

Towards an intelligent and clean future

Annual Report 2022-23

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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>



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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.



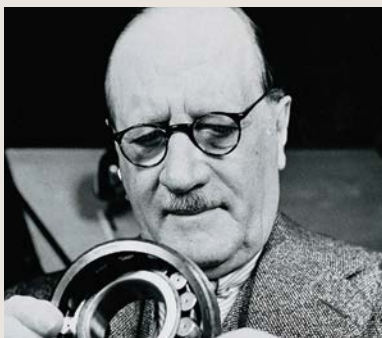
Manish Bhatnagar, Managing Director, SKF India Limited stated, “This is truly a historic milestone for us. Since SKF’s inception, we have played a decisive role in shaping industries and societies with our products and solutions. We take great pride in the role we have played in helping customers overcome 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

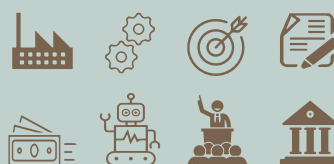
QUALIFICATION

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