount unspent on Corporate Social Responsibility activities “other than Ongoing Projects” as at Balance Sheet date	Amount transferred to Fund specified in Schedule VII within 6 months from the end of the Financial Year	Amount transferred after the due date	Date of Deposit	Amount pending to be transferred as at the report date
2021-2022	23.3	17.7	5.6	27 May 2022	Nil

(xxi) The reporting under clause 3(xxii) of the order is not applicable in respect of audit of Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm’s Registration No. 117366W/W-100018)

Kedar Raje

Partner

(Membership No. 102637)

UDIN: 23102637BGXUSQ1017

Place: Pune

Date: May 17, 2023

Standalone Balance Sheet

as at March 31, 2023

(INR in Million)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current Assets			
Property, plant and equipment	3 (a)	3,874.7	3,647.4
Right-of-use assets	3 (b)	133.7	153.7
Capital Work-in-progress	3 (a)	633.8	515.2
Investment properties	4	229.2	221.3
Intangible assets	5	3.2	2.5
Financial assets			
Investments	6	24.8	24.8
Loans	7	676.0	456.0
Others Financial assets	8	306.6	234.7
Deferred tax assets (net)	9	208.2	222.4
Non-Current Tax Asset (net)	10	207.4	315.0
Other non-current assets	11	997.0	807.6
Total non-current assets		7,294.6	6,600.6
Current Assets			
Inventories	12	6,860.3	6,768.2
Financial Assets			
Trade receivables	13	6,786.5	6,857.3
Cash and cash equivalents	14	9,552.8	3,885.2
Bank balance other than above	15	26.8	133.3
Loans	7	-	400
Others Financial assets	8	269.1	279.9
Other Current Assets	11	990.1	1,223.3
Total current assets		24,485.6	19,547.2
TOTAL ASSETS		31,780.2	26,147.8
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	494.4	494.4
Other Equity	17	22,920.6	18,364.6
Total Equity		23,415.0	18,859.0
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Lease Liabilities	3 (b)	81.4	104.9
Provisions	18	322.7	376.3
Total non-current liabilities		404.1	481.2
Current Liabilities			
Financial Liabilities			
Lease Liabilities	3 (b)	63.0	56.1
Trade Payables	19		
Outstanding dues of micro and small enterprises		326.2	225.0
Outstanding dues other than micro and small enterprises		5,752.9	4,859.9
Other Financial liabilities	20	1,219.3	1,043.5
Provisions	18	370.5	237.6
Current tax liabilities (net)	10	-	66.8
Other current liabilities	21	229.2	318.7
Total current liabilities		7,961.1	6,807.6
Total Liabilities		8,365.2	7,288.8
TOTAL EQUITY AND LIABILITIES		31,780.2	26,147.8

Significant 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: Pune

Date: May 17, 2023

**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 :- Pune

Date: May 17, 2023

Manish Bhatnagar

Managing Director

DIN :- 08148320

Place :- Gothenberg

Ranjan Kumar

Company Secretary

PAN :- AMEPK5869R

Place :- Gothenberg

Standalone statement of profit and loss

for the year ended March 31, 2023

(INR in Million)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
1 Revenue from Operations	22	43,049.2	36,658.9
Other Income	23	518.7	346.2
Total Income		43,567.9	37,005.1
2 Expenses			
(a) Cost of materials consumed	24	10,416.9	9,007.0
(b) Purchases of stock-in-trade	25	15,536.5	15,177.1
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(295.2)	(1,732.2)
(d) Employee benefit expense	27	2,996.3	2,856.9
(e) Finance costs	28	15.1	20.8
(f) Depreciation and amortisation expense	29	668.4	571.0
(g) Other expenses	30	6,900.6	5,794.9
Total Expenses		36,238.6	31,695.5
3 Profit before Tax		7,329.3	5,309.6
4 Income tax expense :	31		
Current tax (including tax relating to earlier years)		2,075.7	1,377.0
Deferred tax charge / (credit)		5.7	(18.7)
Total tax expense		2,081.4	1,358.3
5 Profit for the year (3 - 4)		5,247.9	3,951.3
6 Other comprehensive income			
Items that will not be reclassified to profit and loss			
Remeasurement of defined benefits obligation		33.4	(18.1)
Income tax (charge) / credit relating to these items		(8.4)	4.6
Other comprehensive income for the year (net of tax)		25.0	(13.5)
7 Total comprehensive income for the year (5 + 6)		5,272.9	3,937.8
8 Earnings per equity share [nominal value of share INR 10]			
(previous year : INR 10)	35		
Basic and Diluted EPS		106.2	79.9

Significant 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: Pune

Date: May 17, 2023

**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 :- Pune

Date: May 17, 2023

Manish Bhatnagar

Managing Director

DIN :- 08148320

Place :- Gothenberg

Ranjan Kumar

Company Secretary

PAN :- AMEPK5869R

Place :- Gothenberg

Standalone Statement of Changes in Equity

for the year ended March 31, 2023

A) Equity Share Capital

	Notes	(INR in Million) Amount
March 31, 2022	16	
Balance as at March 31, 2021		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, 2022		494.4
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

B) Other Equity

	Retained earnings	Capital redemption reserve	General reserve	Total Other Equity
Balance as at March 31, 2021	12,271.9	32.9	2,838.9	15,143.7
Profit for the year ended March 31, 2022	3,951.3	-	-	3,951.3
Other comprehensive income for the year ended March 31, 2022	(13.5)	-	-	(13.5)
Total comprehensive income for the year ended March 31, 2022	3,937.8	-	-	3,937.8
Transactions with owners in their capacity as owners				
Dividend paid (INR 14.50 per share)	(716.9)	-	-	(716.9)
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 (INR 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

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: Pune
Date: May 17, 2023

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

Gopal Subramanyam
Chairman
DIN :- 06684319
Place :- Gothenberg

Manish Bhatnagar
Managing Director
DIN :- 08148320
Place :- Gothenberg

Ashish Saraf
Chief Financial Officer
PAN :- AVEPS0176L
Place :- Pune

Ranjan Kumar
Company Secretary
PAN :- AMEPK5869R
Place :- Gothenberg

Date: May 17, 2023

Standalone Cashflow Statement

for the year ended March 31, 2023

(INR in Million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Cash flow from Operating Activities		
Profit before tax	7,329.3	5,309.6
Adjusted for :		
Depreciation and amortisation expenses	668.4	571.0
Provision for bad and doubtful debts	4.1	(43.9)
Profit on sale of Property Plant & Equipment (net)	(5.4)	(2.3)
Finance costs	15.1	20.8
Liabilities and Provisions no longer required written back	49.3	-
Interest income		
- Fixed deposits with banks	(306.3)	(132.8)
- On loan given to related party	(53.8)	(51.2)
	371.4	361.6
Operating Profit before working capital changes	7,700.7	5,671.2
Adjusted for :		
Decrease / (increase) in inventories	(92.1)	(2,088.2)
Decrease / (increase) in trade receivables	66.7	(979.0)
Decrease / (increase) in current & non-current assets	215.6	(387.8)
(Decrease) / increase in trade payables	945.4	(674.6)
(Decrease) / increase in other liabilities and provisions	185.1	515.5
	1,320.7	(3,614.1)
Cash generated from operations	9,021.4	2,057.1
Income taxes paid	(2,119.1)	(1,486.2)
Net cash flow from Operating Activities (A)	6,902.3	570.9
B. Cash flow from Investing Activities		
Investment in associate company	-	-
Payments for Property Plant & Equipment (Including Capital Work-in-progress)	(1,067.2)	(916.3)
Payments for Investment properties	(16.9)	(71.9)
Proceed from sale of Property Plant & Equipment	13.9	8.5
Deposits placed during the year	-	(109.0)
Deposits matured during the year	108.5	555.8
Interest Received	278.7	141.2
Interest received on loan to related party	53.8	65.8
Repayment of loan by related party	(180.0)	-
Net cash outflow from Investing Activities (B)	(449.2)	(325.9)
C. Cash flow from Financing Activities		
Dividend paid	(719.4)	(716.9)
Principal elements of lease payments	(51.0)	(42.2)
Finance cost	(15.1)	(20.8)
Net cash outflow from Financing Activities (C)	(785.5)	(779.9)
Net changes in Cash and Cash Equivalents (A+B+C)	5,667.6	(534.9)
Cash and Cash Equivalents at beginning of the year	3,885.2	4,420.1
Cash and Cash Equivalents at the end of the year	9,552.8	3,885.2
Net changes in Cash and Cash Equivalents	5,667.6	(534.9)

Significant 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: Pune
Date: May 17, 2023

**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 :- Pune

Date: May 17, 2023

Manish Bhatnagar
Managing Director
DIN :- 08148320
Place :- Gothenberg

Ranjan Kumar
Company Secretary
PAN :- AMEPK5869R
Place :- Gothenberg

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

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 Significant accounting policies

This note provides a list of the significant 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 recognised 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 recognised 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

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

- (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 recognised 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 recognised as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

Revenue recognised at a point-in-time :-

For sale of products and sale of services, revenue is recognised 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.

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

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 recognised 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 categorised as loans and receivables are measured at amortised cost using the effective interest method. Impairment losses (primarily allowance for doubtful accounts) are recognised 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 amortised cost using the effective interest method.

Financial assets are derecognised when the contractual rights to the cash flow have expired or been transferred together with substantially all risks and rewards. Financial liabilities are derecognised 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

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

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.

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 amortisation and any impairment. Amortisation 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 recognised 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

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

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.

- 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 recognised 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

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

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:

- 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.

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

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 recognised 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

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

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 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 33 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 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 37(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 under Companies (Indian Accounting Standards) Rules as issued from time to time. There are no new Standards that became effective during the year. Amendments that became effective during the year did not have any material effect. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors -

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

Ind AS 12 - Income Taxes -

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of these amendments is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendments and the impact of the amendments are insignificant in the financial statements.

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (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, 2022								
Gross carrying amount as at April 1, 2021	269.1	649.0	168.1	80.3	4,707.0	107.1	5,980.6	647.6
Additions	-	40.5	32.9	12.3	942.7	20.8	1,049.2	916.8
Disposals	-	-	(1.5)	-	(49.0)	(29.2)	(79.7)	-
Transfers	-	-	-	-	-	-	-	(1,049.2)
Closing gross carrying amount	269.1	689.5	199.5	92.6	5,600.7	98.7	6,950.1	515.2
Accumulated Depreciation as at April 1, 2021	-	128.7	129.6	69.5	2,463.0	51.5	2,842.3	-
Depreciation charged during the year	-	23.8	22.5	2.3	464.2	21.1	533.9	-
Disposal	-	-	(1.4)	-	(48.0)	(24.1)	(73.5)	-
Closing accumulated depreciation	-	152.5	150.7	71.8	2,879.2	48.5	3,302.7	-
Net carrying amount as at March 31, 2022	269.1	537.0	48.8	20.8	2,721.5	50.2	3,647.4	515.2
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

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (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, 2022				
	Amounts in capital work-in-progress for				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	500.4	14.3	0.4	-	515.2
Projects temporarily suspended	-	-	-	-	-
Total	500.4	14.3	0.4	-	515.2

* 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, 2022		
Gross carrying amount as at April 1, 2021	53.0	7.0
Additions	7.0	-
Closing gross carrying amount	60.0	7.0
Accumulated Depreciation as at April 1, 2021	44.5	4.7
Depreciation charged during the year	6.6	0.1
Closing accumulated depreciation	51.1	4.8
Net carrying amount as at March 31, 2022	8.9	2.2
Year ended March 31, 2023		
Gross carrying amount as at April 1, 2022	60.0	7.0
Addition	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

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (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, 2023	March 31, 2022
Buildings at various location	133.7	153.7
Total	133.7	153.7

Lease Liabilities	March 31, 2023		March 31, 2022	
	Current	Non-Current	Current	Non-Current
Buildings	63.0	81.4	56.1	104.9
Total	63.0	81.4	56.1	104.9

ii) Movement in ROU:

Description	Amount
Year ended March 31, 2022	
Gross carrying amount as at April 1, 2021	285.0
Additions	31.5
Closing gross carrying amount	316.5
Accumulated amortisation as at April 1, 2021	134.5
Amortised during the year	28.3
Closing accumulated amortisation	162.8
Net carrying amount as on March 31, 2022	153.7
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 amortisation as at April 1, 2022	162.8
Amortised during the year	54.4
Closing accumulated amortisation	217.2
Net carrying amount as on March 31, 2023	133.7

iii) Movement in Lease Liability:

Description	March 31, 2023	March 31, 2022
At the commencement of the year	161.0	175.9
Additions/Deletions during the year	34.4	27.3
Payments made during the year	(51.0)	(42.2)
Closing Balance	144.4	161.0

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, 2023	March 31, 2022
Depreciation charge on right-of-use assets	54.4	28.3
Interest expense (included in Finance cost)	12.9	20.2
Expense relating to short-term leases /leases of low-value assets (Refer Note 30)	7.5	7.3
Total	74.8	55.8

The total cash outflow for leases for the year was INR 51.0 Million (March 31, 2022 was INR 42.2 Million).

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

4. Investment properties

Description	March 31, 2023	March 31, 2022
Gross carrying amount		
Opening gross carrying amount	269.2	197.3
Additions	16.9	71.9
Closing gross carrying amount	286.1	269.2
Accumulated depreciation		
Opening accumulated depreciation	47.9	40.4
Depreciation	9.0	7.5
Closing accumulated depreciation	56.9	47.9
Net carrying amount	229.2	221.3

Amount recognised in profit & loss for investment properties given on operating lease to related party

Description	March 31, 2023	March 31, 2022
Rental Income	38.4	36.0
Depreciation	9.0	7.5
Profit from Investment properties	29.4	28.5

Leasing arrangements

Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:

Description	March 31, 2023	March 31, 2022
Within one year	38.4	38.4
Later than one year but less than 5 year	192.0	192.0

Fair Value

Description	March 31, 2023	March 31, 2022
Investment properties	483.0	449.0

The Company has obtained an independent valuations for its investment properties by registered valuer as defined under ruler 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 capitalising the market lease rent at an appropriate rate (yield) as on date of valuation.

5. Intangible assets

Description	Computer Software
Year ended March 31, 2022	
Gross carrying amount as at April 1, 2021	6.9
Additions	1.2
Closing gross carrying amount	8.1
Accumulated amortisation as at April 1, 2021	4.3
Amortised during the year	1.3
Closing accumulated amortisation	5.6
Net carrying amount as on March 31, 2022	2.5
Year ended March 31, 2023	

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

Description	Computer Software
Gross carrying amount as at April 1, 2022	8.1
Additions	2.9
Closing gross carrying amount	11.0
Accumulated amortisation as at April 1, 2022	5.6
Amortised during the year	2.2
Closing accumulated amortisation	7.8
Net carrying amount as on March 31, 2023	3.2

6. Financial Assets

Investments	March 31, 2023	March 31, 2022
Investment in associates accounted for using the equity method		
Sunstrength Renewables Pvt Limited		
309,750 equity shares (March 31, 2022 - 309,750) of INR 10/- each fully paid	24.8	24.8
CleanMax Taiyo Pvt Limited		
2,600 equity shares (March 31, 2022 - Nil) of INR 10/- each fully paid (INR, 26,000)	0.0	-
	24.8	24.8

During the year ended March 31, 2021, the Company had subscribed to 26.74% equity shares in Sunstrength Renewables Pvt Limited (SRPL) (the 'associate company'), a Company incorporated pursuant to the requirements of the Electricity Act, 2002 and its rules.

During the year ended March 31, 2023, the Company has subscribed to 26.00% equity shares in CleanMax Taiyo Pvt Limited (CTPL) (the 'associate company'), a Company incorporated pursuant to the requirements of the Electricity Act, 2002 and its rules.

7. Loans

	March 31, 2023		March 31, 2022	
	Current	Non-Current	Current	Non-Current
Secured, considered good				
Loan to related party *	-	676.0	400	456.0
	-	676.0	400	456.0

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):

	March 31, 2023	
	Amount outstanding	% to the total loans and advances in the nature of loans
Amounts repayable on demand		
Other related parties	676.0	100%
Total	676.0	100%

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

	March 31, 2022	
	Amount outstanding	% to the total loans and advances in the nature of loans
Amounts repayable on demand		
Other related parties	856.0	100%
Total	856.0	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 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. 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, 2023		March 31, 2022	
	Current	Non-Current	Current	Non-Current
Security Deposits	-	102.1	-	89.6
EMD and other deposits	-	-	-	-
- Unsecured, considered good	-	183.8	-	144.6
- Unsecured, considered doubtful	-	102.2	-	102.2
Less: Allowance for doubtful deposits	-	286.0	-	246.8
	-	(102.2)	-	(102.2)
	-	183.8	-	144.6
Gratuity Asset	-	20.3	-	-
Other receivables				
Related party (refer note 44 (iii))	222.4	-	263.5	-
Other than related party	17.9	0.4	15.7	0.5
Interest accrued:				
On fixed deposits with banks	28.3	-	0.7	-
On loan given to related party	0.5	-	-	-
	269.1	306.6	279.9	234.7

9. Deferred tax asset / (liabilities) net

	March 31, 2023	March 31, 2022
Deferred tax assets		
Provision for employee benefits	72.4	116.5
Provision for doubtful trade receivables	40.1	36.8
Other timing differences	100.3	95.6
	212.8	248.9
Deferred tax liabilities		
Written Down Value of Property, plant and equipment	(4.6)	(26.5)
	(4.6)	(26.5)
Net deferred tax assets	208.2	222.4

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

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, 2021	91.3	47.9	87.5	(27.6)	199.1
(Charged)/credited :					
- to profit and loss a/c	20.6	(11.1)	8.1	1.1	18.7
- to other comprehensive income	4.6	-	-	-	4.6
As at March 31, 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

10. Non - Current Tax Asset /(Liability) Net

	March 31, 2023	March 31, 2022
Tax Assets (net of provision INR 20,455 millions, March 31, 2022 - INR 18,272 millions)	207.4	248.2
	207.4	248.2
Presented as non current tax assets	207.4	315.0
Presented as current tax liabilities	-	(66.8)

Movement of Tax

	March 31, 2023	March 31, 2022
Opening Balance (Tax Asset /(Liability) (Net))	248.2	294.5
Add: Taxes paid	2,034.9	1,330.8
Less: Current tax payable	(1,853.5)	(1,386.8)
Less: Current Tax adjustment of earlier years*	(222.2)	9.8
Closing Balance	207.4	248.2

* The Company had filed MAP application with CBDT for AY 2011-12 and AY 2012-13 regarding transfer pricing adjustments. During the year the Company has 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.

11. Other assets

	March 31, 2023		March 31, 2022	
	Current	Non-Current	Current	Non-Current
Capital Advance	-	166.8	-	46.0
Prepaid Expenses	117.8	19.4	116.3	22.0
Advances for supply of goods and rendering of services	405.7	-	537.8	-
Export benefits / duty entitlements	46.2	-	76.0	-
Balances with Sales tax / Excise authorities	280.3	-	364.2	-
Amount paid under protest/dispute				
- Direct Tax	-	759.3	-	674.9
- Indirect Tax	-	51.5	-	64.7
	-	810.8	-	739.6
Other receivables				
- Unsecured, considered good*	140.1	-	129.0	-
- Unsecured, considered doubtful	-	4.9	-	-
	140.1	4.9	129.0	-
Less: Allowance for doubtful receivables	-	(4.9)	-	-
	140.1	-	129.0	-
	990.1	997.0	1,223.3	807.6

* includes amount paid under protest to various Government authorities and MEIS/DEPB licenses on hand.

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

Current Assets

12. Inventories at cost or NRV whichever is lower (FIFO)		
	March 31, 2023	March 31, 2022
Raw Materials and Bought-Out Components including material in transit INR 109.6 millions (As on March 31, 2022 INR 217.0 millions)	969.0	1,188.8
Stores and Spares including material in transit INR 11.5 millions (As on March 31, 2022 INR 10.9 millions)	524.7	508.0
Work-in-progress	141.1	133.3
Finished Products including Goods in transit INR 1,042.0 millions (As on March 31, 2022 INR 1,695.8 millions)	5,225.5	4,938.1
	6,860.3	6,768.2

The cost of inventories recognised as an expense during the year in respect of continuing operations was INR 216.1 million (March 31, 2022 INR 216.3 million).

13. Trade receivables		
	March 31, 2023	March 31, 2022
Trade receivables from contract with customers – billed	6,445.7	5,829.8
Trade receivables from contract with customers – related parties	500.3	1,187.8
Less: Loss allowance for bad and doubtful debts	(159.5)	(160.3)
Total receivables	6,786.5	6,857.3
Current portion	6,786.5	6,857.3
Non-current portion	-	-
	6,786.5	6,857.3
Break-up of security details		
Trade receivables considered good – unsecured	6,786.5	6,857.3
Trade receivables which have significant increase in credit risk	159.5	160.3
Total	6,946.0	7,017.6
Loss allowance	(159.5)	(160.3)
Total trade receivables	6,786.5	6,857.3

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, 2023						
	Outstanding for following periods from the due date of payment						
	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	42.4	33.4	12.2	66.0	6,946.0
Less: Loss allowance							(159.5)
Total receivables							6,786.5

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

	March 31, 2022						
	Outstanding for following periods from the due date of Payment						
	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	4,854.9	814.5	-	-	-	-	5,669.5
considered good - related parties (Refer note 44 (iii))	996.3	185.6	5.2	-	0.7	-	1,187.8
which have significant increase in credit risk	-	49.8	2.3	14.9	0.9	7.7	75.6
credit impaired	-	-	-	-	-	-	-
Disputed trade receivables							
considered good	-	-	-	-	-	-	-
which have significant increase in credit risk	-	4.3	15.4	16.6	6.7	41.7	84.7
credit impaired	-	-	-	-	-	-	-
Total	5,851.2	1,054.2	22.9	31.5	8.3	49.3	7,017.6
Less: Loss allowance							(160.3)
Total receivables							6,857.3

14. Cash and cash equivalents

	March 31, 2023	March 31, 2022
Balances with Banks		
- On Current Account	167.8	196.1
- On EEFC Account	9.0	27.7
On Deposit Account (with original maturity of 3 months or less)	9,376.0	3,661.4
Cash & Bank Balances	9,552.8	3,885.2

15. Bank balances other than the above

Bank deposits with original maturity of more than 3 months and remaining maturity of less than 12 months.	0.5	109.0
Unclaimed Dividend Account*	26.1	24.3
CSR Unspent Account*	0.2	-
	26.8	133.3

*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 mn)	Amount
Authorised Equity share capital		
As at March 31, 2021	100.0	1,000.0
Changes during the year	-	-
As at March 31, 2022	100.0	1,000.0
Changes during the year	-	-
As at March 31, 2023	100.0	1,000.0

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

	No of shares (in mn)	Amount
Movement in issued, subscribed and paid up Equity share capital		
As at March 31, 2021	49.4	494.4
Changes during the year	-	-
As at March 31, 2022	49.4	494.4
Changes during the year	-	-
As at March 31, 2023	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.

Shares of the Company held by holding company and their subsidiaries

	March 31, 2023		March 31, 2022	
	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, 2023		March 31, 2022	
	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, 2023			March 31, 2022		
	Number of shares (mn)	% of total shares in the class	% of change during the year	Number of shares (mn)	% 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 preceding March 31, 2023;

- (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 standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

17. Reserves and surplus*		
	March 31, 2023	March 31, 2022
General reserve	2,838.9	2,838.9
Capital redemption reserve	32.9	32.9
Retained earnings	20,048.8	15,492.8
	22,920.6	18,364.6
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	15,492.8	12,271.9
Profit for the year	5,247.9	3,951.3
Other comprehensive income recognised directly in retained earning :-		
Remeasurements of post-employment benefit obligation, net of tax	25.0	(13.5)
Less : Appropriations		
Dividend on Equity shares INR 14.5 per share (Previous year INR 14.5 per share)	(716.9)	(716.9)
Closing Balance	20,048.8	15,492.8

*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.

	March 31, 2023		March 31, 2022	
	Current	Non-Current	Current	Non-Current
Disputed statutory and other matters	-	64.3	-	61.2
Warranty	18.2	5.6	14.9	5.6
Coupons & Incentives	286.2	-	123.0	7.0
Provision for employee benefits				
Compensated absences	66.1	252.8	55.8	302.5
Gratuity (Refer note 36)	-	-	43.9	-
	370.5	322.7	237.6	376.3

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, 2021	54.0	9.4	142.4	205.8
Provision made during the year	7.2	14.9	589.1	611.2
Provision utilised during the year	-	(3.8)	(601.6)	(605.4)
As on March 31, 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	374.2

All provisions are measured at carrying values since the impact of discounting is not significant.

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (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, 2023	March 31, 2022
Current		
(i) Outstanding dues of micro and small enterprises (refer note 38)	326.2	225.0
(ii) Outstanding dues of creditors other than micro and small enterprises & related parties	1,535.1	1,324.4
(iii) Payable to related parties (Refer note 44 (iii))	4,217.8	3,535.5
	6,079.1	5,084.9

Aging of trade payables:

	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	-	310.1	12.2	2.7	-	1.3	326.2
Others	1,819.6	2,831.9	876.1	73.1	67.2	85.0	5,752.9
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	1,819.6	3,142.0	888.3	75.8	67.2	86.3	6,079.1

	March 31, 2022						
	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	-	215.7	8.1	1.0	0.2	-	225.0
Others	1,099.6	2,976.1	635.4	73.4	4.0	71.4	4,859.9
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	1,099.6	3,191.8	643.5	74.4	4.2	71.4	5,084.9

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

20. Other current financial liabilities		
	March 31, 2023	March 31, 2022
Salaries and Incentives	248.3	254.9
Liabilities for dealer incentives	802.1	639.9
Unclaimed dividend *	22.6	23.3
Payables on account of capital purchases	75.6	60.7
Other liabilities **	70.7	64.7
	1,219.3	1,043.5

* There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2023 except INR 0.2 million (March 31, 2022 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, 2023	March 31, 2022
Statutory dues payable (TDS,PF, ESIC, PT, GST etc.)	184.4	208.4
Liability towards corporate social responsibility (Refer note 30)	0.2	21.8
Advances received from customers	44.6	88.5
	229.2	318.7

22. Revenue from operations (Refer note 42)		
	For year ended March 31, 2023	For year ended March 31, 2022
Revenue from contracts with customers :-		
Sale of products :-		
Manufactured goods	20,435.8	19,834.8
Traded goods	20,948.2	15,540.2
Sale of products (total)	41,384.0	35,375.0
Sale of services	955.2	660.5
Other operating revenue :-		
Scrap sales	94.9	43.7
Technical and other service income	502.4	473.0
Miscellaneous Operating Income (includes export benefits etc)	112.7	106.7
	43,049.2	36,658.9

23. Other income		
	For year ended March 31, 2023	For year ended March 31, 2022
Interest Income from Financial assets at amortised cost		
- Fixed deposits with banks	306.3	132.8
- On loan given to related party	53.8	51.2
Rental income	38.4	36.0
Discount on license purchased	34.0	40.8
Profit on sale of Property Plant & Equipment (net)	5.4	2.3
Liabilities and Provisions no longer required written back	49.3	-
Miscellaneous Income	31.5	83.1
	518.7	346.2

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

24. Cost of material consumed		
	For year ended March 31, 2023	For year ended March 31, 2022
Inventory at the beginning of the year	1,188.8	841.9
Purchases during the year	10,197.1	9,353.9
Inventory at the end of the year	(969.0)	(1,188.8)
Cost of material consumed	10,416.9	9,007.0

25. Purchase of stock in trade		
	For year ended March 31, 2023	For year ended March 31, 2022
Purchases of traded goods	15,536.5	15,177.1
	15,536.5	15,177.1

26. Changes in inventories of finished goods, work-in-progress and stock-in-trade		
	For year ended March 31, 2023	For year ended March 31, 2022
Increase in inventory of finished goods :		
Opening inventory	1,418.0	899.7
Less : Closing inventory	1,387.0	1,418.0
	31.0	(518.3)
Increase in inventory of work in progress :		
Opening inventory	133.3	109.8
Less : Closing inventory	141.1	133.3
	(7.8)	(23.5)
Increase in inventory of traded goods :		
Opening inventory	3,520.1	2,329.7
Less : Closing inventory	3,838.5	3,520.1
	(318.4)	(1,190.4)
	(295.2)	(1,732.2)

27. Employee benefit expense		
	For year ended March 31, 2023	For year ended March 31, 2022
Salaries, Wages and Bonus	2,353.4	2,247.0
Share based payments (Refer Note 39)	6.4	4.2
Contribution to Provident and Other Funds (Refer note 36)	178.1	152.8
Gratuity (Refer note 36)	41.1	35.1
Compensated absences	23.8	55.9
Staff welfare expenses	393.5	361.9
	2,996.3	2,856.9

28. Finance costs		
	For year ended March 31, 2023	For year ended March 31, 2022
Interest and finance charges on lease liability	15.1	20.8
	15.1	20.8

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

29. Depreciation and amortisation expense		
	For year ended March 31, 2023	For year ended March 31, 2022
Depreciation of Property, Plant & Equipment	602.8	533.9
Depreciation on right-of-use assets	54.4	28.3
Amortisation of Intangible assets	2.2	1.3
Depreciation of Investment property	9.0	7.5
	668.4	571.0
30. Other expenses		
	For year ended March 31, 2023	For year ended March 31, 2022
Consumption of stores and spare parts	1,405.7	1,154.4
Power and Fuel	561.7	506.4
Repairs and maintenance		
Building	48.6	47.3
Machinery	528.2	471.3
Royalty	659.7	571.4
IT Services	623.1	637.3
Trade mark fees	413.8	359.5
Rental charges	7.5	7.3
Insurance	84.5	74.7
Rates and Taxes	28.4	32.9
Travel and conveyance	265.6	177.5
Legal and professional fees	85.0	133.3
Payment to auditors (Refer note I below)	4.9	9.0
Advertising and sales promotion	228.2	62.8
Logistic Cost	546.3	452.9
Provision for bad and doubtful debts	4.1	-
Bad debts written off	1.3	19.4
Directors' Commission / Sitting Fees	7.5	6.3
Expenditure incurred for Corporate Social Responsibility (Refer note II below)	85.9	84.5
Net Exchange Loss	406.8	125.5
Miscellaneous expenses	903.8	861.2
	6,900.6	5,794.9
I) Note : Payments to auditors		
	For year ended March 31, 2023	For year ended March 31, 2022
As auditor		
- Statutory audit (including Limited Reviews and certification)	3.9	*8.1
- Tax audit	-	0.9
- Other audit services	1.0	-
<i>* Includes INR 1.3 million in respect of year ended March 31, 2021 charged in previous year</i>	4.9	9.0

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

	March 31, 2023	March 31, 2022
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	85.3	84.5
Amount of expenditure incurred	85.9	59.9
(Excess) / Shortfall for the year	(0.6)	24.6
Shortfall for previous years	0.2	23.3
Reason for shortfall	Refer note below	-
Nature of CSR activities:		
Contribution towards Youth Empowerment	37.1	26.1
Contribution towards Women Empowerment	28.0	16.6
Contribution towards Education	2.7	3.1
Others	18.1	14.2
Total	85.9	60.0
Amount spent during the year on	-	-
(i) Construction/acquisition of an Assets	85.9	(59.9)
(ii) On purpose other than (i) above	85.9	(59.9)
	NA	NA
Details of related party transactions	NA	NA
Provision with respect to a liability incurred by entering into a contractual obligation.		

Note: The Company has spent the unspent amount of INR 0.2 million for FY 2021-22 as on March 31, 2023 subsequent to the year end.

31. Income Tax expense

	March 31, 2023	March 31, 2022
(a) Current Tax		
Current tax on profit during the year	1,853.5	1,386.8
Adjustments for current tax of prior periods	222.2	(9.8)
Total Current Tax expense	2,075.7	1,377.0
Deferred Tax		
Deferred tax expense	5.7	(18.7)
Income tax expense	2,081.4	1,358.3
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit from continuing operations before income tax expense	7,329.3	5,309.6
Tax at the Indian tax rate of 25.17 %	1,844.8	1,336.4
<i>Tax effect of amounts which are not deductible (taxable) in calculating taxable income :</i>		
Adjustments for current tax of prior periods	222.2	(9.8)
Corporate social responsibility expenditure	21.6	21.3
Others	(7.2)	10.9
Income tax expense	2,081.4	1,358.8
(c) Tax impact of remeasurement of post employment benefits obligation recognised in OCI	(8.4)	4.6

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (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, 2023		March 31, 2022	
	Amortised Cost	Carrying Amount	Amortised Cost	Carrying Amount
Financial assets				
Trade receivables	6,786.5	6,786.5	6,857.3	6,857.3
Cash and bank balances	9,579.6	9,579.6	4,018.5	4,018.5
Loan to related party	676.0	676.0	856.0	856.0
Other Financial assets	575.7	575.7	514.6	514.6
Total Financial Assets	17,617.8	17,617.8	12,246.4	12,246.4
Financial Liabilities				
Trade Payables	6,079.1	6,079.1	5,084.9	5,084.9
Other Financial Liabilities	1,219.3	1,219.3	1,043.5	1,043.5
Lease Liabilities	144.4	144.4	160.9	160.9
Other current liabilities	229.2	229.2	318.7	318.7
Total Financial Liabilities	7,672.0	7,672.0	6,608.0	6,608.0

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, 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
Other current liabilities	-	-	229.2	229.2
Total Financial liabilities	-	-	7,672.0	7,672.0

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2022

	Level 1	Level 2	Level 3	Total March 31, 2022
Financial assets				
Trade receivables	-	-	6,857.3	6,857.3
Cash and bank balances	-	-	4,018.5	4,018.5
Loan to related party	-	-	856.0	856.0
Other Financial assets	-	-	514.6	514.6
Total Financial assets	-	-	12,246.4	12,246.4
Financial Liabilities				
Trade Payables	-	-	5,084.9	5,084.9
Other Financial Liabilities	-	-	1,043.5	1,043.5
Lease Liabilities	-	-	160.9	160.9
Other current liabilities	-	-	318.7	318.7
Total Financial liabilities	-	-	6,608.0	6,608.0

(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 realisable 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 .

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, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Trade Receivables				
EURO	89.5	84.4	13.3	217.8
USD	82.2	75.7	118.1	354.1

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

Financial Assets	Exchange Rates		Exposure in Foreign Currency	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
SEK	7.9	8.2	105.4	376.0
SGD	61.9	56.0	137.8	123.7
CNY	12.0	11.9	16.2	41.8
AUD	54.9	56.7	16.5	39.4
THB	2.4	2.3	39.1	46.5
CAD	60.7	60.5	6.8	1.2
Total			453.2	1,200.5
Bank balance in EEFC				
EURO	89.5	84.4	5.5	1.7
USD	82.2	75.7	3.6	5.6
Total			462.3	1,207.8

Financial Liabilities	Exchange Rates		Exposure in Foreign Currency	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Trade Payables				
EURO	89.5	84.4	3,212.2	2,831.2
USD	82.2	75.7	316.3	536.9
SEK	7.9	8.2	(77.5)	2.3
GBP	101.7	99.5	0.2	0.2
YEN	0.6	0.6	11.4	9.6
CHF	89.9	81.8	2.0	1.4
CNY	12.0	11.9	1.7	1.7
Total			3,466.3	3,383.3

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, 2023	March 31, 2022
EURO sensitivity		
INR/EURO increased by 5 %	(159.9)	(130.7)
INR/EURO decreased by 5 %	159.9	130.7
USD sensitivity		
INR/USD increased by 5 %	(9.9)	(9.1)
INR/USD decreased by 5 %	9.9	9.1
SEK sensitivity		
INR/SEK increased by 5 %	9.1	18.7
INR/SEK decreased by 5 %	(9.1)	(18.7)
SGD sensitivity		
INR/SGD increased by 5 %	6.9	6.2
INR/SGD decreased by 5 %	(6.9)	(6.2)

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

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

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

All the financial liabilities as on March 31, 2022 were 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

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.

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

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.

	March 31, 2023			March 31, 2022		
	Gross	Allowance	Net	Gross	Allowance	Net
Trade receivables						
Period (in months)						
Not due	6,439.3	-	6,439.3	5,851.2	-	5,851.2
Overdue up to 3 months	347.2	-	347.2	1,006.1	-	1,006.1
Overdue 3-6 months	5.6	(5.6)	-	53.5	(53.5)	-
Overdue more than 6 months	153.9	(153.9)	-	106.8	(106.8)	-
Total	6,946.0	(159.5)	6,786.5	7,017.6	(160.3)	6,857.3

Reconciliation of loss allowance provision – Trade receivables

	Amount (INR in million)
Loss allowance on April 1, 2021	190.2
Change in loss allowance	(29.9)
Loss allowance on March 31, 2022	160.3
Change in loss allowance	(0.8)
Loss allowance on March 31, 2023	159.5

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 standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

(b) Dividends

	March 31, 2023	March 31, 2022
i) Equity shares		
Dividend paid		
March 31, 2022 (INR 14.5 per share)	716.9	-
March 31, 2021 (INR 14.5 per share)	-	716.9
DDT on dividend	-	-
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 40.0 per fully paid equity share (March 31, 2022 – INR 14.5). This proposed dividend is subject to the approval of shareholders in the Annual General meeting.	1,977.5	716.9

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, 2023	For year ended March 31, 2022
Profit attributable to Equity Shareholders (Rupees in Million)	5,247.9	3,951.3
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)	106.2	79.9
Diluted Earnings per share (INR)*	106.2	79.9

*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, 2023	For year ended March 31, 2022
Employee Provident Fund - Regional Provident Fund Contribution	42.2	45.6
Superannuation fund	49.4	42.7
	91.6	88.3

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 standalone Financial Statements as at and for the year ended March 31, 2023 (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, 2021	1,023.1	1,032.5	(9.4)
Current service cost	35.7	-	35.7
Interest cost/income	61.5	62.1	(0.6)
Total amount recognised in profit & loss	97.2	62.1	35.1
Remeasurements			
Return on plan assets less interest on plan assets	-	5.1	(5.1)
changes in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(16.7)	-	(16.7)
Experience (gains)/losses	30.6	-	30.6
Total amount recognised in other comprehensive income	13.9	5.1	8.8
Employer contributions	-	(9.3)	9.3
Benefit payments	(77.2)	(77.2)	-
Closing balance as on March 31, 2022	1,057.0	1,013.2	43.9
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)

The net liability disclosed above relates to funded and unfunded plans are as follows:

	March 31, 2023	March 31, 2022
Present value of funded obligations	1,036.4	1,057.0
Fair value of plan assets	1,056.7	1,013.2
Deficit / (Surplus) of funded plan	(20.3)	43.8

Principal actuarial assumptions used as at the reporting date:

The significant actuarial assumptions were as follows:

	March 31, 2023	March 31, 2022
Discount rate	7.35%	6.90%
Salary growth rate		
for Management employees	10.00%	10.00%
for Non-Management employees	7.00%	6.00%
Attrition Rate:		
for Management employees		
Age From 21 to 30 years	26.00%	24.00%
Age From 31 to 40 years	17.00%	13.00%

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

	(INR in Million)	
	March 31, 2023	March 31, 2022
Age From 41 to 50 years	12.00%	9.00%
Age From 51 to 59 years	17.00%	8.00%
for Non-Management employees		
Age From 21 to 30 years	1.00%	14.00%
Age From 31 to 40 years	2.00%	4.00%
Age From 41 to 50 years	0.00%	1.00%
Age From 51 to 59 years	9.00%	1.00%
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 year ended March 31, 2023 is Nil.

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, 2021	2,217.3	2,217.3	-
Current service cost	58.7	-	58.7
Interest cost/income	160.9	160.9	-
Total amount recognised in profit & loss	219.6	160.9	58.7
Remeasurements			
Return on plan assets less interest on plan assets	-	(722.7)	722.7
(Gain)/loss from change in financial assumptions	(5.3)	-	(5.3)
Experience (gains)/losses	(845.5)	-	(845.5)
Total amount recognised in other comprehensive income	(850.8)	(722.7)	(128.1)
Employer contributions	-	58.7	(58.7)
Employee contributions	137.6	137.6	-
Assets Distributed on Settlements / acquired on acquisition	128.6	128.6	-
Benefit payments	229.4	229.4	-
Closing balance as on March 31, 2022	2,081.6	2,209.8	(128.2)
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

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

	Present value of obligation	Fair value of plan assets	Net Amount
(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

The fair value of plan assets is INR 2,175.5 millions (March 31, 2022 INR 2,209.8 million). Deficit of INR 26.4 million (March 31, 2022 INR 128.1 million) is not recognised.

The net liability disclosed above relates to funded and unfunded plans are as follows:

	March 31, 2023	March 31, 2022
Present value of funded obligations	2,201.9	2,081.6
Fair value of plan assets	2,175.5	2,209.8
Deficit of funded plan	26.4	(128.2)

Principal actuarial assumptions used as at the reporting date:

The significant actuarial assumptions were as follows:

	March 31, 2023	March 31, 2022
Discount rate	7.35%	6.90%
Expected rate of return on plan assets	8.07%	8.62%
Discount rate for the remaining term to maturity of the investment	7.35%	6.75%
Average historic yield on the investment	8.07%	8.47%
Guaranteed rate of return	8.15%	8.10%
Attrition Rate:		
for Management employees		
Age From 21 to 30 years	26.00%	24.00%
Age From 31 to 40 years	17.00%	13.00%
Age From 41 to 50 years	12.00%	9.00%
Age From 51 to 59 years	17.00%	8.00%
for Non-Management employees		
Age From 21 to 30 years	1.00%	14.00%
Age From 31 to 40 years	2.00%	4.00%
Age From 41 to 50 years	0.00%	1.00%
Age From 51 to 59 years	9.00%	1.00%
Mortality table used	Indian Assured Lives Mortality (2012-2014)	Indian Assured Lives Mortality (2012-2014)

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (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, 2023	March 31, 2022		Increase in Valuation		Decrease in Valuation		
				March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	
Discount rate - Gratuity	0.50%	0.50%	Decrease by	23.9	29.2	Increase by	22.8	30.7
Salary growth rate - Gratuity	0.50%	0.50%	Increase by	23.7	30.4	Decrease by	22.8	29.2
RPFC guaranteed rate	1.00%	1.00%	Increase by	78.2	62.4	Decrease by	40.7	21.5

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, 2023				March 31, 2022			
	Quoted	Unquoted	Total	in %	Quoted	Unquoted	Total	in %
Debt instruments								
Corporate bonds	9.6	-	9.6	1%	9.9	-	9.9	1%
Government of India securities	147.1	-	147.1	14%	154.5	-	154.5	15%
Sub Total	156.7	-	156.7		164.4	-	164.4	
Insurer Fund	-	897.9	897.9	85%	-	953.7	953.7	94%
Others *	-	0.5	0.5	0%	-	(105.2)	(105.2)	-10%
Total	156.7	898.4	1,055.1	100%	164.4	848.5	1,012.9	100%

* Includes payable to SKF India Limited

(b) The major categories of plans assets for Provident Fund are as follows:

	March 31, 2023				March 31, 2022			
	Quoted	Unquoted	Total	in %	Quoted	Unquoted	Total	in %
Equity instruments	181.8	-	181.8	8%	229.8	-	229.8	10%
<i>Debt instruments</i>								
Corporate bonds	305.4	-	305.4	14%	836.7	-	836.7	38%

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

	March 31, 2023				March 31, 2022			
	Quoted	Unquoted	Total	in %	Quoted	Unquoted	Total	in %
Government of India securities	978.3	-	978.3	45%	959.1	-	959.1	43%
Sub Total	1,283.7	-	1,283.7		1,795.8	-	1,795.8	
Others	-	710.0	710.0	33%	-	184.2	184.2	8%
Total	1,465.5	710.0	2,175.5	100%	2,025.6	184.2	2,209.8	100%

The weighted average duration of the defined benefit obligation is 4.52 years (2022 – 5.67 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, 2023					
Defined benefit obligation	224.1	333.1	411.3	594.3	1,562.8
March 31, 2022					
Defined benefit obligation	153.4	243.9	406.9	877.7	1,681.9

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.

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

37. Contingent liabilities and commitments

(to the extent not provided for)

a) Contingent liabilities:

	March 31, 2023	March 31, 2022
Claims against the Company not acknowledged as debts		
(i) Income-tax *	3,248.2	3,010.0
(ii) Excise duty	221.7	221.7
(iii) GST, Service Tax and Sales tax	189.1	185.9
(iv) Others	1,142.4	1,257.0
	4,801.4	4,674.6

* Including interest of INR 1,227 Million (March 31, 2022 INR 1,062 Millions) 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 a Final assessment order for the Financial Year 2017-18 (Assessment Year 2018-19) u/s 143(3) read with section 144C of the Income Tax Act, 1961 ("Act") from the Assessing officer resulting in an adjustment of INR 767.8 million towards Transfer Pricing addition. 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 and Service tax.
- (iii) Others :- The Company has disclosed other claims relating to civil cases in the current year considering similar industry practices leading to a change in management's assessment.
- (iv) 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 Organisation 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, 2023.

b) Commitments:

	March 31, 2023	March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances of INR 166.8 million (March 31, 2022 INR 46.0 million)	327.4	349.7
	327.4	349.7

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

38. (a) Dues to micro and small suppliers

	March 31, 2023	March 31, 2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end (Refer note (b) below *)	326.2	225.0
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	30.1	17.0
Principal amount paid to suppliers registered under the MSMED Act beyond the appointed day during the year	634.9	535.9
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	12.3	6.6
Further interest remaining due and payable for earlier years	17.0	9.7

*Includes amount of INR 315.1 million (March 31, 2021 INR 215.7 million) outstanding, but not overdue to micro and small as on March 31, 2023.

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, 2023 and year ended March 31, 2022.

(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, 2023	March 31, 2022
Total Outstanding dues to Micro And Small Enterprises	306.3	222.3
Capital Creditors	19.9	2.7
MSME Principal	326.2	225.0

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 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

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

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: 36,500 shares
- Other members of Group Management: 13,000 shares
- 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-19	30-Apr-20	30-Apr-21	30-Apr-22
Exercise Price (SEK)	-	-	-	-
Exercise Price in equivalent INR*	-	-	-	-
Expected Volatility	4.57%	1.65%	0.46%	-2.40%
Expected dividend Yield	1.6%	3.0%	3.3%	4.4%
Expected Life	NA	NA	NA	NA
Risk Free Interest Rate		(0.3%)	0.0%	2.6%
Fair Value per share (SEK)	140	125.0	226.6	139.8
Fair Value per share in equivalent INR*	1,111.6	992.1	1,798.4	1,109.5
Awards Exercisable at the end of the year	NA	NA	6,708.3	3,552.1

* Converted into INR using exchange rate 7.94

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*
PSP2019	10,500	30-Apr-19	2022	140.0	1,111.6
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

*Converted using exchange rate 7.94

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

Movement in stock awards during the year	Employee Stock Award Plan			
	March 31, 2023		March 31, 2022	
	No. of Awards	Weighted Average Exercise Price	No. of Awards	Weighted Average Exercise Price
Balance at the beginning of year	10,033	NA	3,885	NA
Granted during the year	34,217		27,615	
Adjustment during the year*	(26,496)		(20,059)	
Forfeited during the year	-		-	
Exercised during the year	(2,827)		(1,408)	
Expired during the year	-		-	
Balance at end of year	14,927		10,033	

* 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, 2023	March 31, 2022
Segment revenue		
Within India	39,322.0	32,335.0
Outside India	3,727.2	4,323.9
	43,049.2	36,658.9
Segment assets *		
Within India	6,103.7	5,687.5
Outside India	-	-
	6,103.7	5,687.5

* Non Current Assets excludes Deferred Tax assets and Financial Instruments

41. The Company has facility from banks for

Working capital / working capital demand loans sanctioned amounting to 172 MINR and 700 MINR, but not utilised any time during the year.

The working capital / working capital demand loans is secured by pari passu charge of :

- all tangible movable properties and assets, both present and future, including stocks of Raw Materials, Semi-finished goods and Finished goods, excluding movable Machinery Spares, Tools and Accessories and Stores and Spares.
- all present and future Book Debts outstanding, Monies receivable, Claims and Bills.

The Company is filing returns / statements in compliance with facility agreement with the bank.

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

42. Ind AS 115 :- Revenue from contracts with customers

	March 31, 2023	March 31, 2022
Reconciliation of revenue with contract price :-		
Revenue as per statement of PL	43,049.2	36,658.9
Add: Incentive/rebates etc	1,661.8	2,095.0
Add: Discounts	7.6	4.2
Add: Liquidated damages	15.4	14.1
Contract price	44,734.0	38,772.2

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, Limited.
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
15	Blohm Voss Industries (Singapore) Pte Limited
16	KAYDON CORPORATION
17	COOPER ROLLER BEARINGS COMPANY LIMITED
18	SKF AB SWEDEN

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

Fellow subsidiary Companies (All under the common control of AB SKF)

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 LIMITED
35	SKF Canada Limited
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 TECHNOLOGIES (INDIA) PVT LIMITED
45	SKF Asia Pacific Pte Limited
46	SKF (Thailand) Limited, Bangkok
47	SKF Bearing Services Taiwan, Taipei
48	SKF Japan Limited, Tokyo
49	SKF KOREA LIMITED.
50	SKF PHILLIPINES INC
51	SKF BEARING INDUSTRIES SDN BHD
52	SKF MALAYSIA SDN.BHD.
53	SKF SEALING SOLUTIONS (WUHU) CO LIMITED
54	PT SKF INDONESIA
55	SKF Sealing Solutions Korea Co Limited
56	SKF VIETNAM CO LIMITED
57	PT SKEFINDO PRIMATAMA
58	SKF (Shanghai) Automotive Technologies Co Limited
59	SKF (China) Sales Co Limited
60	SKF(DALIAN) BEARINGS & PREC.CO
61	SKF (Jinan) Bearing & Precision Technology Co. Limited
62	SKF Distribution Shanghai Co Limited
63	SKF Australia PTY Limited

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

Fellow subsidiary Companies (All under the common control of AB SKF)

64	PILGRIM INTERNATIONAL LIMITED.
65	SKF B.V.
66	SKF SEALING SOLUTIONS GMBH
67	SKF SOUTH AFRICA (PTY) LIMITED.
68	SKF Sealing Solutions Austria GmbH
69	SKF Sealing Solutions (Schweiz) GmbH
70	SKF Economos India Pvt. Limited
71	SKF FORVALTNING AB
72	Ewellix France SAS
73	Ewellix Motion Technology
74	SKF CHILENA S.A.I.C.
75	SKF Coupling Systems AB
76	SKF Magnetic Mechatronics SAS
77	SKF SEALS AMERICAS
78	SKF SEALS ITALY SPA
79	SKF Seals Leverkusen

Key Management Personnel

1	Mr Gopal Subramanyam (Chairman)
2	Mr Manish Bhatnagar (Managing Director)
3	Mr Aldo Cedrone (Director)
4	Ms Anu Wakhlu (Director)
5	Mr Bernd Stephan (Upto November 16, 2020) (Director)
6	Ms Ingrid Viktoria Van Camp (from November 16, 2020) (Director)
7	Mr Werner Hoffman (Upto February 10, 2022) (Director)
8	Mr Shailesh Sharma (from February 10, 2022) (Director)
9	Mr Karl Robin Joakim Landholm (from June 28, 2022) (Director)
10	Mr David Leif Henning Johansson (from June 28, 2022) (Director)
11	Mr Ashish Saraf (Chief Financial officer)
12	Mr Ranjan Kumar (Company Secretary)

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

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

(ii) Disclosure of related party transactions:

Sr. No.	Nature of transaction / relationship / major parties	For year ended March 31, 2023		For year ended March 31, 2022	
		Amount	Amount	Amount	Amount
A	Purchases				
i	Raw Materials, components, spares and Finished Goods	14,648.5		14,827.5	
	SKF GMBH		3,772.7		3,754.8
	SKF Engineering and Lubrication India Private Limited		2,990.4		2,352.0
	SKF Sverige AB		1,565.4		1,906.7
	SKF France S.A.		1,062.4		1,142.6
	SKF INDUSTRIE SPA		1,269.9		1,050.7
	Others		3,987.7		4,620.7
ii	Property, Plant and Equipment	123.5		21.4	
	SKF Osterreich AG		32.5		15.3
	SKF Engineering and Lubrication India Private Limited		32.8		3.5
	SKF GMBH		1.2		2.6
	SKF Recondoil AB		22.8		-
	SKF ESPANOLA S.A., INT. MARK.		18.0		-
	Others		16.2		-
B	Services received				
i	Administrative and Service Fees	42.0		27.3	
	SKF International AB		19.8		19.5
	SKF AB Sweden		4.7		3.8
	SKF GMBH		9.1		-
	Others		8.4		4.0
ii	IT services	282.8		314.4	
	AB SKF		282.8		314.4
C	Royalty	659.7		571.4	
	AB SKF		659.7		571.4
D	Trade Mark Fees	413.8		359.5	
	AB SKF		413.8		359.5
E	Sales				
i	Goods and Services	3,034.1		3,850.8	
	SKF International AB EDC		586.3		936.8
	SKF GMBH		457.4		454.1
	SKF Do Brazil Ltda		183.2		452.8
	SKF USA Inc		352.2		394.3
	SKF Industrie Spa		102.9		271.7
	Others		1,352.1		1,341.1
ii	Technical and other service income	502.4		473.0	
	AB SKF		413.0		415.5
	Others		89.4		57.5
F	Other Income				
i	Rent Income	38.4		36.0	
	SKF Engineering and Lubrication India Private Limited		38.4		36.0
ii	Commission Income	0.3		1.4	
	SKF Asia Pacific Pte Limited		0.3		1.4

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

Sr. No.	Nature of transaction / relationship / major parties	For year ended March 31, 2023		For year ended March 31, 2022	
		Amount	Amount	Amount	Amount
G	<u>Reimbursements</u>				
i	Received	196.1		180.0	
	SKF Engineering and Lubrication India Private Limited		108.2		52.0
	Others		87.9		128.0
ii	Paid	2.7		92.3	
	SKF Engineering and Lubrication India Private Limited		-		92.3
	SKF GMBH		2.4		-
	Others		0.3		-
H	<u>Inter Corporate Loan & Interest</u>				
i	Loan Received Back	180.0		-	
	SKF Engineering and Lubrication India Private Limited		180.0		-
ii	Interest Income on Loan	53.8		51.2	
	SKF Engineering and Lubrication India Private Limited		53.8		51.2
I	<u>Dividend Paid</u>	376.9		376.9	
	AB SKF		328.7		328.7
	SKF (UK) Limited.		45.4		45.4
	SKF Forvaltning AB		2.8		2.8
J	<u>Trade Advance given</u>	2,110.0		750.0	
	SKF Engineering and Lubrication India Private Limited		2,110.0		750.0
K	<u>Trade advance adjusted against purchase</u>	2,110.0		750.0	
	SKF Engineering and Lubrication India Private Limited		2,110.0		750.0
L	<u>Managerial Remuneration :-</u>	77.7		61.8	
	Short-term employee benefits		72.8		58.3
	Long-term employee benefits		4.9		3.5
M	<u>Payment to Directors</u>	7.5		6.3	
	Sitting fees & Commission		7.5		6.3
N	<u>Investment in equity shares of Associate Company</u>	0.0		24.8	
	Sunstrength Renewables Private Limited		-		24.8
	CleanMax Taiyo Private Limited		0.0		-
O	<u>Employees' Benefit plans where there is Significant influence</u>				
i	Contributions Paid	339.3		228.0	
	SKF India Limited Provident Fund Scheme		215.5		192.7
	SKF Bearings India Limited Superannuation Scheme		35.6		31.3
	SKF Bearings India Limited Bangalore Superannuation Scheme		7.1		4.0
	SKF Bearings India Limited Employees Gratuity Fund		81.1		-
ii	Reimbursements Received For Settlements	199.0		32.0	
	SKF Bearings India Limited Employees Gratuity Fund		163.9		23.0
	SKF Bearings India Limited Bangalore Employees Gratuity Fund		35.1		9.0

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

(iii) Amount due to/from related parties

Sr. No.	Nature of transaction / relationship	March 31, 2023		March 31, 2022	
		Amount	Amount	Amount	Amount
1	Accounts receivable	500.3		1,187.8	
	SKF International AB		420.0		1,104.5
	Others		80.3		83.3
2	Other receivable	216.3		160.4	
	AB SKF		114.3		111.1
	Others		102.0		49.3
3	Accounts payable	4,217.8		3,535.5	
	SKF International AB		3,101.4		2,851.6
	AB SKF		269.5		268.1
	Others		846.9		415.8
4	Loan (including interest accrued)	676.0		856.0	
	SKF Engineering and Lubrication India Private Limited		676.0		856.0
5	Inter corporate Interest receivable	0.5		-	
	SKF Engineering and Lubrication India Private Limited		0.5		-
6	Trade Advance receivable	-		193.7	
	SKF Engineering and Lubrication India Private Limited		-		193.7
7	Employees' Benefit plans where there is Significant influence				
	Other Receivable	26.3		103.1	
	SKF Bearings India Limited Employees Gratuity Fund		4.1		85.8
	SKF Bearings India Limited Bangalore Employees Gratuity Fund		2.0		17.3
	SKF Bearings India Limited Employees Gratuity Fund		20.2		
	Other Payable	-		44.0	
	SKF Bearings India Limited Employees Gratuity Fund		-		44.0
8	Director's commission	6.2	6.2	4.7	4.7

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

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	3.1	2.9	7.1%	Not Applicable
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities	Total Equity	0.01	0.01	-27.7%	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	38.9	26.8	45.2%	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)	24.8%	22.9%	8.4%	Not Applicable
Inventory Turnover Ratio	COGS	Average Inventory ((Opening + Closing)/2)	3.8	3.9	-4.0%	Not Applicable
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables ((Opening + Closing)/2)	6.3	5.8	9.2%	Not Applicable
Trade payables turnover ratio (in times)	Cost of goods sold	Average trade payables ((Opening + Closing)/2)	4.6	4.1	11.2%	Not Applicable
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	2.6	2.9	-9.5%	Not Applicable
Net profit ratio (in %)	Profit for the year	Revenue from operations	12.2%	10.8%	13.1%	Not Applicable
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities	31.3%	28.1%	11.2%	Not Applicable
Return on investment (in %)	Profit before tax and finance costs	Average total assets ((Opening + Closing)/2)	25.4%	21.7%	16.8%	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.

Notes to the standalone Financial Statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

(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:

- 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.

(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

Manish Bhatnagar

Managing Director
DIN :- 08148320
Place :- Gothenberg

Ashish Saraf

Chief Financial Officer
PAN :- AVEPS0176L
Place :- Pune

Ranjan Kumar

Company Secretary
PAN :- AMEPK5869R
Place :- Gothenberg

Date: May 17, 2023

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, 2023, 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 then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Parent as at March 31, 2023, 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 Matter

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 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, 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 consultant / legal advisors; • We involved our internal specialist to independently validate the management's position on the disputes / litigated matters and to consider legal opinions obtained by the management in evaluating its position on these tax positions; • We have assessed the adequacy of disclosures provided in the consolidated financial statements.

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 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 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 Ind AS and other accounting principles generally accepted in India. 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 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 intends 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to

Independent auditor's report (contd.)

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 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 control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year 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

- (a) The comparative consolidated financial statements of the Parent for the year ended 31 March 2022 included in these consolidated financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative consolidated financial statements dated May 11, 2022 expressed an unmodified opinion on the consolidated financial statements and internal control over financial reporting. Our opinion is not modified in respect of this matter.
- (b) The consolidated financial statements also include the Parent's share of net profit of Rs. 0.9 million for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of 2 associates, whose financial information have not been audited by us. 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 information. 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 matter with respect to financial information certified by the Management.

Independent auditor's report (contd.)

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, 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 relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows 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, 2023 taken on record by the Board of Directors of the Parent, none of the directors of the Parent is disqualified as on March 31, 2023 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 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 and its associates. 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. 0.08 million which is held in abeyance due to legal cases pending. Refer Note 37 to the consolidated financial statements
 - iv) (a) The Management of the Parent has represented to us and to the best of their knowledge and belief, other than as disclosed in the notes to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such associates 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. Refer Note 47 to the consolidated financial statements.
 - (b) The Management of the Parent has represented to us and to the best of their knowledge and belief, other than as disclosed in the notes to the consolidated financial statements, no funds have been received by the

Independent auditor's report (contd.)

- Parent or any of such associates 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. Refer Note 47 to the consolidated financial statements.
- (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 Parent during the year is in accordance with section 123 of the Act, as applicable.
- As stated in note 34(b) 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) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 1, 2023 to the Parent and its associates which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kedar Raje

Partner

(Membership No. 102637)

UDIN: 23102637BGXUSR9062

Place: Pune

Date: May 17, 2023

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 financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of **SKF India Limited** and its associates (hereinafter referred to as “Parent”), which are the companies incorporated in India, 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 the 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 the 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, the 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, 2023, 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)

Kedar Raje

Partner

(Membership No. 102637)

UDIN: 23102637BGXUSR9062

Place: Pune

Date: May 17, 2023

Consolidated Balance Sheet

as at March 31, 2023

(INR in Million)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current Assets			
Property, plant and equipment	3 (a)	3,874.7	3,647.4
Right-of-use assets	3 (b)	133.7	153.7
Capital Work-in-progress	3 (a)	633.8	515.2
Investment properties	4	229.2	221.3
Intangible assets	5	3.2	2.5
Financial assets			
Investments	6	23.6	22.7
Loans	7	676.0	456.0
Others Financial assets	8	306.6	234.7
Deferred tax assets (net)	9	208.2	222.4
Non-Current Tax Asset (net)	10	207.4	315.0
Other non-current assets	11	997.0	807.6
Total non-current assets		7,293.4	6,598.5
Current Assets			
Inventories	12	6,860.3	6,768.2
Financial Assets			
Trade receivables	13	6,786.5	6,857.3
Cash and cash equivalents	14	9,552.8	3,885.2
Bank balance other than above	15	26.8	133.3
Loans	7	-	400.0
Others Financial assets	8	269.1	279.9
Other Current Assets	11	990.1	1,223.3
Total Current Assets		24,485.6	19,547.2
TOTAL ASSETS		31,779.0	26,145.7
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	494.4	494.4
Other Equity	17	22,919.4	18,362.5
Total Equity		23,413.8	18,856.9
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Lease Liabilities	3 (b)	81.4	104.9
Provisions	18	322.7	376.3
Total non-current liabilities		404.1	481.2
Current Liabilities			
Financial Liabilities			
Lease Liabilities	3 (b)	63.0	56.1
Trade Payables	19		
Outstanding dues of micro and small enterprises		326.2	225.0
Outstanding dues other than micro and small enterprises		5,752.9	4,859.9
Other Financial liabilities	20	1,219.3	1,043.5
Provisions	18	370.5	237.6
Current tax liabilities (net)	10	-	66.8
Other current liabilities	21	229.2	318.7
Total current liabilities		7,961.1	6,807.6
Total Liabilities		8,365.2	7,288.8
TOTAL EQUITY AND LIABILITIES		31,779.0	26,145.7

1
Significant accounting policies
Significant accounting judgements, estimates and assumptions
 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: Pune
 Date: May 17, 2023

**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 :- Pune

Date: May 17, 2023

Manish Bhatnagar
 Managing Director
 DIN :- 08148320
 Place :- Gothenberg

Ranjan Kumar
 Company Secretary
 PAN :- AMEPK5869R
 Place :- Gothenberg

Consolidated statement of profit and loss

for the year ended March 31, 2023

(INR in Million)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
1 Revenue from Operations	22	43,049.2	36,658.9
Other Income	23	518.7	346.2
Total Income		43,567.9	37,005.1
2 Expenses			
(a) Cost of materials consumed	24	10,416.9	9,007.0
(b) Purchases of stock-in-trade	25	15,536.5	15,177.1
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(295.2)	(1,732.2)
(d) Employee benefit expense	27	2,996.3	2,856.9
(e) Finance costs	28	15.1	20.8
(f) Depreciation and amortisation expense	29	668.4	571.0
(g) Other expenses	30	6,900.6	5,794.9
Total Expenses		36,238.6	31,695.5
3 Profit before Tax		7,329.3	5,309.6
4 Share of net profit/(loss) of associates accounted for using the equity method		0.9	(1.7)
5 Income tax expense :	31		
Current tax (including tax relating to earlier years)		2,075.7	1,377.0
Deferred tax charge / (credit)		5.7	(18.7)
Total tax expense		2,081.4	1,358.3
6 Profit for the year (3 + 4 - 5)		5,248.8	3,949.6
7 Other comprehensive income			
Items that will not be reclassified to profit and loss			
Remeasurement of defined benefits obligation		33.4	(18.1)
Income tax (charge) / credit relating to these items		(8.4)	4.6
Other comprehensive income for the year (net of tax)		25.0	(13.5)
8 Total comprehensive income for the year (6 + 7)		5,273.8	3,936.1
9 Earnings per equity share [nominal value of share INR 10]			
(previous year : INR 10)	35		
Basic and Diluted EPS		106.2	79.9

Significant 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: Pune

Date: May 17, 2023

**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 :- Pune

Date: May 17, 2023

Manish Bhatnagar

Managing Director
DIN :- 08148320
Place :- Gothenberg

Ranjan Kumar

Company Secretary
PAN :- AMEPK5869R
Place :- Gothenberg

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

A) Equity Share Capital

	Notes	(INR in Million) Amount
March 31, 2022	16	
Balance as at March 31, 2021		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, 2022		494.4
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

B) Other Equity

	Retained earnings	Capital redemption reserve	General reserve	Total Other Equity
Balance as at March 31, 2021	12,271.5	32.9	2,838.9	15,143.3
Profit for the year ended March 31, 2022	3,949.6	-	-	3,949.6
Other comprehensive income for the year ended March 31, 2022	(13.5)	-	-	(13.5)
Total comprehensive income for the year ended March 31, 2022	3,936.1	-	-	3,936.1
Transactions with owners in their capacity as owners				
Dividend paid (Rs 14.50 per share)	(716.9)	-	-	(716.9)
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

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: Pune
Date: May 17, 2023

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

Gopal Subramanyam
Chairman
DIN :- 06684319
Place :- Gothenberg

Manish Bhatnagar
Managing Director
DIN :- 08148320
Place :- Gothenberg

Ashish Saraf
Chief Financial Officer
PAN :- AVEPS0176L
Place :- Pune

Ranjan Kumar
Company Secretary
PAN :- AMEPK5869R
Place :- Gothenberg

Date: May 17, 2023

Consolidated Cashflow Statement

for the year ended March 31, 2023

(INR in Million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Cash flow from Operating Activities		
Profit before tax	7,329.3	5,309.6
Adjusted for :		
Depreciation and amortisation expenses	668.4	571.0
Provision for bad and doubtful debts	4.1	(43.9)
Profit on sale of Property Plant & Equipment (net)	(5.4)	(2.3)
Finance costs	15.1	20.8
Liabilities and Provisions no longer required written back	49.3	-
Interest income		
- Fixed deposits with banks	(306.3)	(132.8)
- On loan given to related party	(53.8)	(51.2)
	371.4	361.6
Operating Profit before working capital changes	7,700.7	5,671.2
Adjusted for :		
Decrease / (increase) in inventories	(92.1)	(2,088.2)
Decrease / (increase) in trade receivables	66.7	(979.0)
Decrease / (increase) in current & non-current assets	215.6	(387.8)
(Decrease) / increase in trade payables	945.4	(674.6)
(Decrease) / increase in other liabilities and provisions	185.1	515.5
	1,320.7	(3,614.1)
Cash generated from operations	9,021.4	2,057.1
Income taxes paid	(2,119.1)	(1,486.2)
Net cash flow from Operating Activities (A)	6,902.3	570.9
B. Cash flow from Investing Activities		
Payments for Property Plant & Equipment (Including Capital Work-in-progress)	(1,067.2)	(916.3)
Payments for Investment properties	(16.9)	(71.9)
Proceed from sale of Property Plant & Equipment	13.9	8.5
Deposits placed during the year	-	(109.0)
Deposits matured during the year	108.5	555.8
Interest Received	278.7	141.2
Interest received on loan to related party	53.8	65.8
Repayment of loan by related party	180.0	-
Net cash outflow from Investing Activities (B)	(449.2)	(325.9)
C. Cash flow from Financing Activities		
Dividend paid	(719.4)	(716.9)
Principal elements of lease payments	(51.0)	(42.2)
Finance cost	(15.1)	(20.8)
Net cash outflow from Financing Activities (C)	(785.5)	(779.9)
Net changes in Cash and Cash Equivalents (A+B+C)	5,667.6	(534.9)
Cash and Cash Equivalents at beginning of the year	3,885.2	4,420.1
Cash and Cash Equivalents at the end of the year	9,552.8	3,885.2
Net changes in Cash and Cash Equivalents	5,667.6	(534.9)

Significant 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: Pune

Date: May 17, 2023

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 :- Pune

Date: May 17, 2023

Manish Bhatnagar

Managing Director

DIN :- 08148320

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, 2023

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 Significant accounting policies

This note provides a list of the significant 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

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

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 recognised 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 recognised 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 recognised 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 recognised at a point-in-time :-

For sale of products and sale of services, revenue is recognised 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

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

between the tax bases of assets and liabilities and their carrying amounts in the Consolidated 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 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 recognised 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 categorised as loans and receivables are measured at amortised cost using the effective interest method. Impairment losses (primarily allowance for doubtful accounts) are recognised

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (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 amortised cost using the effective interest method.

Financial assets are derecognised when the contractual rights to the cash flow have expired or been transferred together with substantially all risks and rewards. Financial liabilities are derecognised 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.

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.

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

Intangible assets

Intangible assets are stated at initial cost less any accumulated amortisation and any impairment. Amortisation 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 recognised 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.
- any lease payments made at or before

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

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:

- defined benefit plans such as gratuity and provident fund (for employees who are members of SKF India Limited Provident Fund Scheme)
- defined contribution plans such as superannuation and provident fund (for

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

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 recognised 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

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

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 33 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 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.

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

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 37(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 under Companies (Indian Accounting Standards) Rules as issued from time to time. There are no new Standards that became effective during the year. Amendments that became effective during the year did not have any material effect. On March 31, 2023, MCA

amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

Ind AS 12 - Income Taxes -

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of these amendments is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendments and the impact of the amendments are insignificant in the financial statements.

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (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, 2022								
Gross carrying amount as at April 1, 2021	269.1	649.0	168.1	80.3	4,707.0	107.1	5,980.6	647.6
Additions	-	40.5	32.9	12.3	942.7	20.8	1,049.2	916.8
Disposals	-	-	(1.5)	-	(49.0)	(29.2)	(79.7)	-
Transfers	-	-	-	-	-	-	-	(1,049.2)
Closing gross carrying amount	269.1	689.5	199.5	92.6	5,600.7	98.7	6,950.1	515.2
Accumulated Depreciation as at April 1, 2021	-	128.7	129.6	69.5	2,463.0	51.5	2,842.3	-
Depreciation charged during the year	-	23.8	22.5	2.3	464.2	21.1	533.9	-
Disposal	-	-	(1.4)	-	(48.0)	(24.1)	(73.5)	-
Closing accumulated depreciation	-	152.5	150.7	71.8	2,879.2	48.5	3,302.7	-
Net carrying amount as at March 31, 2022	269.1	537.0	48.8	20.8	2,721.5	50.2	3,647.4	515.2
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

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (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, 2022				
	Amounts in capital work-in-progress for				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	500.4	14.3	0.4	-	515.2
Projects temporarily suspended	-	-	-	-	-
Total	500.4	14.3	0.4	-	515.2

* 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, 2022		
Gross carrying amount as at April 1, 2021	53.0	7.0
Additions	7.0	-
Closing gross carrying amount	60.0	7.0
Accumulated Depreciation as at April 1, 2021	44.5	4.7
Depreciation charged during the year	6.6	0.1
Closing accumulated depreciation	51.1	4.8
Net carrying amount as at March 31, 2022	8.9	2.2
Year ended March 31, 2023		
Gross carrying amount as at April 1, 2022	60.0	7.0
Addition	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

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (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, 2023	March 31, 2022
Buildings at various location	133.7	153.7
Total	133.7	153.7

Lease Liabilities	March 31, 2023		March 31, 2022	
	Current	Non-Current	Current	Non-Current
Buildings	63.0	81.4	56.1	104.9
Total	63.0	81.4	56.1	104.9

ii) Movement in ROU:

Description	Amount
Year ended March 31, 2022	
Gross carrying amount as at April 1, 2021	285.0
Additions	31.5
Closing gross carrying amount	316.5
Accumulated amortisation as at April 1, 2021	134.5
Amortised during the year	28.3
Closing accumulated amortisation	162.8
Net carrying amount as on March 31, 2022	153.7
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 amortisation as at April 1, 2022	162.8
Amortised during the year	54.4
Closing accumulated amortisation	217.2
Net carrying amount as on March 31, 2023	133.7

iii) Movement in Lease Liability:

Description	March 31, 2023	March 31, 2022
At the commencement of the year	161.0	175.9
Additions/Deletions during the year	34.4	27.3
Payments made during the year	(51.0)	(42.2)
Closing Balance	144.4	161.0

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, 2023	March 31, 2022
Depreciation charge on right-of-use assets	54.4	28.3
Interest expense (included in Finance cost)	12.9	20.2
Expense relating to short-term leases /leases of low-value assets (Refer Note 30)	7.5	7.3
Total	74.8	55.8

The total cash outflow for leases for the year was INR 51.0 Million (March 31, 2022 was INR 42.2 Million).

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

4. Investment properties		
Description	As at March 31, 2023	As at March 31, 2022
Gross carrying amount		
Opening gross carrying amount	269.2	197.3
Additions	16.9	71.9
Closing gross carrying amount	286.1	269.2
Accumulated depreciation		
Opening accumulated depreciation	47.9	40.4
Depreciation	9.0	7.5
Closing accumulated depreciation	56.9	47.9
Net carrying amount	229.2	221.3
Amount recognised in profit & loss for investment properties given on operating lease to related party		
Description	As at March 31, 2023	As at March 31, 2022
Rental Income	38.4	36.0
Depreciation	9.0	7.5
Profit from Investment properties	29.4	28.5

Leasing arrangements

Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:

Description	As at March 31, 2023	As at March 31, 2022
Within one year	38.4	38.4
Later than one year but less than 5 year	192.0	192.0

Fair Value

Description	As at March 31, 2023	As at March 31, 2022
Investment properties	483.0	449.0

The Company has obtained an independent valuations for its investment properties by registered valuer as defined under ruler 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 capitalising the market lease rent at an appropriate rate (yield) as on date of valuation.

5. Intangible assets	
Description	Computer Software
Year ended March 31, 2022	
Gross carrying amount	
Gross carrying amount as at April 1, 2021	6.9
Additions	1.2
Closing gross carrying amount	8.1
Accumulated amortisation as at April 1, 2021	4.3
Amortised during the year	1.3
Closing accumulated amortisation	5.6
Net carrying amount as on March 31, 2022	2.5
Year ended March 31, 2023	

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

5. Intangible assets (contd.)	
Description	Computer Software
Gross carrying amount as at April 1, 2022	8.1
Additions	2.9
Closing gross carrying amount	11.0
Accumulated amortisation as at April 1, 2022	5.6
Amortised during the year	2.2
Closing accumulated amortisation	7.8
Net carrying amount as on March 31, 2023	3.2

6. Investments		
Financial Assets	As at March 31, 2023	As at March 31, 2022
Investment in associates accounted for using the equity method		
Sunstrength Renewables Private Limited		
309,750 equity shares (March 31, 2022 - 309,750) of INR 10/- each fully paid	23.6	22.7
CleanMax Taiyo Private Limited		
2,600 equity shares (March 31, 2022 - Nil) of INR 10/- each fully paid (INR, 26,000)	(0.0)	-
	23.6	22.7

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.

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.

7. Loans				
Lease Liabilities	March 31, 2023		March 31, 2022	
	Current	Non-Current	Current	Non-Current
Secured, considered good				
Loan to related party *	-	676.0	400.0	456.0
	-	676.0	400.0	456.0

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):

Lease Liabilities	March 31, 2023	
	Amount outstanding	% to the total loans and advances in the nature of loans
Amounts repayable on demand		
Other related parties	676.0	100%
Total	676.0	100%

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

Lease Liabilities	March 31, 2022	
	Amount outstanding	% to the total loans and advances in the nature of loans
Amounts repayable on demand		
Other related parties	856.0	100%
Total	856.0	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 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. 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

Lease Liabilities	March 31, 2023		March 31, 2022	
	Current	Non-Current	Current	Non-Current
Security Deposits	-	102.1	-	89.6
EMD and other deposits	-	-	-	-
- Unsecured, considered good	-	183.8	-	144.6
- Unsecured, considered doubtful	-	102.2	-	102.2
Less: Allowance for doubtful deposits	-	286.0	-	246.8
	-	(102.2)	-	(102.2)
	-	183.8	-	144.6
Gratuity Asset	-	20.3	-	-
Other receivables				
Related party (refer note 44 (iii))	222.4	-	263.5	-
Other than related party	17.9	0.4	15.7	0.5
Interest accrued:				
On fixed deposits with banks	28.3	-	0.7	-
On loan given to related party	0.5	-	-	-
	269.1	306.6	279.9	234.7

9. Deferred tax asset / (liabilities) net

	March 31, 2023	March 31, 2022
Deferred tax assets		
Provision for employee benefits	72.4	116.5
Provision for doubtful trade receivables	40.1	36.8
Other timing differences	100.3	95.6
	212.8	248.9
Deferred tax liabilities		
Written Down Value of Property, plant and equipment	(4.6)	(26.5)
	(4.6)	(26.5)
Net deferred tax assets	208.2	222.4

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

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, 2021	91.3	47.9	87.5	(27.6)	199.1
(Charged)/credited :					
- to profit and loss a/c	20.6	(11.1)	8.1	1.1	18.7
- to other comprehensive income	4.6	-	-	-	4.6
As at March 31, 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

10. Non - Current Tax Asset /(Liability) Net

	March 31, 2023	March 31, 2022
Tax Assets (net of provision INR 20,455 millions, March 31, 2022 - INR 18,272 millions)	207.4	248.2
	207.4	248.2
Presented as non current tax assets	207.4	315.0
Presented as current tax liabilities	-	(66.8)

Movement of Tax

	March 31, 2023	March 31, 2022
Opening Balance (Tax Asset /(Liability) (Net))	248.2	294.5
Add: Taxes paid	2,034.9	1,330.8
Less: Current tax payable	(1,853.5)	(1,386.8)
Less: Current Tax adjustment of earlier years*	(222.2)	9.8
Closing Balance	207.4	248.2

* The Company had filed MAP application with CBDT for AY 2011-12 and AY 2012-13 regarding transfer pricing adjustments. During the year the Company has 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.

11. Other assets

Lease Liabilities	March 31, 2023		March 31, 2022	
	Current	Non-Current	Current	Non-Current
Capital Advance	-	166.8	-	46.0
Prepaid Expenses	117.8	19.4	116.3	22.0
Advances for supply of goods and rendering of services	405.7	-	537.8	-
Export benefits / duty entitlements	46.2	-	76.0	-
Balances with Sales tax / Excise authorities	280.3	-	364.2	-
Amount paid under protest/dispute				
- Direct Tax	-	759.3	-	674.9
- Indirect Tax	-	51.5	-	64.7
	-	810.8	-	739.6
Other receivables				
- Unsecured, considered good*	140.1	-	129.0	-
- Unsecured, considered doubtful	-	4.9	-	-
	140.1	4.9	129.0	-
Less: Allowance for doubtful receivables	-	(4.9)	-	-
	140.1	-	129.0	-
	990.1	997.0	1,223.3	807.6

* includes amount paid under protest to various Government authorities and MEIS/DEPB licenses on hand.

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

Current Assets

12. Inventories at cost or NRV whichever is lower (FIFO)		
	March 31, 2023	March 31, 2022
Raw Materials and Bought-Out Components including material in transit INR 109.6 millions (As on March 31, 2022 INR 217.0 millions)	969.0	1,188.8
Stores and Spares including material in transit INR 11.5 millions (As on March 31, 2022 INR 10.9 millions)	524.7	508.0
Work-in-progress	141.1	133.3
Finished Products including Goods in transit INR 1,042.0 millions (As on March 31, 2022 INR 1,695.8 millions)	5,225.5	4,938.1
	6,860.3	6,768.2

The cost of inventories recognised as an expense during the year in respect of continuing operations was INR 216.1 million (March 31, 2022 INR 216.3 million).

13. Trade receivables		
	March 31, 2023	March 31, 2022
Trade receivables from contract with customers – billed	6,445.7	5,829.8
Trade receivables from contract with customers – related parties	500.3	1,187.8
Less: Loss allowance for bad and doubtful debts	(159.5)	(160.3)
Total receivables	6,786.5	6,857.3
Current portion	6,786.5	6,857.3
Non-current portion	-	-
	6,786.5	6,857.3
Break-up of security details		
Trade receivables considered good – unsecured	6,786.5	6,857.3
Trade receivables which have significant increase in credit risk	159.5	160.3
Total	6,946.0	7,017.6
Loss allowance	(159.5)	(160.3)
Total trade receivables	6,786.5	6,857.3

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, 2023						
	Outstanding for following periods from the due date of payment						
	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	42.4	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, 2023 (contd.)

(INR in Million)

Aging of trade receivables:

	March 31, 2022						
	Outstanding for following periods from the due date of Payment						
	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	4,854.9	814.5	-	-	-	-	5,669.5
considered good - related parties (Refer note 44 (iii))	996.3	185.6	5.2	-	0.7	-	1,187.8
which have significant increase in credit risk	-	49.8	2.3	14.9	0.9	7.7	75.6
credit impaired	-	-	-	-	-	-	-
Disputed trade receivables							
considered good	-	-	-	-	-	-	-
which have significant increase in credit risk	-	4.3	15.4	16.6	6.7	41.7	84.7
credit impaired	-	-	-	-	-	-	-
Total	5,851.2	1,054.2	22.9	31.5	8.3	49.3	7,017.6
Less: Loss allowance							(160.3)
Total receivables							6,857.3

14. Cash and cash equivalents

	March 31, 2023	March 31, 2022
Balances with Banks		
- On Current Account	167.8	196.1
- On EEFC Account	9.0	27.7
On Deposit Account (with original maturity of 3 months or less)	9,376.0	3,661.4
Cash & Bank Balances	9,552.8	3,885.2

15. Bank balances other than the above

	March 31, 2023	March 31, 2022
Bank deposits with original maturity of more than 3 months and remaining maturity of less than 12 months.		
	0.5	109.0
Unclaimed Dividend Account*	26.1	24.3
CSR Unspent Account*	0.2	-
	26.8	133.3

*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, 2021	100.0	1,000.0
Changes during the year	-	-
As at March 31, 2022	100.0	1,000.0
Changes during the year	-	-
As at March 31, 2023	100.0	1,000.0

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

16. Equity Share Capital (contd.)		
	No of shares (in million)	Amount
Movement in issued, subscribed and paid up Equity share capital		
As at March 31, 2021	49.4	494.4
Changes during the year	-	-
As at March 31, 2022	49.4	494.4
Changes during the year	-	-
As at March 31, 2023	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.

Shares of the Company held by holding company and their subsidiaries

	March 31, 2023		March 31, 2022	
	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, 2023		March 31, 2022	
	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, 2023			March 31, 2022		
	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 preceding March 31, 2023;

- (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, 2023 (contd.)

(INR in Million)

17. Reserves and surplus*		
	March 31, 2023	March 31, 2022
General reserve	2,838.9	2,838.9
Capital redemption reserve	32.9	32.9
Retained earnings	20,047.6	15,490.7
	22,919.4	18,362.5
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	15,490.7	12,271.5
Profit for the year	5,248.8	3,949.6
Other comprehensive income recognised directly in retained earning :-		
Remeasurements of post-employment benefit obligation, net of tax	25.0	(13.5)
Less : Appropriations		
Dividend on Equity shares INR 14.5 per share (Previous year INR 14.5 per share)	(716.9)	(716.9)
Closing Balance	20,047.6	15,490.7

*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.

	March 31, 2023		March 31, 2022	
	Current	Non-Current	Current	Non-Current
Disputed statutory and other matters	-	64.3	-	61.2
Warranty	18.2	5.6	14.9	5.6
Coupons & Incentives	286.2	-	123.0	7.0
Provision for employee benefits				
Compensated absences	66.1	252.8	55.8	302.5
Gratuity (Refer note 36)	-	-	43.9	-
	370.5	322.7	237.6	376.3

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, 2021	54.0	9.4	142.4	205.8
Provision made during the year	7.2	14.9	589.1	611.2
Provision utilised during the year	-	(3.8)	(601.6)	(605.4)
As on March 31, 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	374.2

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, 2023 (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, 2023	March 31, 2022
Current		
(i) Outstanding dues of micro and small enterprises (refer note 38)	326.2	225.0
(ii) Outstanding dues of creditors other than micro and small enterprises & related parties	1,535.1	1,324.4
(iii) Payable to related parties (Refer note 44 (iii))	4,217.8	3,535.5
	6,079.1	5,084.9

Aging of trade payables:

	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	-	310.1	12.2	2.7	-	1.3	326.2
Others	1,819.6	2,831.9	876.1	73.1	67.2	85.0	5,752.9
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	1,819.6	3,142.0	888.3	75.8	67.2	86.3	6,079.1

	March 31, 2022						
	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	-	215.7	8.1	1.0	0.2	-	225.0
Others	1,099.6	2,976.1	635.4	73.4	4.0	71.4	4,859.9
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	1,099.6	3,191.8	643.5	74.4	4.2	71.4	5,084.9

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

20. Other current financial liabilities		
	March 31, 2023	March 31, 2022
Salaries and Incentives	248.3	254.9
Liabilities for dealer incentives	802.1	639.9
Unclaimed dividend *	22.6	23.3
Payables on account of capital purchases	75.6	60.7
Other liabilities **	70.7	64.7
	1,219.3	1,043.5

* There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2023 except INR 0.2 million (March 31, 2022 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, 2023	March 31, 2022
Statutory dues payable (TDS,PF, ESIC,PT,GST etc.)	184.4	208.4
Liability towards corporate social responsibility (Refer note 30)	0.2	21.8
Advances received from customers	44.6	88.5
	229.2	318.7

22. Revenue from operations (Refer note 42)		
	For year ended March 31, 2023	For year ended March 31, 2022
Revenue from contracts with customers :-		
Sale of products :-		
Manufactured goods	20,435.8	19,834.8
Traded goods	20,948.2	15,540.2
Sale of products (total)	41,384.0	35,375.0
Sale of services	955.2	660.5
Other operating revenue :-		
Scrap sales	94.9	43.7
Technical and other service income	502.4	473.0
Miscellaneous Operating Income (includes export benefits etc)	112.7	106.7
	43,049.2	36,658.9

23. Other income		
	For year ended March 31, 2023	For year ended March 31, 2022
Interest Income from Financial assets at amortised cost		
- Fixed deposits with banks	306.3	132.8
- On loan given to related party	53.8	51.2
Rental income	38.4	36.0
Discount on license purchased	34.0	40.8
Profit on sale of Property Plant & Equipment (net)	5.4	2.3
Liabilities and Provisions no longer required written back	49.3	-
Miscellaneous Income	31.5	83.1
	518.7	346.2

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

24. Cost of material consumed		
	For year ended March 31, 2023	For year ended March 31, 2022
Inventory at the beginning of the year	1,188.8	841.9
Purchases during the year	10,197.1	9,353.9
Inventory at the end of the year	(969.0)	(1,188.8)
Cost of material consumed	10,416.9	9,007.0

25. Purchase of stock in trade		
	For year ended March 31, 2023	For year ended March 31, 2022
Purchases of traded goods	15,536.5	15,177.1
	15,536.5	15,177.1

26. Changes in inventories of finished goods, work-in-progress and stock-in-trade		
	For year ended March 31, 2023	For year ended March 31, 2022
Increase in inventory of finished goods :		
Opening inventory	1,418.0	899.7
Less : Closing inventory	1,387.0	1,418.0
	31.0	(518.3)
Increase in inventory of work in progress :		
Opening inventory	133.3	109.8
Less : Closing inventory	141.1	133.3
	(7.8)	(23.5)
Increase in inventory of traded goods :		
Opening inventory	3,520.1	2,329.7
Less : Closing inventory	3,838.5	3,520.1
	(318.4)	(1,190.4)
	(295.2)	(1,732.2)

27. Employee benefit expense		
	For year ended March 31, 2023	For year ended March 31, 2022
Salaries, Wages and Bonus	2,353.4	2,247.0
Share based payments (Refer Note 39)	6.4	4.2
Contribution to Provident and Other Funds (Refer note 36)	178.1	152.8
Gratuity (Refer note 36)	41.1	35.1
Compensated absences	23.8	55.9
Staff welfare expenses	393.5	361.9
	2,996.3	2,856.9

28. Finance costs		
	For year ended March 31, 2023	For year ended March 31, 2022
Interest and finance charges on lease liability	15.1	20.8
	15.1	20.8

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

29. Depreciation and amortisation expense		
	For year ended March 31, 2023	For year ended March 31, 2022
Depreciation of Property, Plant & Equipment	602.8	533.9
Depreciation on right-of-use assets	54.4	28.3
Amortisation of Intangible assets	2.2	1.3
Depreciation of Investment property	9.0	7.5
	668.4	571.0

30. Other expenses		
	For year ended March 31, 2023	For year ended March 31, 2022
Consumption of stores and spare parts	1,405.7	1,154.4
Power and Fuel	561.7	506.4
Repairs and maintenance		
Building	48.6	47.3
Machinery	528.2	471.3
Royalty	659.7	571.4
IT Services	623.1	637.3
Trade mark fees	413.8	359.5
Rental charges	7.5	7.3
Insurance	84.5	74.7
Rates and Taxes	28.4	32.9
Travel and conveyance	265.6	177.5
Legal and professional fees	85.0	133.3
Payment to auditors (Refer note I below)	4.9	9.0
Advertising and sales promotion	228.2	62.8
Logistic Cost	546.3	452.9
Provision for bad and doubtful debts	4.1	-
Bad debts written off	1.3	19.4
Directors' Commission / Sitting Fees	7.5	6.3
Expenditure incurred for Corporate Social Responsibility (Refer note II below)	85.9	84.5
Net Exchange Loss	406.8	125.5
Miscellaneous expenses	903.8	861.2
	6,900.6	5,794.9

	For year ended March 31, 2023	For year ended March 31, 2022
I) Note : Payments to auditors		
As auditor		
- Statutory audit (including Limited Reviews and certification)	3.9	*8.1
- Tax audit	-	0.9
- Other audit services	1.0	-
<i>* Includes INR 1.3 million in respect of year ended March 31, 2021 charged in previous year</i>	4.9	9.0

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

	March 31, 2023	March 31, 2022
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	85.3	84.5
Amount of expenditure incurred	85.9	59.9
(Excess) / Shortfall for the year	(0.6)	24.6
Shortfall for previous years	0.2	23.3
Reason for shortfall	Refer note below	-
Nature of CSR activities:		
Contribution towards Youth Empowerment	37.1	26.1
Contribution towards Women Empowerment	28.0	16.6
Contribution towards Education	2.7	3.1
Others	18.1	14.2
Total	85.9	60.0
Amount spent during the year on		
(i) Construction/acquisition of an Assets	-	-
(ii) On purpose other than (i) above	85.9	(59.9)
	85.9	(59.9)
Details of related party transactions	NA	NA
Provision with respect to a liability incurred by entering into a contractual obligation.	NA	NA

Note: The Company has spent the unspent amount of INR 0.2 million for FY 2021-22 as on March 31, 2023 subsequent to the year end.

31. Income Tax expense

	For year ended March 31, 2023	For year ended March 31, 2022
(a) Current Tax		
Current tax on profit during the year	1,853.5	1,386.8
Adjustments for current tax of prior periods	222.2	(9.8)
Total Current Tax expense	2,075.7	1,377.0
Deferred Tax		
Deferred tax expense	5.7	(18.7)
Income tax expense	2,081.4	1,358.3
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit from continuing operations before income tax expense	7,329.3	5,309.6
Tax at the Indian tax rate of 25.17 %	1,844.8	1,336.4
<i>Tax effect of amounts which are not deductible (taxable) in calculating taxable income :</i>		
Adjustments for current tax of prior periods	222.2	(9.8)
Corporate social responsibility expenditure	21.6	21.3
Others	(7.2)	10.9
Income tax expense	2,081.4	1,358.8
(c) Tax impact of remeasurement of post employment benefits obligation recognised in OCI	(8.4)	4.6

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (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, 2023		March 31, 2022	
	Amortised Cost	Carrying Amount	Amortised Cost	Carrying Amount
Financial assets				
Trade receivables	6,786.5	6,786.5	6,857.3	6,857.3
Cash and bank balances	9,579.6	9,579.6	4,018.5	4,018.5
Loan to related party	676.0	676.0	856.0	856.0
Other Financial assets	575.7	575.7	514.6	514.6
Total Financial Assets	17,617.8	17,617.8	12,246.4	12,246.4
Financial Liabilities				
Trade Payables	6,079.1	6,079.1	5,084.9	5,084.9
Other Financial Liabilities	1,219.3	1,219.3	1,043.5	1,043.5
Lease Liabilities	144.4	144.4	160.9	160.9
Other current liabilities	229.2	229.2	318.7	318.7
Total Financial Liabilities	7,672.1	7,672.1	6,608.0	6,608.0

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, 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
Other current liabilities	-	-	229.2	229.2
Total Financial liabilities	-	-	7,672.1	7,672.1

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2022

	Level 1	Level 2	Level 3	Total March 31, 2022
Financial assets				
Trade receivables	-	-	6,857.3	6,857.3
Cash and bank balances	-	-	4,018.5	4,018.5
Loan to related party	-	-	856.0	856.0
Other Financial assets	-	-	514.6	514.6
Total Financial assets	-	-	12,246.4	12,246.4
Financial Liabilities				
Trade Payables	-	-	5,084.9	5,084.9
Other Financial Liabilities	-	-	1,043.5	1,043.5
Lease Liabilities	-	-	160.9	160.9
Other current liabilities	-	-	318.7	318.7
Total Financial liabilities	-	-	6,608.0	6,608.0

(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.

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, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Trade Receivables				
EURO	89.5	84.4	13.3	217.8
USD	82.2	75.7	118.1	354.1

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

Financial Assets	Exchange Rates		Exposure in Foreign Currency	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
SEK	7.9	8.2	105.4	376.0
SGD	61.9	56.0	137.8	123.7
CNY	12.0	11.9	16.2	41.8
AUD	54.9	56.7	16.5	39.4
THB	2.4	2.3	39.1	46.5
CAD	60.7	60.5	6.8	1.2
Total			453.2	1,200.5
Bank balance in EEFC				
EURO	89.5	84.4	5.5	1.7
USD	82.2	75.7	3.6	5.6
Total			462.3	1,207.8

Financial Liabilities	Exchange Rates		Exposure in Foreign Currency	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Trade Payables				
EURO	89.5	84.4	3,212.2	2,831.2
USD	82.2	75.7	316.3	536.9
SEK	7.9	8.2	(77.5)	2.3
GBP	101.7	99.5	0.2	0.2
YEN	0.6	0.6	11.4	9.6
CHF	89.9	81.8	2.0	1.4
CNY	12.0	11.9	1.7	1.7
Total			3,466.3	3,383.3

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, 2023	March 31, 2022
EURO sensitivity		
INR/EURO increased by 5 %	(159.9)	(130.7)
INR/EURO decreased by 5 %	159.9	130.7
USD sensitivity		
INR/USD increased by 5 %	(9.9)	(9.1)
INR/USD decreased by 5 %	9.9	9.1
SEK sensitivity		
INR/SEK increased by 5 %	9.1	18.7
INR/SEK decreased by 5 %	(9.1)	(18.7)
SGD sensitivity		
INR/SGD increased by 5 %	6.9	6.2
INR/SGD decreased by 5 %	(6.9)	(6.2)

iii) Interest rate risk

The Company's has very limited exposure to borrowings.

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

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

All the financial liabilities as on March 31, 2022 were 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

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.

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

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, 2023			As at March 31, 2022		
	Gross	Allowance	Net	Gross	Allowance	Net
Trade receivables						
Period (in months)						
Not due	6,439.3	-	6,439.3	5,851.2	-	5,851.2
Overdue up to 3 months	347.2	-	347.2	1,006.1	-	1,006.1
Overdue 3-6 months	5.6	(5.6)	-	53.5	(53.5)	-
Overdue more than 6 months	153.9	(153.9)	-	106.8	(106.8)	-
Total	6,946.0	(159.5)	6,786.5	7,017.6	(160.3)	6,857.3

Reconciliation of loss allowance provision – Trade receivables

	Amount (INR in million)
Loss allowance on April 1, 2021	190.2
Change in loss allowance	(29.9)
Loss allowance on March 31, 2022	160.3
Change in loss allowance	(0.8)
Loss allowance on March 31, 2023	159.5

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, 2023	March 31, 2022
i) Equity shares		
Dividend paid		
March 31, 2022 (INR 14.5 per share)	716.9	-
March 31, 2021 (INR 14.5 per share)	-	716.9
DDT on dividend	-	-

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

	(INR in Million)	
	March 31, 2023	March 31, 2022
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 40.0 per fully paid equity share (March 31, 2022 – INR 14.5). This proposed dividend is subject to the approval of shareholders in the Annual General meeting.	1,977.5	716.9

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, 2023	For year ended March 31, 2022
Profit attributable to Equity Shareholders (Rupees in Million)	5,248.8	3,949.6
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)	106.2	79.9
Diluted Earnings per share (INR)*	106.2	79.9
*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, 2023	For year ended March 31, 2022
Employee Provident Fund - Regional Provident Fund Contribution	42.2	45.6
Superannuation fund	49.4	42.7
	91.6	88.3

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, 2023 (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 March 31, 2021	1,023.1	1,032.5	(9.4)
Current service cost	35.7	-	35.7
Interest cost/income	61.5	62.1	(0.6)
Total amount recognised in profit & loss	97.2	62.1	35.1
Remeasurements			
Return on plan assets less interest on plan assets	-	5.1	(5.1)
changes in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(16.7)	-	(16.7)
Experience (gains)/losses	30.6	-	30.6
Total amount recognised in other comprehensive income	13.9	5.1	8.8
Employer contributions	-	(9.3)	9.3
Benefit payments	(77.2)	(77.2)	-
Closing balance as on March 31, 2022	1,057.0	1,013.2	43.9
Opening balance as on March 31, 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)

The net liability disclosed above relates to funded and unfunded plans are as follows:

	March 31, 2023	March 31, 2022
Present value of funded obligations	1,036.4	1,057.0
Fair value of plan assets	1,056.7	1,013.2
Deficit / (Surplus) of funded plan	(20.3)	43.8

Principal actuarial assumptions used as at the reporting date:

The significant actuarial assumptions were as follows:

	March 31, 2023	March 31, 2022
Discount rate	7.35%	6.90%
Salary growth rate		
for Management employees	10.00%	10.00%
for Non-Management employees	7.00%	6.00%
Attrition Rate:		
for Management employees		
Age From 21 to 30 years	26.00%	24.00%
Age From 31 to 40 years	17.00%	13.00%

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

	(INR in Million)	
	March 31, 2023	March 31, 2022
Age From 41 to 50 years	12.00%	9.00%
Age From 51 to 59 years for Non-Management employees	17.00%	8.00%
Age From 21 to 30 years	1.00%	14.00%
Age From 31 to 40 years	2.00%	4.00%
Age From 41 to 50 years	0.00%	1.00%
Age From 51 to 59 years	9.00%	1.00%
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 year ended March 31, 2023 is Nil.

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, 2021	2,217.3	2,217.3	-
Current service cost	58.7	-	58.7
Interest cost/income	160.9	160.9	-
Total amount recognised in profit & loss	219.6	160.9	58.7
Remeasurements			
Return on plan assets less interest on plan assets	-	(722.7)	722.7
(Gain)/loss from change in financial assumptions	(5.3)	-	(5.3)
Experience (gains)/losses	(845.5)	-	(845.5)
Total amount recognised in other comprehensive income	(850.8)	(722.7)	(128.1)
Employer contributions	-	58.7	(58.7)
Employee contributions	137.6	137.6	-
Assets Distributed on Settlements / acquired on acquisition	128.6	128.6	-
Benefit payments	229.4	229.4	-
Closing balance as on March 31, 2022	2,081.6	2,209.8	(128.2)
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

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

	(INR in Million)		
	Present value of obligation	Fair value of plan assets	Net Amount
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

The fair value of plan assets is INR 2,175.5 millions (March 31, 2022 INR 2,209.8 million). Deficit of INR 26.4 million (March 31, 2022 INR 128.1 million) is not recognised.

The net liability disclosed above relates to funded and unfunded plans are as follows:

	March 31, 2023	March 31, 2022
Present value of funded obligations	2,201.9	2,081.6
Fair value of plan assets	2,175.5	2,209.8
Deficit of funded plan	26.4	(128.2)

Principal actuarial assumptions used as at the reporting date:

The significant actuarial assumptions were as follows:

	March 31, 2023	March 31, 2022
Discount rate	7.35%	6.90%
Expected rate of return on plan assets	8.07%	8.62%
Discount rate for the remaining term to maturity of the investment	7.35%	6.75%
Average historic yield on the investment	8.07%	8.47%
Guaranteed rate of return	8.15%	8.10%
Attrition Rate:		
for Management employees		
Age From 21 to 30 years	26.00%	24.00%
Age From 31 to 40 years	17.00%	13.00%
Age From 41 to 50 years	12.00%	9.00%
Age From 51 to 59 years	17.00%	8.00%
for Non-Management employees		
Age From 21 to 30 years	1.00%	14.00%
Age From 31 to 40 years	2.00%	4.00%
Age From 41 to 50 years	0.00%	1.00%
Age From 51 to 59 years	9.00%	1.00%
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, 2023 (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, 2023	March 31, 2022		Increase in Valuation		Decrease in Valuation		
				March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	
Discount rate - Gratuity	0.50%	0.50%	Decrease by	23.9	29.2	Increase by	22.8	30.7
Salary growth rate - Gratuity	0.50%	0.50%	Increase by	23.7	30.4	Decrease by	22.8	29.2
RPFC guaranteed rate	1.00%	1.00%	Increase by	78.2	62.4	Decrease by	40.7	21.5

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, 2023				March 31, 2022			
	Quoted	Unquoted	Total	in %	Quoted	Unquoted	Total	in %
<i>Debt instruments</i>								
Corporate bonds	9.6	-	9.6	1%	9.9	-	9.9	1%
Government of India securities	147.1	-	147.1	14%	154.5	-	154.5	15%
Sub Total	156.7	-	156.7		164.4	-	164.4	
Insurer Fund	-	897.9	897.9	85%	-	953.7	953.7	94%
Others *	-	0.5	0.5	0%	-	(105.2)	(105.2)	(10%)
Total	156.7	898.4	1,055.1	100%	164.4	848.5	1,012.9	100%

* Includes payable to SKF India Limited

(b) The major categories of plans assets for Provident Fund are as follows:

	March 31, 2023				March 31, 2022			
	Quoted	Unquoted	Total	in %	Quoted	Unquoted	Total	in %
Equity instruments	181.8	-	181.8	8%	229.8	-	229.8	10%
<i>Debt instruments</i>								
Corporate bonds	305.4	-	305.4	14%	836.7	-	836.7	38%
Government of India securities	978.3	-	978.3	45%	959.1	-	959.1	43%

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

	March 31, 2023				March 31, 2022			
	Quoted	Unquoted	Total	in %	Quoted	Unquoted	Total	in %
Sub Total	1,283.7	-	1,283.7		1,795.8	-	1,795.8	
Others	-	710.0	710.0	33%	-	184.2	184.2	8%
Total	1,465.5	710.0	2,175.5	100%	2,025.6	184.2	2,209.8	100%

The weighted average duration of the defined benefit obligation is 4.52 years (2022 – 5.67 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, 2023					
Defined benefit obligation	224.1	333.1	411.3	594.3	1,562.8
March 31, 2022					
Defined benefit obligation	153.4	243.9	406.9	877.7	1,681.9

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.

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

37. Contingent liabilities and commitments*(to the extent not provided for)***a) Contingent liabilities:**

	March 31, 2023	March 31, 2022
Claims against the Company not acknowledged as debts		
(i) Income-tax *	3,248.2	3,010.0
(ii) Excise duty	221.7	221.7
(iii) Goods and Services Tax, Service Tax and Sales tax	189.1	185.9
(iv) Others	1,142.4	1,257.0
	4,801.4	4,674.6

* Including interest of INR 1,227 Million (March 31, 2022 INR 1,062 Millions) 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 a Final assessment order for the Financial Year 2017-18 (Assessment Year 2018-19) u/s 143(3) read with section 144C of the Income Tax Act, 1961 ("Act") from the Assessing officer resulting in an adjustment of INR 767.8 million towards Transfer Pricing addition. 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 and Service tax.

(iii) Others :- The Company has disclosed other claims relating to civil cases in the current year considering similar industry practices leading to a change in management's assessment.

(iv) 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 Organisation 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, 2023.

b) Commitments:

	March 31, 2023	March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances of INR 166.8 million (March 31, 2022 INR 46.0 Million)	327.4	349.7
	327.4	349.7

38. (a) Dues to micro and small suppliers

	March 31, 2023	March 31, 2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end (Refer note (b) below *)	326.2	225.0
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	30.1	17.0
Principal amount paid to suppliers registered under the MSMED Act beyond the appointed day during the year	634.9	535.9
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

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

	(INR in Million)	
	March 31, 2023	March 31, 2022
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	12.3	6.6
Further interest remaining due and payable for earlier years	17.0	9.7

*Includes amount of INR 315.1 million (March 31, 2021 INR 215.7 million) outstanding, but not overdue to micro and small as on March 31, 2023.

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, 2023 and year ended March 31, 2022.

(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, 2023	March 31, 2022
Total Outstanding dues to Micro And Small Enterprises	306.3	222.3
Capital Creditors	19.9	2.7
MSME Principal	326.2	225.0

39. Share Based Payments

SKF's Performance Share Programme

Aktiebolaget SKF (AB SKF), Sweden the ultimate holding company, as part of its Performance Share programme (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 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: 36,500 shares
- Other members of Group Management: 13,000 shares
- Managers of large business units and similar: 4,500 shares

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

- 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-19	30-Apr-20	30-Apr-21	30-Apr-22
Exercise Price (SEK)	-	-	-	-
Exercise Price in equivalent INR*	-	-	-	-
Expected Volatility	4.57%	1.65%	0.46%	-2.40%
Expected dividend Yield	1.6%	3.0%	3.3%	4.4%
Expected Life	NA	NA	NA	NA
Risk Free Interest Rate		-0.3%	0.0%	2.6%
Fair Value per share (SEK)	140	125.0	226.6	139.8
Fair Value per share in equivalent INR*	1,111.6	992.1	1,798.4	1,109.5
Awards Exercisable at the end of the year	NA	NA	6,708.3	3,552.1

* Converted into INR using exchange rate 7.94

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*
PSP2019	10,500	30-Apr-19	2022	140.0	1,111.6
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

*Converted using exchange rate 7.94

Movement in stock awards during the year	Employee Stock Award Plan			
	March 31, 2023		March 31, 2022	
	No. of Awards	Weighted Average Exercise Price	No. of Awards	Weighted Average Exercise Price
Balance at the beginning of year	10,033		3,885	
Granted during the year	34,217		27,615	
Adjustment during the year*	(26,496)		(20,059)	
Forfeited during the year	-	NA	-	NA
Exercised during the year	(2,827)		(-1,408)	
Expired during the year	-		-	
Balance at end of year	14,927		10,033	

*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, 2023 (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, 2023	March 31, 2022
Segment revenue		
Within India	39,322.0	32,335.0
Outside India	3,727.2	4,323.9
	43,049.2	36,658.9
Segment assets *		
Within India	6,102.5	5,685.4
Outside India	-	-
	6,102.5	5,685.4

* Non Current Assets excludes Deferred Tax assets and Financial Instruments

41. The Company has facility from banks for

Working capital / working capital demand loans sanctioned amounting to 172 MINR and 700 MINR, but not utilised any time during the year.

The working capital / working capital demand loans is secured by pari passu charge of :

- all tangible movable properties and assets, both present and future, including stocks of Raw Materials, Semi-finished goods and Finished goods, excluding movable Machinery Spares, Tools and Accessories and Stores and Spares.
- all present and future Book Debts outstanding, Monies receivable, Claims and Bills.

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, 2023	March 31, 2022
Reconciliation of revenue with contract price :-		
Revenue as per statement of PL	43,049.2	36,658.9
Add: Incentive/rebates etc	1,661.8	2,095.0
Add: Discounts	7.6	4.2
Add: Liquidated damages	15.4	14.1
Contract price	44,734.0	38,772.2

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, 2023 (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)

Associates:

Sr. No.	Name of the Related Party
1	Sunstrength Renewables Private Limited w.e.f December 2, 2020
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, Limited.
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
15	Blohm Voss Industries (Singapore) Pte Limited
16	KAYDON CORPORATION
17	COOPER ROLLER BEARINGS COMPANY LIMITED
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

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

Fellow subsidiary Companies (All under the common control of AB SKF)

34	BFW COUPLING SERVICES LIMITED
35	SKF Canada Limited
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 TECHNOLOGIES (INDIA) PVT LIMITED
45	SKF Asia Pacific Pte LIMITED
46	SKF (Thailand) Limited, Bangkok
47	SKF Bearing Services Taiwan, Taipei
48	SKF Japan LIMITED, Tokyo
49	SKF KOREA LIMITED
50	SKF PHILLIPINES INC
51	SKF BEARING INDUSTRIES SDN BHD
52	SKF MALAYSIA SDN.BHD.
53	SKF SEALING SOLUTIONS (WUHU) CO LIMITED
54	PT SKF INDONESIA
55	SKF Sealing Solutions Korea Co Limited
56	SKF VIETNAM CO LIMITED
57	PT SKEFINDO PRIMATAMA
58	SKF (Shanghai) Automotive Technologies Co Limited
59	SKF (China) Sales Co Limited
60	SKF(DALIAN) BEARINGS & PREC.CO
61	SKF (Jinan) Bearing & Precision Technology Co. Limited
62	SKF Distribution Shanghai Co Limited
63	SKF Australia PTY Limited
64	PILGRIM INTERNATIONAL Limited
65	SKF B.V.
66	SKF SEALING SOLUTIONS GMBH
67	SKF SOUTH AFRICA (PTY) Limited
68	SKF Sealing Solutions Austria GmbH
69	SKF Sealing Solutions (Schweiz) GmbH
70	SKF Economos India Pvt Limited
71	SKF FORVALTNING AB
72	Ewellix France SAS
73	Ewellix Motion Technology
74	SKF CHILENA S.A.I.C.
75	SKF Coupling Systems AB
76	SKF Magnetic Mechatronics SAS
77	SKF SEALS AMERICAS
78	SKF SEALS ITALY SPA
79	SKF Seals Leverkusen

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

Key Management Personnel

1	Mr Gopal Subramanyam (Chairman)
2	Mr Manish Bhatnagar (Managing Director)
3	Mr Aldo Cedrone (Director)
4	Ms Anu Wakhlu (Director)
5	Mr Bernd Stephan (Upto November 16, 2020) (Director)
6	Ms Ingrid Viktoria Van Camp (from November 16, 2020) (Director)
7	Mr Werner Hoffman (Upto February 10, 2022) (Director)
8	Mr Shailesh Sharma (from February 10, 2022) (Director)
9	Mr Karl Robin Joakim Landholm (from June 28, 2022) (Director)
10	Mr David Leif Henning Johansson (from June 28, 2022) (Director)
11	Mr Ashish Saraf (Chief Financial officer)
12	Mr Ranjan Kumar (Company Secretary)

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, 2023		For year ended March 31, 2022	
		Amount	Amount	Amount	Amount
A	Purchases				
i	Raw Materials, components, spares and Finished Goods	14,648.5		14,827.5	
	SKF GMBH		3,772.7		3,754.8
	SKF Engineering and Lubrication India Private Limited		2,990.4		2,352.0
	SKF Sverige AB		1,565.4		1,906.7
	SKF France S.A.		1,062.4		1,142.6
	SKF INDUSTRIE SPA		1,269.9		1,050.7
	Others		3,987.7		4,620.7
ii	Property, Plant and Equipment	123.5		21.4	
	SKF Osterreich AG		32.5		15.3
	SKF Engineering and Lubrication India Private Limited		32.8		3.5
	SKF GMBH		1.2		2.6
	SKF Recondoil AB		22.8		-
	SKF ESPANOLA S.A., INT. MARK.		18.0		-
	Others		16.2		-
B	Services received				
i	Administrative and Service Fees	42.0		27.3	
	SKF International AB		19.8		19.5
	SKF AB Sweden		4.7		3.8
	SKF GMBH		9.1		-
	Others		8.4		4.0
ii	IT services	282.8		314.4	
	AB SKF		282.8		314.4

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

Sr. No.	Nature of transaction / relationship / major parties	For year ended March 31, 2023		For year ended March 31, 2022	
		Amount	Amount	Amount	Amount
C	Royalty	659.7		571.4	
	AB SKF		659.7		571.4
D	Trade Mark Fees	413.8		359.5	
	AB SKF		413.8		359.5
E	Sales				
i	Goods and Services	3,034.1		3,850.8	
	SKF International AB EDC		586.3		936.8
	SKF GMBH		457.4		454.1
	SKF Do Brazil Ltda		183.2		452.8
	SKF USA Inc		352.2		394.3
	SKF Industrie Spa		102.9		271.7
	Others		1,352.1		1,341.1
ii	Technical and other service income	502.4		473.0	
	AB SKF		413.0		415.5
	Others		89.4		57.5
F	Other Income				
i	Rent Income	38.4		36.0	
	SKF Engineering and Lubrication India Private Limited		38.4		36.0
ii	Commission Income	0.3		1.4	
	SKF Asia Pacific Pte Limited		0.3		1.4
G	Reimbursements				
i	Received	196.1		180.0	
	SKF Engineering and Lubrication India Private Limited		108.2		52.0
	Others		87.9		128.0
ii	Paid	2.7		92.3	
	SKF Engineering and Lubrication India Private Limited		-		92.3
	SKF GMBH		2.4		-
	Others		0.3		-
H	Inter Corporate Loan & Interest				
i	Loan Received Back	180.0		-	
	SKF Engineering and Lubrication India Private Limited		180.0		-
ii	Interest Income on Loan	53.8		51.2	
	SKF Engineering and Lubrication India Private Limited		53.8		51.2
I	Dividend Paid	376.9		376.9	
	AB SKF		328.7		328.7
	SKF (UK) Limited.		45.4		45.4
	SKF Forvaltning AB		2.8		2.8
J	Trade Advance given	2,110.0		750.0	
	SKF Engineering and Lubrication India Private Limited		2,110.0		750.0
K	Trade advance adjusted against purchase	2,110.0		750.0	
	SKF Engineering and Lubrication India Private Limited		2,110.0		750.0
L	Managerial Remuneration :-	77.7		61.8	
	Short-term employee benefits		72.8		58.3
	Long-term employee benefits		4.9		3.5
M	Payment to Directors	7.5		6.3	
	Sitting fees & Commission		7.5		6.3

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

Sr. No.	Nature of transaction / relationship / major parties	For year ended March 31, 2023		For year ended March 31, 2022	
		Amount	Amount	Amount	Amount
N	Employees' Benefit plans where there is Significant influence				
i	Contributions Paid	339.3		228.0	
	SKF India Limited Provident Fund Scheme		215.5		192.7
	SKF Bearings India Limited Superannuation Scheme		35.6		31.3
	SKF Bearings India Limited Bangalore Superannuation Scheme		7.1		4.0
	SKF Bearings India Limited Employees Gratuity Fund		81.1		-
ii	Reimbursements Received For Settlements	199.0		32.0	
	SKF Bearings India Limited Employees Gratuity Fund		163.9		23.0
	SKF Bearings India Limited Bangalore Employees Gratuity Fund		35.1		9.0

(iii) Amount due to/from related parties

Sr. No.	Nature of transaction / relationship	March 31, 2023		March 31, 2022	
		Amount	Amount	Amount	Amount
1	Accounts receivable	500.3		1,187.8	
	SKF International AB		420.0		1,104.5
	Others		80.3		83.3
2	Other receivable	216.3		160.4	
	AB SKF		114.3		111.1
	Others		102.0		49.3
3	Accounts payable	4,217.8		3,535.5	
	SKF International AB		3,101.4		2,851.6
	AB SKF		269.5		268.1
	Others		846.9		415.8
4	Loan (including interest accrued)	676.0		856.0	
	SKF Engineering and Lubrication India Private Limited		676.0		856.0
5	Inter corporate Interest receivable	0.5		-	
	SKF Engineering and Lubrication India Private Limited		0.5		-
6	Trade Advance receivable	-		193.7	
	SKF Engineering and Lubrication India Private Limited		-		193.7
7	Employees' Benefit plans where there is Significant influence				
	Other Receivable	26.3		103.1	
	SKF Bearings India Limited Employees Gratuity Fund		4.1		85.8
	SKF Bearings India Limited Bangalore Employees Gratuity Fund		2.0		17.3
	SKF Bearings India Limited Employees Gratuity Fund		20.2		
	Other Payable	-		44.0	
	SKF Bearings India Limited Employees Gratuity Fund		-		44.0
8	Director's commission	6.2	6.2	4.7	4.7

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

45. Investments

Financial Assets	As at March 31, 2023	As at March 31, 2022
Investment in associates accounted for using the equity method		
Sunstrength Renewables Private Limited		
309,750 equity shares (March 31, 2022 - 309,750) of INR 10/- each fully paid	23.6	22.7
Clean Max Taiyo Private Limited		
2,600 equity shares (March 31, 2022 - Nil) of INR 10/- each fully paid	0.0	-
Total (unquoted investments)	23.6	22.7

Set out below are the associates of the Company as at March 31, 2023 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, 2023	March 31, 2023
Sunstrength Renewables Private Limited	Mumbai, Maharashtra India	26.74%	Associate	Equity method	-*	23.6
Clean Max Taiyo Private Limited	Bangalore, Karnataka India	26.00%	Associate	Equity method	-*	(0.1)

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 board 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.

(ii) Summarised financial information for associates

The summarised 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, 2023	March 31, 2022
Current assets		
Cash and cash equivalents	49.5	57.1
Other assets	8.3	11.7
Total current assets	57.8	68.8
Non-current assets		
Property, plant and equipment	274.3	286.8
Capital work-in-progress	187.8	-
Other non-current assets	13.7	-
Total non-current assets	475.9	286.8

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

Summarised balance sheet	March 31, 2023	March 31, 2022
Current liabilities		
Financial liabilities	66.9	3.0
Other liabilities	22.0	29.1
Total current liabilities	88.8	32.1
Non-current liabilities		
Financial liabilities	358.0	238.0
Other liabilities	-	0.5
Total non-current liabilities	358.0	238.5
Net assets	86.8	85.0

Reconciliation to carrying amounts

Particulars	Sunstrength Renewables Private Limited		Clean Max Taiyo Private Limited	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Opening net assets	85.0	91.3	0.0	0.0
Equity infusion	-	-	0.0	0.0
Profit / (loss) for the year	3.5	(6.33)	(0.3)	0.0
Other comprehensive income	-	-	-	-
Dividend paid	-	-	-	-
Closing net assets	88.5	85.0	(0.2)	0.0
SKF India Limited share in %	26.7%	26.7%	26.0%	-
SKF India Limited share in INR (mn)	23.6	22.7	(0.1)	-
Carrying amount	23.6	22.7	(0.1)	-

Summarised statement of profit and loss

Particulars	March 31, 2023	March 31, 2022
Revenue	89.7	42.0
Depreciation and amortisation	(34.8)	(22.3)
Interest expenses	(42.5)	(18.7)
Income tax expenses	0.0	0.0
Other expense	(15.2)	(7.3)
Profit / (loss) from continuing operations	(2.9)	(6.3)
Profit / (loss) from discontinued operations	-	-
Profit / (loss) for the year	(2.9)	(6.3)
Other comprehensive income	-	-
Total comprehensive income	(2.9)	(6.3)

(iii) Share of profit / (loss) from associates

Particulars	Sunstrength Renewables Private Limited		Clean Max Taiyo Private Limited	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Share of profit / (loss) from associates	0.9	(1.7)	(0.1)	-
	0.9	(1.7)	(0.1)	-

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

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	3.1	2.9	7.1%	Not Applicable
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities	Total Equity	0.01	0.01	-27.7%	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	38.9	26.8	45.3%	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)	24.8%	22.9%	8.5%	Not Applicable
Inventory Turnover Ratio	COGS	Average Inventory ((Opening + Closing)/2)	3.8	3.9	-4.0%	Not Applicable
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables ((Opening + Closing)/2)	6.3	5.8	9.2%	Not Applicable
Trade payables turnover ratio (in times)	Cost of goods sold	Average trade payables ((Opening + Closing)/2)	4.6	4.1	11.2%	Not Applicable
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	2.6	2.9	-9.5%	Not Applicable
Net profit ratio (in %)	Profit for the year	Revenue from operations	12.2%	10.8%	13.2%	Not Applicable
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities	31.3%	28.1%	11.2%	Not Applicable
Return on investment (in %)	Profit before tax and finance costs	Average total assets ((Opening + Closing)/2)	25.4%	22.3%	13.5%	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.

Notes to the Consolidated financial statements as at and for the year ended March 31, 2023 (contd.)

(INR in Million)

(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:

- 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.

(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

Manish Bhatnagar

Managing Director
DIN :- 08148320
Place :- Gothenberg

Ashish Saraf

Chief Financial Officer
PAN :- AVEPS0176L
Place :- Pune

Ranjan Kumar

Company Secretary
PAN :- AMEPK5869R
Place :- Gothenberg

Date: May 17, 2023

SKF India Limited

Registered Office:

Chinchwad, Pune 411 033, Maharashtra, India.

CIN : L29130PN1961PLC213113

® SKF is a registered trademark of the SKF Group

© SKF Group 2021

The contents of this publication are the copyright of the publisher and may not be reproduced (even extracts) unless prior written permission is granted. Every care has been taken to ensure the accuracy of the information contained in this publication but no liability can be accepted for any loss or damage whether direct, indirect or consequential arising out of the use of the information contained herein. The report is originally written in English.

Certain image(s) used under license from Shutterstock.com