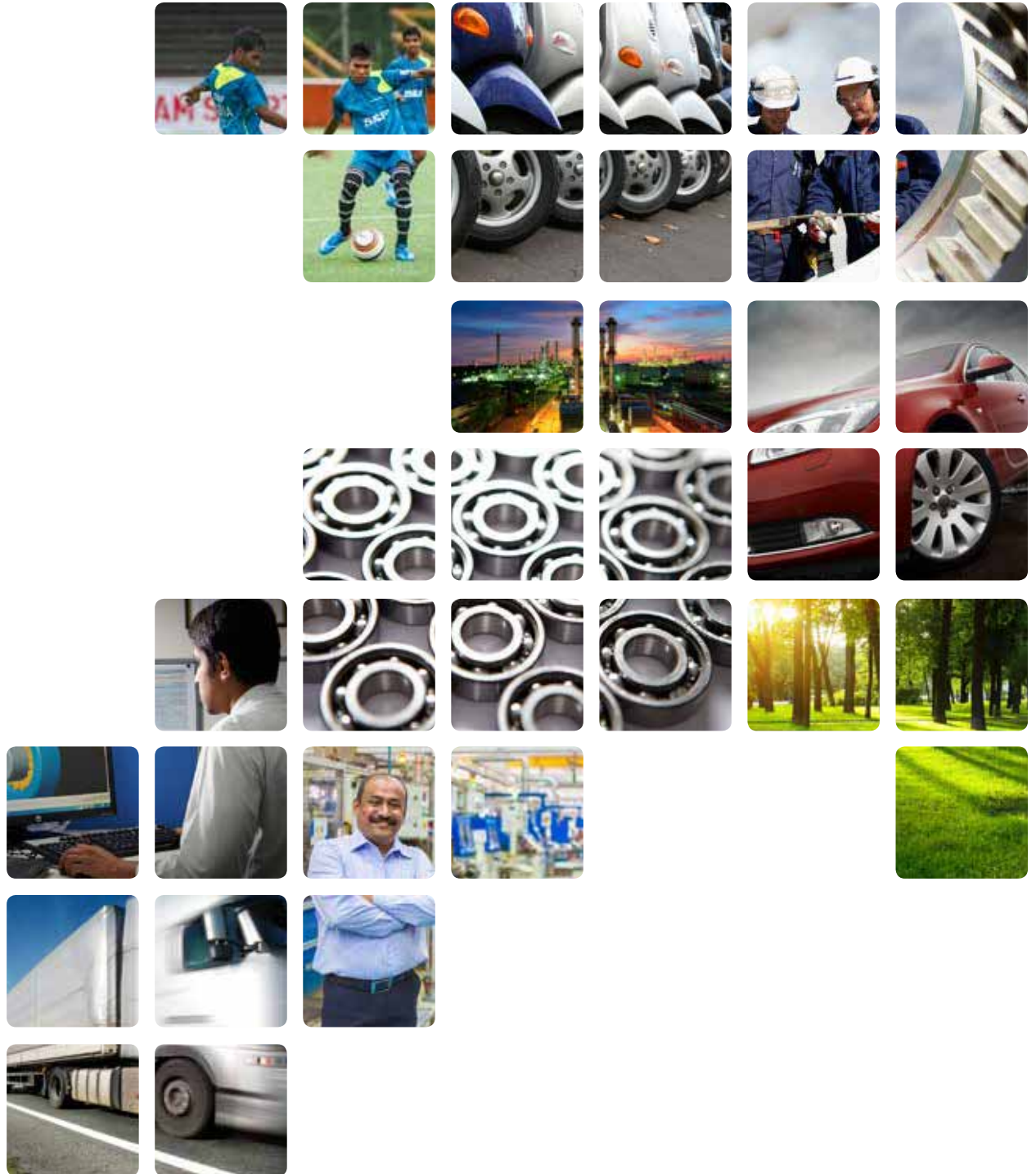




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Corporate Information

Board of Directors

Kamlesh C. Mehra
Chairman

Shishir Joshipura
Managing Director and
Country Head, SKF India

Hema A. Hattangady
(from 18.07.2014)

Henrik Lange

Prakash M. Telang

Prasad R. Menon

Rakesh Makhija

Tryggve Sthen
(upto 30.12.2014)

Vartan Vartanian

David Bishop
(alternate to V Vartanian)
(upto 18.02.2015)

Company Secretary

Pradeep Bhandari

Auditors

M/s Price Waterhouse & Co Bangalore LLP
Business Bay, 7th Floor, Tower A, Wing 1,
Airport Road, Yerwada
Pune – 411 006.

Bankers

The Hongkong & Shanghai Banking Corp. Ltd.
HDFC Bank Limited

Registrars and Share Transfer Agents

TSR Darashaw Limited

6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road,
Mahalaxmi, Mumbai – 400 011.

Country Management Team

Shishir Joshipura
Managing Director

Anjali Byce

Chandramowli Srinivasan

Harsha Kadam

Mattias Axelsson

Shrikant Savangikar

Sanjeebit Choudhury

Sudhir Rege

K Ramakrishnan

Pallavi Deshmukh



“The key to Staying Ahead is to achieve strategic leadership in a changing competitive environment.”

Letter to Shareholders

Dear Shareholders,

It is my pleasure to present before you the Annual Report of SKF India Limited for the year 2014.

- Net Sales for the year 2014 is ₹ 23726 million, an increase of 6% over the previous year
- The Profit after Tax for the year 2014 amounted to ₹ 2028 million, an increase of 22% over the previous year

We achieved these results against the backdrop of a very challenging economic scenario. During the year 2014, the core sector performance remained largely unchanged from 2013. Softening but persistent inflationary pressure, continued stable but high interest rates presented growth challenges across sectors. Manufacturing and industrial activity remained sluggish for a large part of the year as demand did not take off across most sectors with exception of a few.

The economic environment witnessed a change in the middle of the year with the election of a new stable government at the center. The business confidence and optimism returned to the corporate dialogue towards the end of the year even

as the overall economy improved only marginally. Amidst continued challenges on several fronts on the economic environment, 2014 ended on a note of cautious optimism and hope for a better future.

Your Company has constantly and consistently driven the thought and practice to improve its competitive position. Our aim is simple – help our customers win with their customers. Your Company strived to improve its competitiveness through four levers of innovation, reach, technology and people. Your Company deployed all four levers with a view to find solutions to customers' problems and in turn helping to consolidate its leadership position in the market.

Today, the country stands at the cusp of a new and exciting future – a future that promises sustained growth and prosperity and a promise to transform India into a manufacturing powerhouse. At the heart of the new government's development agenda is the 'Make in India' initiative. Your Company is committed to leveraging this initiative by offering an ever expanding portfolio of high quality products and services to a wide range of industries as technology,

innovation, people and reach will continue to play a pivotal role in defining success in a sustainable way.

Today, sustainability is becoming a business imperative and a strategic driver for all organizations. SKF Group's Beyond Zero™ strategy aims to reduce the environmental impacts from operations and through energy efficient products and solutions. In line with this strategy 'SustEn' initiative was launched by Your Company since 2013 and continuing now, the project has helped to reduce CO₂ emissions related to manufacturing operations by nearly 7306 tonnes in a year (which is 22.5% of 2014) by way of changing sourcing mix to greener sources, and also consumption savings from operations, at the same time achieving annualized savings of nearly ₹ 71 million. This initiative received the SKF Group's Climate Savers Awards 2014 presented together with WWF. Further, SKF has installed 1 MW Roof Top solar power plant at its Bangalore location, which is amongst the largest facilities of its kind in the country.

Our most fundamental responsibility towards the society is to manage our business and operations in a

responsible and accountable manner. As good corporate citizens, we are expected to have a positive impact through our interactions with society. While driving business performance is important, Your Company is equally focused at larger social responsibility. Under the SKF Care initiative, Your Company ensures Business, Environment, Employees and Communities are cared for. The Community Care strategic road map for SKF India focuses on Education, Empowerment and Environment. Your Company has expanded the Sports Academy to Ahmedabad and plans are on the anvil for other locations. During the year, Your Company has tied up with a professional football club to coach the Sports Academy children that will enable them to increase their level of the sport and compete even better. Your Company believes, this will make a significant and meaningful difference.

The key to Staying Ahead is to achieve strategic leadership in a changing competitive environment. During 2014, our efforts have also won us a few accolades. Dun and Bradstreet rated us the best company in the bearing industry

for 8th consecutive year, the Pune and Haridwar factory also won the coveted Gold Award at the Economic Times and Frost and Sullivan manufacturing excellence awards. Some awards require special mention, especially those that were conferred by our esteemed customers like Bajaj, Mahindra and Mahindra, Reiter and Toyota among others, which signify the value we add to their business by imparting our solutions and technology in their applications.

I place on record my sincere appreciation to our distributors, partners and suppliers for their continued support. I would also like to share my gratitude to our customers for their continued trust and to our shareholders for their continued confidence. I look forward to 2015 with renewed optimism. In alignment with all our stakeholders, we will strive to deliver a better tomorrow.

Yours sincerely,

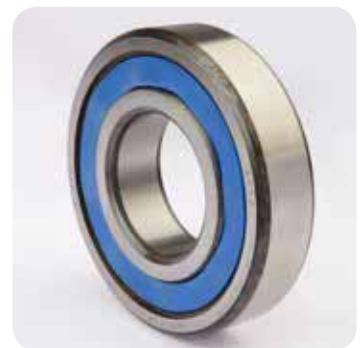


Shishir Joshipura

Managing Director

Staying Ahead

We continue to partner with our customers and help them to win in their markets with our solutions.



At SKF, we believe that the only way for Staying Ahead is by drawing on our levers of competitiveness with a deeper focus on customer centricity. Customer centricity is essential to drive our aim of achieving profitable business growth. We leverage our resources to find solution to customer's problems, while delivering highly differentiated products and services and drive enhanced operational efficiency

INNOVATION

At SKF, we continue to build on over a century old culture of innovation that is customer focused. Our endeavor is to create innovative solutions which are adapted for local market conditions. Continuous improvement in the existing production processes, products and the way we serve the market are all part of innovation process. SKF is committed to maintaining high standards of product quality and innovation that enables creation of solutions that meet customer needs. We believe that going forward, innovation will play a pivotal role in ensuring profitable and sustainable business growth.

TECHNOLOGY

Our fundamental strength is our ability to continuously develop new technologies – then use them to create solutions that offer competitive advantages to our customers. We achieve this by combining hands-on experience in over 40 industries with our knowledge across the SKF technology platforms: bearings and units, seals, mechatronics, services and lubrication systems. SKF's continued commitment to technology development is important for maintaining and strengthening the Company's market leadership. SKF continues to increase its activities on this front with a greater focus on new products and services which have a positive impact on the environment while enhancing the performance. In addition, there has been a greater concentration on strengthening core technologies, launching new products that address local performance needs while maintaining the global quality standards. SKF's promise to its customer is to offer technology and solutions that are world class, world-wide.

REACH

SKF is present across an extensive range of industries and customer segments worldwide. Our wide reaching distributor network provides customers with SKF's product & services along with local relationships across the length and breadth of the country. Our expanding network of SKF Solution Factory enables greater asset performance by providing speedy solutions to even the toughest productivity challenges of our customers. Our aim is to make our technology, solutions and expertise available closer to our customers at all times.

PEOPLE

SKF is a trusted partner to all major industries across the world for over a century. Trust emanates from the genuineness of every SKF product and solution, created and delivered with utmost care and dedication by our people. Our committed professionals with a high level of experience and expertise, and a deep domain knowledge are developing and delivering groundbreaking technologies and creating customer-specific solutions that meet the challenges, not only of today, but even tomorrow.

Winning solutions Winning partnerships

Every industry has its unique challenges, but virtually all industries share the goals of increased productivity and reduced cost of operations. Critical needs of the manufacturing sector include increased machine uptime, reduced maintenance, improved safety, energy efficiency and lower total cost of ownership. With expertise in a wide range of disciplines and decades of experience as a technology partner to both equipment manufacturers and end users in every major industry, SKF is delivering not just products but total integrated solutions that help our customers meet their goals.

At SKF, we strive to forge deeper ties with our customers that result in winning solutions and winning partnerships.

In today's globalized and interconnected world, technology is fast becoming a key differentiator. SKF has developed a deep understanding of how machine components and industrial processes interact with the operating environment. SKF solutions are based on this deep understanding helping our customers to stay ahead.

As leaders in bearings, SKF has experience across forty industries ranging from aerospace to automation, from appliances to agriculture,

from marine to medical care and from racing to railways. Our core technology platforms include bearings and units, seals, mechatronics, services and lubrication systems.

This unique combination of technology, experience and reach is shared to help customers achieve their goals – to become more profitable, productive and sustainable. This is the Power of Knowledge Engineering.

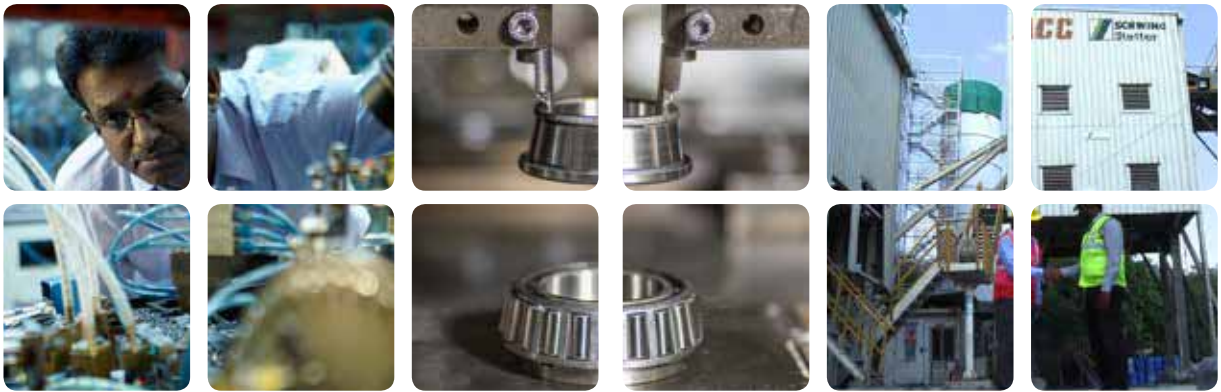


Unique solutions throughout the machinery life cycle

SKF Life Cycle Management is a proven approach for maximizing productivity while minimizing Total Cost of Ownership for machinery over every stage, from specification and design to operation and maintenance. At every stage of the asset life cycle, SKF products, advanced services and solutions help our customers improve productivity, reduce maintenance costs, improve energy and resource efficiency, and optimize designs for long service life and reliability, ultimately helping to make them more successful, sustainable, and profitable.

The Power of Knowledge Engineering

SKF combines global presence, industrial experience and technology platforms to build customer value.



Concrete savings for the cement industry

One of the key problems of a major cement manufacturer's concrete ready mix unit was that of grease contamination due to harsh and dusty operating conditions. This caused multiple issues of poor bearing life, high maintenance costs, unplanned shutdowns as well as customer dis-satisfaction due to delayed delivery times.

SKF worked with the customer and found a solution in SKF's automatic lubrication system - SKF System 24, which ensured trouble free greasing and significant improvement in the overall plant reliability. By optimizing lubricant consumption, System 24 reduced the maintenance cost, increased safety for operators at the plant and eliminated leakage, thereby minimizing the impact on the environment.