Date: 06th November 2026

National Stock Exchange of India Limited, Exchange Plaza, 5th 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: Transcript of Analyst/Institutional Investor Meeting held on 05th November 2026.

Reference: Our intimations dated 30th October 2026 and 05th November 2026.

Pursuant to Clause 15(b)(iii) of Schedule III, Part A, Para A read with Regulation 30 (2), Regulation 30(6) & Regulation 46(2)(oa)(iii) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) ("SEBI LODR") and SEBI Master Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated 30th January 2026, please find enclosed herewith the transcript of Analyst / Institutional Investor meeting held on Thursday, 05th November 2026 at 10:00 am. The same will soon be uploaded on the website of the company for convenience of the shareholders.

Audio Link is the aforesaid meeting is available on the company's website and same was intimated on Thursday, 05th November 2026.

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

Mayuri Ishan Kulkarni
Digitally signed by Mayuri Ishan Kulkarni
DN: cn=Mayuri Ishan Kulkarni, c=IN, o=Personal
Date: 2026.11.06 18:53:37 +05'30'

Mayuri Kulkarni
Company Secretary & Compliance Officer

"SKF India Limited

Q2 FY27 Earnings Conference Call"

November 05, 2026

MANAGEMENT: **MR. MAYANK HOLANI – CHIEF FINANCIAL OFFICER – SKF INDIA LIMITED**
MR. PRAHLADA GIRISHKUMAR – PORTFOLIO STRATEGY AND BUSINESS DEVELOPMENT HEAD– SKF INDIA LIMITED
MS. MAYURI KULKARNI – COMPANY SECRETARY -- SKF INDIA LIMITED
MS. CILVINA PEREIRA – HEAD, MARKETING AND COMMUNICATIONS – SKF INDIA LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to SKF India Limited Q2 FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star and zero on your text on phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Cilvina Pereira. Thank you, and over to you, Ms. Cilvina Pereira.

Cilvina Pereira: Good morning, everyone. Thank you for joining us today for SKF India Limited Investors Call for Q2 FY 2026-27. With us, we have SKF India CFO, Mr. Mayank Holani, - our Strategy and Business Development Head, Mr. Girish Kumar; and Company Secretary, Ms. Mayuri Kulkarni. Our Managing Director, Mr. Shailesh Sharma, is unable to join the call today due to some personal situation.

The purpose of today's call is to share our Q2 and H1 results, talk about our performance and answer your questions. Please note that financial information for the corresponding period of previous year, as reported in the presentation shared has been extracted from the financial statement of erstwhile combined entity and may involve some assumptions by the management pertaining to the demerged industrial undertaking. These were prepared in accordance with the Appendix C of IndAS 105 Business Combinations by using the financial information maintained by SKF India Limited. Before I turn over the call to the management, I would like to remind you that in this call, some of the remarks contain forward-looking statements, which are subject to risks and uncertainties, and actual results may differ materially.

Such statements are based on management's beliefs as well as assumptions made by and on the information currently available with the management. The audience is cautioned not to place any undue reliance on these forward-looking statements and make any investing decision. The purpose of today's call is to purely educate and bring awareness about the company's fundamentals, business and the financials for quarter under review.

Let me now turn over the call to Mr. Mayank Holani. Over to you, Mayank.

Mayank Holani: Thank you, Cilvina, and welcome, everyone, to our Q2 FY27 Investor call. I am Mayank Holani, Chief Financial Officer of SKF India Limited. Let me start with the agenda, which is on Slide 3. We will first cover macro key indicators then executive summary, followed by quarterly and half yearly results and analysis, a success story andlast but not the least, our new brand launch globally. In the end, we will take all your questions.

Now moving ahead with key macro indicators, refer toSlide 5. GDP for last quarteris projected to have grown by 7.35%, while the CPI is continuing its upward trend and reaching around 4.9%. Next slide please. Slide 6. IIP is expected to continue the upward trend seen since last few quarters, while manufacturing PMI jumped to 55.1 in September 2026, breaking the downward trends seen from last 3 months.

Automotive production has also seen an upward trend during last quarter for all the categories. Unlike the previous quarter where there was a jump in 1 category and drop in other product category. Now we move to Slide 8, executive summary. We are glad to inform you that we had

a strong year-on-year revenue growth during the last quarter, while quarter-on-quarter, it was marginally positive.

Sales figures quoted in the slide do not include other operating income, and these are the purely the sales numbers of the products. So we have a sales growth of 16% year-on-year, while it is 2% quarter-on-quarter. EBITDA for the quarter improved by 155 basis points year-on-year, while it dropped by 255 basis points versus last quarter.

Profit before tax is higher by 181 basis points Y-o-Y, while it dropped by 252 bps quarter-on-quarter. And here I am referring to the profit before tax number without exceptional items. Further, our net working capital is at 18.8% of sales, which is 2.9% lower than the last year same period. Also, I would like to mention here that our net working capital when compared to the March end, the last financial year end, has also seen significant improvement.

Now we move to Slide 10 regarding our sales performance. Here you will see the split of our sales performance. And you will see that both for the quarter as well as half year, our sales growth is driven primarily by volume increase wihth marginal impact coming due to price or mix.

Now we move to Slide 11. Here, you will see the mix within the sales of different parts of our business. For this quarter, OE business accounted for 66% of our sales while vehicle aftermarket was 19%, exports had a 10% share, and the business with SKF Industrial had about 5% share. When we look at the half year, H1 mix, OE share was 63% vehicle aftermarket 20%, exports 9% and Industrial around 7%.

So this gives you a fair idea of the mix and how it compares with the previous quarters. Broadly, this mix is in line with the mix we had in the last financial year also, except for the addition of industrial business and a bit of decline in the aftermarket business. Now we move to the next slide, which is on profitability. Here we see a quarter-on-quarter movement of EBITDA and PBT for last 5 quarters.

EBITDA for this quarter is higher year-on-year primarily due to contribution from higher volumes, cost leverage and other income as well. However, when compared to previous quarter, there is a drop primarily because of the high cost of goods sold contributed by steel price inflation as well as price increase given to suppliers towards value addition component.

Profit before tax is also impacted due to the same reason, and around the similar range. In spite of higher COGS during current quarter, both EBITDA and PBT for H1 are higher than the corresponding period of previous year. This is also one point I would like to highlight that there is a kind of timing gap which is impacting the profitability as we have given the price increase to the vendors and suppliers.

The same (price increase) from our customers is under negotiation and could not be concluded last quarter. which is giving this impact, and we expect that to be corrected in subsequent quarter. This brings us to the end of financial part of the presentation, and now I will request Mr. Girish Kumar to talk about the success story, which we have for you as well as our new brand launch. Over to you, Girish.

Girish Kumar: Thank you, Mayank. So I am on Slide Number 14. We have had several successes, customer wins and customer executions during quarter 2. The significant one is actually what you hear from me on the Driveline business win,which is from a major Indian OEM introducing the hybrid transmission technology for the first time, and we are choosing partners to develop the bearings for the transmission applications there.

And the significance of this win is primarily the new technology that we have introduced by way of offering the ceramic bearing and also the conductive bush, which are primarily our electric vehicle offerings. And these are some of the high technology, high precision, high-speed bearings, which are providing insulation solutions, conductor solutions to the electric motor.

The key win here is primarily due to our ability to provide technical solutions from the near shore, partnering with customer for development in India. And also, this is providing a portfolio expansion into our offering for the new products that we have introduced globally and most specifically in India as well.

And this business is at the top most position that we have about 100% business on the bearing position and the new technology solutions, we have roughly about 50%. So, this is putting us very strongly to the forefront of the electric vehicle offering that we are really into the product. So, this particular business will get to start of production sometime in quarter 2, 2028, and we look forward to expanding this business into more wins as well.

Now on the brand launch, Slide 16. A few days back, we officially launched the new identity and the brand across the organization, customers and the stakeholders. For us, as you can appreciate the brand launch is much more than a visual identity. The brand is the face of our company and it shows our personality essentially a new identity, a new personality, which represents what we stand for, what we are passionate about and what our customers can really expect from us.

We are building our identity based on our contribution into the automotive innovations for the case coming from more than 70 years of our association with Ferrari. All the technologies that we put in here are primarily coming from our legacy as well, and that's why we basically keep our connection on our long heritage and the expertise which for the future signal our ambition to help aggregate the future of mobility, co-creating with our customers.

So, this is the essence of the brand launch that we did, and the new identity which is really futuristic while anchoring our values to the legacy brand entity that we already have. That's all from my side. Over to you, Cilvina.

Cilvina Pereira: Thank you. Now we would come to the close of the presentation. I will request to open the forum for question-and-answer session. Moderator, let us know who is first in the queue.

Moderator: Thank you very much. The first question is from the line of Varun Jain from Dolat Capital. Mr. Jain, your line has been unmuted. Please go ahead with the question

Varun Jain: Am I audible, now? Yes. So, my first question was on margins. So, we have previously the sustainable EBITDA margins, but this quarter, it fell to 14.5b%. So, what happened in this quarter on the EBITDA margin? Secondly, other income is elevated these two are.

Mayank Holani:: Hi, Varun. Thanks for your questions and I touched upon it in my presentation. So, you see EBITDA margin is affected by the cost inflation, which is coming from the steel price as well as inflation on value addition which has been given to the vendors. Some of that was effective from April also, for which negotiations were going on and the impact has come in July to September quarter.

Now on the other side, negotiations or discussions with the customers are also continuing. And some have even been concluded, but the amendment of our purchase orders are not yet received. So, we could not bill them. These are expected in the current quarter, in October to December quarter, once those purchase order amendments come, some of them will be effective covering the arrears part also effective from July or, say, maybe earlier period.

So, this will get covered in December quarter, and we should see the impact in the next quarter. Primarily, it's a timing gap between the 2 quarters in terms of the cost impact coming and the pricing part coming in income and we had a couple of one-off items like the forex gain was there plus capital asset sales or those kinds of items, nothing extraordinarily unusual.

But yes, from last year, if you see other income since last couple of quarters is up, because you have this contractual manufacturing with the industrial company and also the rental and those kinds of things are also appearing in the other income

Varun Jain: Sure, sir. Sir secondly, BS7 is expected to be implemented by first April 2029. So when will we be getting the BSI-related demand and new four wheeler programs where we can enter because we have the BS7 compliant product, whereas earlier the other supplier does not have.

Mayank Holani: Girish, you would like to answer that?

Girish Kumar: See, Varun. Currently, the passenger vehicle market is dealing with the CAFE III norms, which will be a bit more nearer launch implementation, I would say, rather than the BS-7. So, there are various programs that we are dealing with on the low efficiency, high-performance products, which are already validated and already under implementation.

BS-7 discussions are more relevant and more, let's say, at a development stage with the commercial vehicle customers. And our offering essentially on the high-efficiency fuel efficient products are ongoing and that will come or rather accelerate towards businesses nominations and other things probably end of quarter two next year, not earlier than that. So, clearly the focus is on the passenger vehicle on the CAFE III. BS7 comes after that in our view as we see in the market.

Varun Jain: Sure, sir. And sir, lastly, on your capex part, we have cited for INR140 crores of capex, so this is part of, I think, the 500 Crore investment earlier for FY26 to FY28.

Mayank Holani: Yes. So, Varun, see, I think you had attended the earlier call, where we had announced the capex in our current fiscal of about INR200 crores, right? That stands true even as of now. What you see INR 140 crores is as per the SEBI requirement.

Anything towards capacity addition, where the cost is above a certain threshold, which is a mix of your turnover, your network and those kind of things for the last three years that has to be announced and informed to the stock exchange. So, this announcement we have done in compliance to that and overall capex during current year is going to be close to INR 200 crores.

But yes, now going forward from this quarter, and this is part of that larger INR 500 crores-plus capex we had announced. And starting from December quarter, we will have these channels coming in production and getting commissioned, which will add to the capacity.

Varun Jain: Sure, sir. So couple of…

Moderator: Sorry to interrupt Mr Jain. May we request you should return to question queue for the follow-up question.

Varun Jain: Sure, sure.

Moderator: Thank you. The next question is from the line of Krupashankar NJ from Avendus Spark.

Krupashankar NJ: Good morning, and thank you for the opportunity. So, first question is a book keeping question. Just wanted to get a sense of what would be the breakup of passenger vehicles, two-wheelers and CVs, the OEM segment.

Mayank Holani: Girish, you are taking it.

Girish Kumar: Yes. The revenue breakup is what you're asking Krupashankar.

Krupashankar NJ: Yes.

Girish Kumar: So, roughly about 45%, 50%. I'm just saying this at the ballpark, 45%, 50% of our revenue comes from two-wheeler about 30% from passenger vehicle, 25% to 30% and then about 15% to 20% from commercial vehicle. This number quarter-on-quarter do vary, but rather what I just mentioned is how the trend has been on an average.

Krupashankar NJ: Understood. A couple of aspects I noted in the result. First was on the export side of things, where second quarter, the growth has been quite robust. Now, you know, what we have in the previous call, we had interacted as exports is not a great focus area. Just wanted to get a sense of whether this momentum will continue? Or are there any one-offs which one has to account for?

Mayank Holani: See, Krupashankar, as we would say, or as I think we have earlier also informed,over all if you see our exports are around 10% of the sales mix or the revenue mix, right, which we look at. And that's the range which we expect it to be remain. Quarter-on-quarter, sometimes you may have, you know, some one-off transactions or even if the baseline is a little bit up or down, the growth numbers may worry. But we expect it to be around the range of 10%.

Krupashankar NJ: Understood. Last question from my side. You know, I did note that congrats on the new branding. Just a rebrand changed the brand fee or a royalty fee, which is usually charged for us? Or does it remain the same?

Mayank Holani: No, that doesn't change. So, there is when this automotive and industrial business separation happened, this is going from top to bottom all across the board. So even the parent company has also got split. And that is going to be listed in Stockholm on 1st December. So this royalty trademarks, those kind of things remain the same as a percentage, whatever is applicable today will remain applicable.

Krupashankar NJ: Got it. I'll get back in the queue, sir. Thank you.

Mayank Holani: Sure. Thank you.

Moderator: Thank you. The next question is from the line of Aman from Negen Capital. Please go ahead.

Aman: Hi, sir. Thank you for the opportunity.

Mayank Holani: Yes.

Aman: Sir, firstly, I mean, our new lines are coming up in FY28. So, what is our guidance for traded goods? Can you give some figure there?

Mayank Holani: So Aman, new lines are starting to come from this quarter itself, not in FY28. So, you will see this one line is starting in December quarter itself, right? And then we'll have it coming in the subsequent quarters also. So, the one line is coming in this quarter itself, in December quarter.

Now, on traded goods, you see on traded goods and there is other one more is expected to be commissioned in March '27 and then followed by, you know, subsequent year and in the next financial year. As far as traded goods are concerned, the export -- imports are anyway very few here and the trading from SKF Industrials, which has started after this demerger that we expect to, over the next couple of years, to reduce to the minimum level, minimal or negligible level. And that's what I mean.

Aman: All right, sir. Sir, secondly, I mean, our cost, you know, pass-through can happen through FY28. So, if we can assume some EBITDA margin, I mean some ballpark figures for FY28?

Mayank Holani: You mean cost pass-through for what?

Aman: Cost pass-through that is happening across customers. So, I mean, can we revert to normal EBITDA margin levels?

Mayank Holani: No. So, we expect -- not FY28, we expect to revert to the guidance which we had given earlier within this financial year itself. So, the discussions with the customers continue, some even now, I mean, I won't speak about the next quarter as such on the numbers specifically, but you will see the impact in the subsequent two quarters of the current financial year.

Aman: All right.

Confidentiality: C2 – Internal

Mayank Holani: That is already going to happen and not delaying to the next financial year.

Aman: Okay. Thank you so much, sir.

Moderator: Thank you. The next question is from the line of Lakshminarayanan from Tunga Investments. Please go ahead.

Lakshminarayanan: Thank you. I have three questions. So first is that the other expenses has actually had gone up. And I think…

Mayank Holani: Yes.

Lakshminarayanan: That is attributable to these mergers or for the demerger expenses, can you just quantify it? And when do you think this would actually water down? That is my first question.

The second question is that, you know, we do, you gave a step between, you know, different type of industries you serve. I just want to look at from an application point of view and also from a system point of view, because there are certain bearings which should be sold as just a part whereas some of them would be sold as a system, correct?

Now in our scheme of things, you know, I think we always want to move towards small system driven and not just part driven thing. On that journey, where we are as a percentage of revenues or the way in which the management is thinking. If you can just outline which are the segments where we have a pole position in terms of differentiated product or a solution we offer. What percentage of revenues it is, and how we intend to, you know, scale up? That's the second question.

The third question is that you mentioned that you are discussing with your customers in terms of price pass-through, etcetera. And I believe always -- you know, all these things will happen retrospective from April onwards.

Now, I want to understand from your entire customer point of view, the revenue point -- revenue pool point of view, what percentage of your customers have -- I mean, in term -- not named customer -- I mean, I'm talking about total attribution of the entire revenues of whatever you're getting from [OE , how much of that has been agreed to, you know, for a price increase from April? And what percentage are still in negotiations? And what percentage is something which they will not do? I think these are the three things which I want to know.

Mayank Holani: Okay. So, maybe I'll answer first on the other -- see, other expenses when you see, these other expenses are not all fixed. So, you have certain fixed costs, certain variable costs and certain semi variable costs, right? And as far as the demerger-related expenses are concerned, we announced earlier in the last call also, our demerger-related expenses are over. I mean, some petty expense here and there, may be there, but those are not significant as such.

Now what happens in other expenses, you have a lot of variable expenses. I'd like to name a few, consumption of stores and spares, power and fuel. When you are seeing a volume increase of about 20%, that straightaway gets increased, even if you see royalty and trademark fees or, you

know, a lot of these kind of things. So that is impacted, and that's where you see the increase, because from last quarter to current quarter, there is not much difference in the other expenses. But yes, from previous year, there is some movement.

Now coming to the price increase part, not all customers will be from April. There are, you know, price increase, some could be from July, some could be from April. It's not like a financial year basis. It depends on customer-to-customer, right? And I won't put a number as such at this stage because still everything has not concluded. Probably, that we will speak when we do the next quarter's call.

But yes, discussions are continuing. And you rightly said there would be billings in most of the cases, right? It could be from July, it could be from April depending on customer-to-customer. And there are even cases, some customers, even for the period before July, already some customers, we had got some price increase effective January as well. So that is a continuous process, we expect to materialize a large part of it in December quarter. Now, Girish, maybe you can answer the second question.

Girish Kumar: Thank you, Mayank. So, Lakshminarayanan, the business lines that we pursue are two basically. One is the driveline and another is the wheel ends. So the two-wheeler is purely driveline and for the passenger vehicle and commercial vehicles, both driveline as well as wheel-end apply.

Now as a strategy, we are going to be only component suppliers. We will not play the system game at all. So that is the current management thinking on how we go-to-market with our product lines. And currently, there are no, let's say, system level sub-assemblies or, you know, sub-system as a product offering that we are giving it to any of the market.

But what we do is we basically do business for the customer outcomes, not just, you know, product as a standalone performance, but rather what product will create, you know, system-level performance outcomes for the customers. So that is by far our strategy that we will pursue in the near future. So by virtue of that all our revenues are actually coming from the component sales that we actually do to our OE customers. I hope that answers the question, Lakshminarayanan.

Lakshminarayanan: Yes. Just to engage on that further. So, how do you ensure that you are bringing the best innovation products and instead of, you know, more an output-driven instead of just like a product based how do you kind of elevate yourself as a company as an innovation partner with some of your OEs. How was that taking place? I just want to understand that.

Girish Kumar: Let's take an example. All the vehicle manufacturers, they are driven by providing efficient vehicles to the market, fuel efficiency, longer range is their forte and the competitive advantage for the OEMs comes from this kind of pursuit while they are complying with the regulatory requirements on the environment or the well efficiency regulations.

Now all our engineering technology development and also manufacturing process investments that we are doing on the innovation side is to really reduce friction continuously to the barest minimum that can be done within the packaging that we have for the application, which means

you have vehicle weight as a sub example, let's say, an OEM wants to make 100 kg lower car, and by way of budget, the chassis or the transmission rate can come down by about 20%, 30%.

So that means you need to really have a product which is compact that means a very high power delivery packaging with friction equally reduced. And we basically developed technologies, not only on the product side, but also on the manufacturing precision to really deliver those products to the customers towards pursuing those kind of bigger objectives. So that is our, let's say, go-to-market strategy across the 3 vehicle segment that I just mentioned.

Lakshminarayanan: Just 1 more question, sir. There is a path towards ceramic bearing, etcetera, that is taking place, which I see. Now is it too futuristic for India? Or is it that something which you are also working where you can actually offer to your end clients?

And second, on the margin front, I just want to understand what kind of margin you can actually recoup either at the gross margin level or at the contribution level, whatever how much there has been increase by X percentage. Now of that, how much you can actually recoup whether there is like 70%, 80% of it or 90% or even 100%. So I think these are the 2 questions. ceramic bearing and the margin recoup?

Girish Kumar: I will answer the ceramic bearing part and then I will ask Mayank to answer the second one. We are already offering ceramic bearings in the market. In fact, the customer success that we just showcased used our maiden win with this particular product for the hybrid transmission.

It is currently a niche application, primarily because the failure more related to electric current leakages that might reduce the life of the transmission or the dry systems like electric vehicles or the hybrid vehicles that they have, the nicheness is actually coming from the supply chain for the ceramics.

So I think once the volume picks up in the market in the next 3 to 4 years, we will have that more competitive than what it is today. but the OEMs pursuing high performance in the premium segment mainly SUVs and MPVs do prefer this for the value that this bearing offers. So that is my, let's say, articulation of the question that you actually asked. Mayank?

Mayank Holani: Can you repeat your question on the margin? The line was not bit clear.

Lakshminarayanan: Yes. Yes. So we see it as a gross margin and the EBITDA margin that's how it is reported but I think that you look at from a contribution point because there are some other expenses, which is also variable, which is fixed, right?

So while I do not have access to what is the contribution margin because there is -- that's how you actually would do it. I want to understand from your point of view, how much of contribution margin you have lost because of all these external events, which is prices going up, etcetera. And how much of that, let's say, your margins drop has been, let's say, 100 basis points or whatever?

And how much do you think you can recoup by this get back -- claw back by negotiating whether it will be 80%, 90% of whatever you have lost or is it that you can actually push up to almost

100%? Because while there are material costs out there, there are also indirect cost, which has actually gone up which could be maybe gas cost or maybe labor costs or freight costs, etcetera? So I just want to understand your point of view on that.

Mayank Holani: Sure. See, as I already mentioned, right, so there was 1 was the steel price and then there is a value addition component also, which is with the suppliers as well. So now if you look at our margin as such. We expect largely to recover the entire part of it, maybe there could be a slight marginal gap from current quarter to next quarter. But largely, we expect to recover in the December quarter.

Lakshminarayanan: Got it. Got it. Thank you, for this explanation. I will be back in queue.

Moderator: Thank you. The next question is from the line of [Inaudible 0:35:53]Daulat Capital. Please go ahead.

Analyst: Yes. So sir, a couple of follow-ups on my previous questions. So sir, firstly, on the cost, how much have been recovered back? How much price passed on have been done? And what is the aftermarket -- has it resolved now?

Mayank Holani: Resolved as in what sense?

Analyst: That the pricing was an issue because of hyper competitive behaviour of other players. So has that abated?

Mayank Holani: So see, as far as cost, this margin is concerned, I answered it in response to the earlier question also, so we expect to recover largely almost most of it. Maybe there could be marginal spill over from current quarter to the next quarter. But largely, we expect to recover and discussions are ongoing with customers as we speak.

Now on the VA business part, aftermarket, if you see, now the difference between from last year to this year is sort of stabilized. Current quarter also, you see about 7% degrowth. Last quarter was also about 7% degrowth. And the numbers for current quarter versus last quarter, is almost in the same range, just about less than 2% drop from the last quarter.

So that volume part is stabilized. Margin, yes, slowly, it's kind of stabilizing, I would say not going upward. But it is stabilizing. But see, VA is a very dynamic and scattered market, right? It's not that you have a few customers where you can make your control, right? Hundreds of customers are there. But largely, it's now bit stabilized from the major variance what you were seeing until a few quarters back.

Now it's a bit of stabilizing, but yes, work remains to be done on that. I won't say it's completely the work is done and we do not need to do anything more. It requires further actions.

Analyst: Sure, sir. And sir, on the capex front, as I was looking at the schedule, I think most of your capex, all of it is being scheduled going live in July 2027. So then is it possible to do a 15%, 18% revenue growth in FY28 and 15% in FY29. Would that be a reasonable assumption?

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Mayank Holani: It's not, all is not going. So what you see in the announcement which was made a day before yesterday. So one channel December '26, one channel going live in March '27 at Haridwar. And then one channels capacity enhancement going live in March '27. And then the third new channel is coming from July '27. That's what is announced. Then there are further plans also what we have seen is in the larger INR 500 crores capex.

But as far as the volume you would see, yes, I think 15% kind of growth or upward of 15% would be reasonable to expect in the next year that we should see. But what will happen, some of these channels, when we look at it, it will also replace the trading volume, right.

Some part of it will end up replacing the trading volumes. But when we look at revenue, again, some revenue increase will also come from the price increase which we are getting, right? So that way, 15% would be a reasonable number or a little bit upward of 15% is what we should be looking at.

Analyst: Sure, sir. And just the last one, sir. On this new hybrid transmission win, just the last one sir. On the new hybrid transmission, win. So sir, how is the content per vehicle different?

Mayank Holani: Girish?

Girish Kumar: The ceramic pairings have high technology, high valued component within that. In a conventional bearing, you have the steel balls and then here you have the ceramic balls. To that extent, the premium on the pricing will be there. So -- right now, the volumes are quite modest, I would say. Just entering the production in India. We need to really see how does this really progresses beyond that.

Moderator: The next question is from the line of [inaudible 00:40:30] Anand Rathi. Please go ahead.

Analyst: So just a clarification question. So, I think in the last quarter, you had indicated that a 15% EBITDA margin as your normal range. And I think you mentioned in this call that you will be returning to the normal range in this year itself. So, 15%, around 15%, what we're expecting to return to?

Mayank Holani: I think we are already at close to 15%, right? We are about 14.5% -- and definitely, we should - would be expecting to return to above 15%, not just 15% actually. It should be right?

Moderator: The next question is from the line of Vipul Shah from Sumangal Investments. Please go ahead.

Vipul Shah: So, my question relates to the service business, which we used to do in from [inaudible 00:41:47] SKF Limited before the demerger. -- for maintenance of bearings. So that business has gone to SKF Industrial or it is still housed within SKF Limited also? And if it is there, what is the progress? And if you can share any numbers.

Girish Kumar: No, the service business is part of the industrial entity now. So, we do not handle in automotive data-services business, what you are referring to.

Vipul Shah: Okay. Thank you.

Moderator: The next question is from the line of [Laxminarayan from Tunga Investment. Please go ahead.

Laxminarayan: I mean, sorry, on the margins. The way in which I understood is that you talked about the EBITDA margins, right, which is 14.5% or so. But when we look at excluding the other income, the margins are different. So, what is the right way investors need to look at it and right has to be aligned to the way in which you look at your own KPIs or KRAs or scorecard.

Can you just throw some light on what is the margin as investors should look at? Is it the PBT or an EBITDA or a gross margin it is including other income or excluding other income. Just help us.

Mayank Holani: Very, very good question. And see, when we look at gross margin, obviously, we should be looking at without other income and -- this quarter also, if you see our gross margin is impacted by almost 5%, right, excluding other income with the revenue from operations.

But now from the entity and company perspective, other income is also significant, not to be ignored because what is happening, other income, a big part is related to the services or the space given to the industrial, right? So as and when that gets released, 1 way to look at it, you can think on the SKF Industrial moves out we'll lose rental income.

But then we will be utilizing that space or those facilities for our own business and that could be much more productive commercially, right? So, it wouldn't be the right assessment because you have your capital, you have your assets in place. So, we need to look at it including other income, in my view, and that's what -- how we look at it.

Laxminarayan: And in those INR 29 crores, how much is actually this rental or the usage income we get and how much is actually treasury income?

Mayank Holani: Treasury income is not very significant. As you see, we are -- the cash in hand at the end of this quarter is about INR100 crores, right? So, it's large because there are multiple things. One is the income from SKF Industrial.

Now another is we also host a lot of these people who are on global roles and like finance shared services with serves other countries in Southeastern region, then there are certain other resources also, which work on global role and their cost gets charged to the paying company or to the respective countries.

And as per the transfer pricing rules on the cost, these were invoiced at cost plus markup as per the transfer pricing guidelines. So, they also give income to the legal entity, right? So more and more people we are hosting here in India, Indian legal entity that is also providing us income.

Laxminarayan: Okay. So, INR 100 crores or a because, for example, I mean you see that some of the large multinational companies also take this other income as operating income and they actually give rental, I think Bosch does it the rental income take it as part of an operating income. So, as a management, what do you look at, sir, so that we can also…

Mayank Holani: So no, that's what. See, if you look at our P&L, so you have these -- you have sales you have revenue from operations, right? And you take revenue from operations, you were getting other operating income, right? So, if you have a sales cut and then there is other operating income.

So other income is separate, and then you have other operating income is considering revenues from operations on. So, there are 2 parts from that, yes. Revenue for some operations has pure this product sales and then other operating income as well.

Laxminarayan: Okay. So, these INR 29 crores, which you just the -- continuation of that, I just want to get clarification. So, these INR 29 crores, which you talked about, right? So that has less of treasury and more of all these other operating incomes, right, which is…

Mayank Holani: See, it is a treasury income, it is rental income. It has exchange forex exchange difference kind of things also it has been as incomes like asset sales also. So, there are multiple items. And some quarter, it may happen is like you have some asset sales. Scrap or assets, old asset sales. So those kinds of things also come into it.

Moderator: The next question is from the line of Sachin Maniar from 3P Investment Managers. Please go ahead.

Sachin Maniar: Yes, hi sir. Thanks for taking my questions. Continuation with the previous questions. Can spell out what are the related party transaction with SKF Industrial, apart from the sales, there is another income ISA agreement part of it impact in all the P&L items. If you can highlight that would be helpful which would be tapered off in the next 2 years, I'm supposed…

Mayank Holani: One is your product sales and purchase, right? We both have trading with each other. So, there are certain products which we are producing and selling to industrial, and we are buying from industrial then you have -- I can not cover each and the entire comment.

Broadly, I will give you an idea -- so then they are operating from SKF India plant, right? So certain part of premises are leased to them. So that debt part is rental is charged to them. And there is other certain common services. right? Certain common services, be it say, security canteen, related to power and all. So those kinds of things are also invoiced to them. So, you have a cost at one and then it's built to the other entity. So, there are multiple kind of these kind of things which are part of it.

Analyst: Okay. So, when this taper off, what the margins or anything number impact would be there in the next 2 years post how it could impact when there's…

Mayank Holani: No, I don't think -- see I don't think it's -- it won't be an impact on margin as such because once this goes off, see this space suppose if you take, right? So, the space when it goes off and we replace it with our own channels, that space and the channels would be -- I would say it would be much more productive. – because today, you are charging a rental for that space alone, right?

But then when you are doing production on that space and selling that in the market, that is going to give much more value. And certain other parts, like say, the cost charge-off to them. So, the cost which you are incurring will also change.

Where it goes to them because the as per the transfer pricing guidelines markup is hardly anything. It's not a very big number that you are charging 20% markup or 15% mark up on the cost so that would not be, I would say, it will be much more positive because we'll be generating operationally better revenue from that.

Analyst: Correct. And lastly, sir, on a And lastly, sir, on a few business wins in the EV side, just a previous one mentioned. How is the content per vehicle would change in EV versus ICE for you in the next couple of years with this new business win?

Mayank Holani: Girish?

Girish Kumar: Yes. Obviously, there will be a marginal reduction in number of bearing positions compared to, you know, the internal combustion engine. But what we see is due to the high performance requirements for the bearings that goes into EV, ceramic bearing is one example that we talked about, conductive brush is another example, which is actually offsetting the reduction in, you know, the value content of the ICE engine bearings. So, we see a marginal increase in the value per EV vehicle compared to the other ICE, I would say.

Sachin Maniar: Okay. So it's marginal increase only. No reduction in terms of -- no…

Girish Kumar: No reduction. We don't…

Sachin Maniar: Okay.

Girish Kumar: Absolutely. No reduction in value, but rather it will be marginal increase…

Sachin Maniar: But that would be traded currently for next few years? Was manufactured goods was…

Girish Kumar: It's all manufactured. It is manufactured.

Sachin Maniar: The ceramic bearings, and all ?

Girish Kumar: Ceramic bearings are manufactured in India plants. The component, which I mentioned, the ceramic ball is a purchased part, not the complete bearing.

Sachin Maniar: Sure, sir. Got it. Thank you, sir. Thanks.

Moderator: Thank you. The next question is from the line of [Pankaj Agarwal 00:51:41] from -- an Individual Investor. Please go ahead.

Pankaj Agarwal: Hi. I have two questions. One is with respect to the addition of transitioning into specialized high-performance EV platform architecture that was supposed to happen by late 2028. And its current impact on current depreciation or interest outgo or current margin pressure, etcetera? And the second question is with respect to the Haridwar component backward integration, currently status and how much it is going to contribute to our top line or bottom line as of now? Thank you.

Mayank Holani: So, maybe Girish you -- first one you can answer?

Confidentiality: C2 – Internal

Girish Kumar: No, I didn't get the question. Maybe…

Mayank Holnai: Can you repeat the question?

Girish Kumar: Please repeat the question.

Pankaj Agarwal: The first question is with respect to our development towards the EV platform architecture or related companies, which we do have ambition of getting by late 2028, so 2 years, 3 years down the line. And [inaudible 00:52:54] to mitigate the [inaudible 00:52:57] local manufacturing, let's say, at Haridwar or backward integration, any development in that direction?

Girish Kumar: Not sure I fully understood, but let me make an attempt.

Mayank Holani: Your voice is not coming clearly.

Girish Kumar: See, let me try to answer and see if we move forward there. Now, the EV products, I mean the EV two-wheelers and passenger vehicles are being manufactured. It's not that, you know, all of them will start producing in 2028. So, we are in the business of EV product portfolio.

Some of the high-technology new products that we are introducing, ceramic bearing conductive brushes that we mentioned is the one that will get into mainstream market around 28 is what I mentioned. That is a status of EV business that we have. And there are revenue streams coming into the books as we speak in this quarter as well.

Now, EV bearings are, you know, goes into driveline as well as in wheel end. So, all three factories are involved. But very specifically, we have called out in the previous call about, you know, Haridwar anchoring a bit more role in the two-wheeler traction motor bearing per se. But that we wouldn't monetize backward integration, it is just the capacity expansion and the investment specifically for producing electric vehicle kind of specific bearings there. So there is…

Pankaj Agarwal: Yes. I think…**Girish Kumar:** Does that answer your question?

Pankaj Agarwal: Yes. The only thing to -- in that…

Moderator: Sorry to interrupt Mr. Agarwal…

Pankaj Agarwal: It's the extension of the same thing. Regarding EV platform, just one minor question. Are we on track along with the competitive scenario of the market or are we delayed?

Girish Kumar: Yes. We are in line, and we are ahead in few high-technology, you know, products, no reason to really believe that, you know, we are behind.

Pankaj Agarwal: Sure. Thank you.

Moderator: Thank you. Ladies and gentlemen, due to time constraint, we will take that as the last question for today. And now, I would like to hand over the call to Mr. Mayank Holani for closing comments.

Mayank Holani: So, this brings us to the close of today's call, and I'm very happy to see the excitement and the engagement from all of you. And if any of your questions remain unanswered or we were not able to provide clarification, feel free to write to our Investor Relations email ID. You can send your queries, and we'll be happy to respond to that. And look forward to the next quarter's call to again speak to all of you.

And thanks once again for all your engagement and enthusiasm in joining this call. Thank you.

Moderator: Thank you. On behalf of SKF India Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.