Date: 19th August 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 – SKFINDUS**	**BSE Limited,** Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai – 400001, Maharashtra, India **BSE Scrip Code -544572**

Subject: Intimation - Transcript of Analyst/Institutional Investor Meeting held on 14th August 2026

Reference: Our intimations dated 10th August 2026 and 14th August 2026

Dear Sir/Madam,

Pursuant to Regulation 30 and 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of audio call recording of the Company's Analyst/Institutional Investor Meeting held on Friday, 14th August 2026 at 11:00 am (IST) to discuss the Financial Results for the first quarter ended 30th June 2026.

The transcript is also available on the website of the Company:

https://www.skf.com/in/investors/skf-india-industrial-ltd/financial-results

We request you to take the above information on record.

Thanking you,

Yours faithfully,
For SKF India (Industrial) Limited

POORVA BANG

Digitally signed by POORVA BANG
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Poorva Bang
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"SKF India (Industrial) Limited

Q1 FY 2026-'27 Earnings Conference Call"

August 14, 2026

MANAGEMENT: **MR. MUKUND VASUDEVAN – MANAGING DIRECTOR – SKF INDIA (INDUSTRIAL) LIMITED**
MR. ASHISH SARAF – CHIEF FINANCIAL OFFICER -- SKF INDIA (INDUSTRIAL) LIMITED
MR. SUJEETH PAI -- DIRECTOR, OPERATIONS – SKF INDIA (INDIUSTRIAL) LIMITED
MS. PRABHSHARAN KAUR – CORPORATE COMMUNICATIONS – SKF INDIA (INDUSTRIAL) LIMITED

Moderator: Ladies and gentlemen, good morning and welcome to the SKF India (Industrial) Limited Q1 FY 2026-'27 Earnings Conference Call. For the smooth conduct of the meeting, all participants are in listen-only mode. A brief question-and-answer session will follow the formal presentation. Should you need assistance during the conference call, please press * then 0 on your touch-tone telephone. As a reminder, this conference is being recorded.

I would now like to hand the conference over to Prabhsharan Kaur from Corporate Communications department of SKF India (Industrial) Limited. Thank you and over to you, ma'am.

Prabhsharan Kaur: Good morning everyone. Thank you for joining us today. With us, we have SKF India Industrial's Managing Director, Mr. Mukund Vasudevan; our CFO, Mr. Ashish Saraf; and our Director, Operations, Mr. Sujeeth Pai.

The purpose of today's call is to share our Q1 FY 2026-'27 results. Please note that the financial information from 17th December, 2024 to 31st March, 2025 and from 1st April, 2025 to 30th September, 2025 as reported in the presentation shared has been extracted and may involve some assumptions by the management from the financial information of SKF India Limited, pertaining to the demerger industrial undertaking. These are prepared in accordance with the Appendix C of Ind AS 103 Business Combinations by using the financial information maintained by the SKF India Limited, the demerged company.

Before I turn the call over 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 risk and uncertainties and actual results may differ materially. Such statements are based on the management belief as well as the assumption made by and on the information currently available to the management. The audience is cautioned not to place undue reliance on these forward-looking statements and making any investment decision. The purpose of today's call is to purely educate and bring awareness about the company's fundamental business and the financial quarter under review.

Let me turn the call over to Mr. Mukund Vasudevan now. Sir, please. Over to you.

Mukund Vasudevan: Thank you, Prabhsharan. Just a quick voice check. Can you hear me?

Prabhsharan Kaur: Yes, sir.

Mukund Vasudevan: Okay. So, welcome everyone to the Q1 FY 2026-2027 investor call we are having -- at SKF India Industrial. This is the first investor call we are having and we are very happy to share with you our results. Along with me are my -- our CFO, Ashish Saraf, and our Head of Operations, Sujeeth Pai.

In the course, they will support me whenever I need their help. I would also like to congratulate at this moment Mr. Sujeeth Pai, who will be taking over as Managing Director of SKF India Industrial effective September 1st, as you see in the SEBI announcement, as I step into a role to manage the larger region for Industrial Region of India, Southeast Asia & Middle East within SKF Group.

I'm now going to walk you through the presentation which has shared with each one of you. I'm now on the slide which has macro indicators, strategic growth drivers, and highlights summary.

Let me first highlight economic trends. As you all know, Indian economy is still pretty strong, whereas the GDP numbers may vary a little bit, the GDP is in the range of 6.5% to 7.5% depending on who you talk to. Our inflation has crept up a bit and you will see that it is primarily due to fuel prices and a bit due to food prices. We expect that to continue to be in the same range or maybe get worse -- a little worse as the monsoons have been a bit weak. Industrial -- been a strong point. It has been rebounded, it rebounded quite since last quarter. The outlook for India and for exports continues to be robust.

If I move to the next slide, Slide 6, which is specific sector, even with -- stick at a macro level, the sectors, if you look at construction, the value-added to GDP in billion INR is continuing to grow steadily as we saw in each quarter. The metric tons of steel produced is also growing, while it has a little bit of a dip Q1, the steel production is something which is continuing to be added in the country. And finally on wind, we are now the fourth largest wind capacity in the world. Hold on, I just got a note that my voice is breaking, so I'm going to change my headset. All right, can you confirm you can hear me?

Prabhsharan Kaur: Yes, Mukund, if you could just come -- be a bit louder also.

Mukund Vasudevan: Okay. All right. I'm still on Page 6 where I said that industry is doing well. Steel production is still going strong, even though it had dip in Q1 2027, the capacity trend in the long-term continues to be significant. And wind addition -- wind capacity addition is the fastest growing in the world and it is the 4th largest wind capacity in the world right now, growing at almost 10%. All these are macros which help our business, especially the India Industrial business.

If I now -- Slide 8 where I talk about the strategic growth drivers. As you know, as Industrial, we have built -- we are trying to build more focused, agile company delivering value to our industrial customers. And our strategy consists of four pillars; one, localization, expanding our industrial focused manufacturing footprint in the region. second is innovation, which is empowering our customers through innovative and customized solutions. Digitalization and reliability solutions, which is around predictive monitoring and maintenance and helping our customers reduce their downtime. And finally, people focus, which is developing our capability and talent.

If I go to the next page, Page 9, I give a few examples of how we have made progress on each one of these pillars of SKF India Industrial strategy. Localization, we have set up a tapered roller bearing line which is used extensively in several industries. It's used in gearboxes, it's used in highway equipment, et cetera. We have now set up a new line in Pune which is going to support not just India, but also export market. This will provide 3 million units annually to support future growth. And it will also help us deliver faster and reduce exposure to imports, and also be more competitive.

If I look at innovation, there's some very exciting innovation we have launched in the recent times and we will continue to do this every quarter. For the railway market, we have launched railway wheelset bearings, which -- wheelset is a bearing, a housing, a mounting block all together, integrated into one which -- and a seal, which creates more rigidity and provides stability. And that -- this reduces the maintenance interval -- or increases the maintenance intervals by almost 20%.

We have also developed for the food and beverage industry, we have developed bearings which has capability to withstand up to 250 degrees centigrade. So, in certain environments where we require good rotational -- rotation with less friction, but also has to be food grade and has to be high temperature, this is one of a kind.

We have also launched a super-efficient hybrid bearing, which is a ceramic bearing, which is specifically for motors and drives and reduces consumption significantly.

Similarly, we have launched a cylindrical roller bearing for the agri OEMs, -- agricultural OEMs for their harvesters and tractors, both for the India market and the global market. And this reduces the time to install, but also reduces contamination coming in any of the areas they operate in. So, significant amount of innovation which will contribute to growth not just now but in the future and also position us well as the premier bearing company in the country.

I'll now talk about the financial highlights, very briefly. So we spoke about our strategy, four pillars, localization, innovation, digitalization, and people.

Now we'll talk about the financial highlights very briefly. Before I go here, just a comment as Prabhsharan said, we did not have a, in the quarter, previous year same quarter, the industrial entity was not set up. So, there is no easy comparable. That said, we have made some assumptions to compare on sales, but we don't have a year-on-year comparison for the other metrics. But on sales, we have made a comparison.

So our revenue from operations was INR9,708 million for the quarter. If you compare year-on-year, and this is where we, some assumptions for the year, it was a 18.3% growth, super exciting.

If we do, do a quarter-on-quarter comparison, which is from the January to March quarter to now, that is a 2.6% growth, solid. Our PBT INR869 million, 9.5% to 9.0% margin primarily, due to forex related losses and one-time expenses related to the demerger, primarily around IT. Our cash flow was still strong with a 63.0% cash conversion in this quarter.

If I move to the next page, which is page number 13, which has a little more detail on the same, you can see that our revenue was up 2.6%, margin went down quarter-on-quarter, but this is primarily due to foreign exchange and one-time expenses related to the demerger. So a slight drop in the profit before-tax, but nothing as a going concern, nothing significant.

Net working capital was almost flat and operating cash flow solid. The only reason for the drop in operating cash flow was some charges we had to pay for name change and land transfer from SKF India Limited to SKF India (Industrial) Limited, again, a one-time outflow.

As we look at the rest of this year, we still see a very solid base. We are continuing to win orders. If you compare quarter-on-quarter, our OEM, distribution, exports and sale to SKF India

Automotive, where we are still supporting, mix is almost the same, not significant change. We are trying to bring down the India Automotive sales to ensure our mix improves further.

In the segments, strong performance across most segments in this quarter. General machinery, which is everything from pumps, motors, gears, did extremely well. That share of that business has grown. The other sectors which have done well in this quarter are wind and in heavy and heavy. Rail also was solid.

If you look at some of the wins we have won, which are good orders for the which we will increase in the next few coming quarters, we just won a significant order with a gearbox manufacturer, INR140 crores order, which will help us significantly in our sales in the next few quarters, continuing to next year.

Similarly, in agricultural, we just won a INR 35 crores contract with a leading tractor OEM thanks to our innovative customized product. These are just a few examples of orders we have won, but this will continue and we are seeing good traction in both OEM and the aftermarket distribution business.

I will end with the summary, and I'm now in Page 16. Good revenue from operations, both a year-on-year and quarter-on-quarter sequential quarter-on-quarter growth. Margin, a little below expectations, but a lot of it driven due to one time demerger expenses and we expect to see that recover over the next few quarters.

And margin was a little lower than last quarter, but we will see very solid cash generation which enables us to pay good dividends in the future. So I would say a great start for us at SKF India Industrial, which enables us to be more agile, focus on industrial and allow us sharper capital allocation.

The sharper capital allocation enables making the investment plans we are making in terms of INR900 crores to INR950 crores we are planning to invest to make the new Pune plant, state-of-the-art Pune plant. And that is progressing as per plan and we expect to start producing there from 2028. We have great tailwinds with the India growth story as sectors like wind, metals, heavy, cement, construction continue to buffet our growth.

And last but not the least, we can't sit back and relax investments and the macros, we job in terms of manufacturing more efficiently, innovative products, and building a strong aftermarket both with distribution, but also through our digitalization and services business.

With that, I will stop, open it up for questions. Thank you.

Moderator: Thank you, sir. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press * and 1 on their touchtone telephone. If you wish to remove yourself from the question queue, you may press * and 2. Participants are requested to use handset while asking a question. Request each participant to limit their questions to one per participant. If you wish to ask more than one question, kindly join the queue again. We will now begin the question and answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Our first question comes from the line of Viraj Kacharia with SiMPL. Please go ahead.

Viraj Kacharia: Yes, hi. Thanks for the opportunity. Couple of questions, first is, in terms of new products, in the annual report also we talked about there's a change in approach towards application focused selling. So, you know, where do you see white spaces in terms of new products and where do you see biggest opportunity for growth? So any color you can give in terms of timeline, in terms of new product pipeline and the segments we are looking at. So that is one.

And we also talked about in the AGM that we are looking at bringing parent's robotics, humanoid robots and data center related product portfolio to India. So again, if you can give some more color in terms of TAM and the content we will be looking to kind of capture into. So that is one.

And second is on the margin piece. If you can quantify the FX, the demerger related expenses in the quarter gone by. And in the AGM also, we talked about a PBT margin guidance of 14.0% to 16.0%. But this seems to be lower than the earlier guidance of 16.0% to 19.0%. So, where is that, what is really driving the moderation in the margin structure?

Mukund Vasudevan: Okay. I will try and answer that to the best of my ability. I will for most of these questions. All right, segments where we are seeing new product opportunities for innovation, I would say industrial across the board. Some segments, though, are slower to adopt in innovation than others, just because change is costly for them, right, and any risk, they are risk averse. But other segments are much more open to it. I would say where we are seeing the most traction right now in terms of innovation would be in the general machinery, which is the manufacturing for gearboxes.

Viraj Kacharia: Sir, your voice is cracking again.

Mukund Vasudevan: Okay, is everybody having the same challenge?

Prabhsharan Kaur: Yes.

Ashish Saraf: Yes, Mukund, your voice is breaking a bit here.

Mukund Vasudevan: Okay, give me a second. Alright, Is that better?

Viraj Kacharia: Yes, sir.

Mukund Vasudevan: Okay. So I was saying that more traction in innovation in some of the sectors where the customers are more amenable to changes in products. We are seeing that in motors, pumps, gearboxes, we are seeing that. We are seeing innovation happen in some other sectors like F&B. I would see, where we do see innovation, but those are more to specific customers, would be in agriculture or , but those are customized offering to a customer and where innovation is possible.

We are continuing to innovate to bring down our costs, that also is a form of innovation so that we are more competitive in the market. That is across sectors.

You asked about humanoids and data centers. Yes, that is exciting, but it's early days for India. Not much humanoid manufacturing happening in India right now, but we see that to continue to improve and we will be able to supply that opportunity, have the product line available.

In data centers, data centers has been a -- it's an expected distance in the future. Right now, where we are seeing some traction is in generators -- pumps, very basic things needed in any data center, not just the hyperscalers or very large AI related data centers are near. So we are seeing that ready and them significantly.

When you come to chillers in part equipment used in some of the data centers, one, it's very early in the sales cycle and most of OEMs who are outside the country and so are purchased there. We will continue to serve aftermarket and when the need arises, but right now, both these are exciting opportunities, not significant yet in our business in SKF India.

All right. On margin, I'll let Ashish answer the demerger question. I will just broken up into how much is the impact of effects of demerger. I'll just answer the long-term. trend, 14 to 16% gave guidance. I would say we are being conservative. We are -- our aspiration or ambition is to try and get closer to 17, 18 or even 19.

In the near term, as we -- investments, make investments, we think that there will be dip, right? Beyond 2028, we would start seeing this improvements. But for the next couple of years at least, because of the investments we are making, there will continue margin pressure as localization increases, so we make more products in India or in the region for to be more competitive and our margins improve.

And as our top line improves and our operational efficiency also improves, we get more. We can definitely reach the path to 14 to 16. Beyond that, we will try and get there, but we don't want to make a commitment because that is beyond 2028. Ashish.

Ashish Saraf: Thanks, Mukund. So just to elaborate further on the margins for this quarter, right? So if you look at we came in at around 9%. We had a forex loss of around if you look at quarter over quarter because of the rupee depreciation, which got impacted predominantly on account of the Middle East war, we had significant forex loss on the products that we imported, right, from predominantly from Europe and other markets. So that was to the tune of around INR147 million if you compare it quarter-over-quarter.

On top of that, we continue to incur expenses on IT, as we are separating the IT infrastructure of both automotive and industrial company. So this quarter we had an additional adverse impact of almost INR150 million impacting our P&L, predominantly coming on account of the IT cost, IT infrastructure cost that we are incurring on account of demerger. This expense is expected to continue for the next two quarters till the AB SKF separates globally with the automotive company of SKF and post that this cost would stop.

So if you look at if you combine both the FX as well as this one-time cost that we are incurring on account of demerger, that itself is almost 3% on an adverse impact on our margins. So if you kind of add that back, we pretty much come to 12%. And then the additional initiatives that Mukund talked about, which is pretty much manufacturing efficiency and the new investment in the Pune plant, I think both these initiatives would help us drive the margins that we are aspiring to achieve in mid to long term.

Viraj Kacharia: Thank you. Good luck.

Moderator: Thank you. Our next question comes from the line of Varun Jain with Dolat Capital. Please go ahead.

Varun Jain: Ya, hi. Good morning, sir. I have a couple of questions. Sir, firstly on the order wins for wind and agri, what is the supply period for INR140 crores of this revenue? In what period this will be realized? And are these orders recurring in nature that we do expect recurring revenue from them?

And secondly, on the customer mix, so what is the difference in the margins we realize on distribution, exports and OEM?

Mukund Vasudevan: The order wins which you spoke about which we highlighted, most of these, the ones I highlighted were one-time, but they extend to one year typically, one or two years. The wind gearbox one is a one-year order, over it is spread through the year. And the one is also it's -- to be a longer term one, right, but the annual value we have shown there, right, that will be longer-term.

That said, there are other orders where we have services contracts or we have condition monitoring contracts which are slightly longer-term. When you come to certain others, most of the OEM orders tend to be one-time or one year, not lifetime. So the order book is growing and we continue to see this order book develop and grow actually as we look at the macros for India and it has been sustained growth for the last few quarters at least in order book.

All right. Distributor, OEM and export margins, Ashish, if you could take that.

Ashish Saraf: Sure, Mukund. So typically if you look at distribution, distribution remains is our higher margin channel, right? Since we are serving the aftermarket business, we are able to command a better price compared to the products that we sell in the OEM market.

OEMs are also are relatively lower operating margin business, but it's significant for SKF because it kind of helps drive the aftermarket business for SKF, right? It helps us grow our market share, the aftermarket business at a faster pace. So it's a healthy mix if you look at our OE business and I'm talking about total revenue split that we have for this quarter, our distribution mix is around 34% and our OE mix is around 54%, right? So overall it's a pretty healthy mix and as we grow our OE business, it's going to help us improve our overall distribution mix and grow our overall operating margin as well.

Varun Jain: Sir, if you could quantify the margin difference in bps or in absolute percentages. And also for this new tapered roller bearing line, I think we are adding 3 million units in capacity. So which sector or which customers are we targeting with this line? These two questions and.

Ashish Saraf: Yes. So if you talk about OE margins, typically it would be relatively high single-digit margins, whereas distribution would be high double-digit. And in terms of the tapered roller bearing that we have inaugurated, it's basically going to serve, and Mukund, you can pitch in, is going to serve the agriculture market, gearbox, as well as some of our aftermarket business as well.

Varun Jain: Okay, sir. Got it. Thank you and all the best.

Moderator: Thank you. Our next question comes from the line of Gokul Maheshwari with Awriga Capital. Please go ahead.

Gokul Maheshwari: Yes, thank you for the opportunity. Just two questions. So one on page 27 of the annual report, in the MD's letter, you had spoken about the solutions business. Can you quantify what is – how big is that for us and what was the growth in FY '26? And my second question is that in the same letter, you mentioned about your aspiration to double the business with improved margins, while you quantified the margins part on the aspiration to double the business, if we could indicate a timeline also.

Mukund Vasudevan: Okay. The solutions business, which includes our services business, includes remanufacturing and primarily in railways, but also increasingly in other industries where we older bearings or used bearings and bring it back to almost and then give a three-year warranty on it. That is significant in railways, it is also increasing in pulp and paper and metals now. That is one portion of the solutions business.

The second is all the condition monitoring, the predictive business, predictive maintenance, reliability solutions to increase plant uptime or to increase their mean time between failure kind of solutions which we offer. Those are the digital solutions we offer, part of the solutions factory. And then we also offer certain where we offer take, like a managing an entire shop in a steel mill, where we essentially O&M for them, also maintaining the bearings, lubricating the bearings, remanufacturing the bearings. So all of those constitute the solutions.

Today, it is small, but we see huge potential. It is less than 10%, now it's around 6% to 7% of India business. We are seeing growth in industry for that business, but as we are investing more both from a technology perspective condition monitoring technology, et cetera., and in go-to-market with additional sales people to actually go out and sell this concept direct to end users, we are seeing additional traction and expect that to grow even faster.

Second part of doubling business, right, I'm not going to put a timeline on it, that is an aspiration. I would say ideally in five years we would like to get, right? If it's possible, we'd like to do it quicker, but that's an aspiration which we have and I would say five years on the outside is where we'd like to get there.

Gokul Maheshwari: Okay, great. Thank you so much and all the best. Thank you.

Moderator: The next question comes from the line of Ravi Purohit with Security Investment Management. Please go ahead.

Ravi Purohit: Yes, hi. Thanks for the opportunity. Couple of questions. Ashish, you mentioned about margin difference being 3%, right? So right now we are at 9%, so that takes it to 12%. How long are we going to incur these one-off costs? I believe in the earlier calls you had mentioned that it will run for about a year or so. So does it mean that next quarter will be the last quarter and after that these expenses will stop?

And second is, I think Mr. Mukund had mentioned that our near-term goal is about 14% to 16%. So is it this 14% to 16% is up to 2028 till the new factory kind of commissions or because this 12% should come immediately once these one-off costs kind of get adjusted. So if you could just kind of help us understand the nuances.

And also this new line that we have commissioned on tapered roller, is it being operated by SKF India Auto or is it being operated, so is there like a demarcation or is it like so we are still not clear, are we operating a running factory in Pune for SKF Industrial on the new land that we have for how are the operations kind of getting run there?

Ashish Saraf: Sure. So maybe I'll answer the margin question and then I'll pass on to Mukund to elaborate on more on the factory operations. So in terms of margin, you're right, we are currently operating at 9%. The one-time cost that we are getting on account of IT, that we are expecting to taper down, right? So we should see probably significant cost in this quarter and then it should start tapering down by end of this year and then probably from Q1 or Q4 next year, we should not see these costs, right? So that is one.

And then the other aspect of the margin adverse impact on the margin was on account of the forex, which really depends on how rupee performs vis-à-vis the other currencies. In terms of margins, so 12% is a fair number in term of current performance.

Additionally, as I said, as we are working on driving manufacturing efficiencies and reducing cost of the products that we produce in our factories, we expect our margins to improve further by couple of percentage points. And on top of that, once our new Pune plant is set up by end of 2028, we expect further margin improvements going forward. Mukund, you want to answer on the factory operations?

Mukund Vasudevan: Yes, so the factory operations, I think the question was on the TRB line, that is in SKF Industrial, it's not in the SKF Automotive line.

Ravi Purohit: Okay. And sir, in the past, you know, we had mentioned that we are looking to add about 15/20 lines here. Some will be moved from our associated companies globally, right, and some will be set up afresh. So does it mean that the overall capex that we will have to incur will be significantly lower and the setup time for these machines which are actually only shifting from one geography to another, so those can happen actually earlier than end of 2028 that you are referring to or is it like part of that end of 2028 commissioning?

Mukund Vasudevan: Yes, unfortunately the challenge, the biggest challenge is actually space. So we will need a new factory. While we are squeezing out as much as we can with the existing channels in the within the existing space, demand, right, so some of the new channels will require additional space.

So the factory – it is tied to the factory. Yes, so I would say majority of the new installations, which will happen, will happen with once the new factory is up and running 2028 and beyond. Until then, we will upgrade our existing machinery to kind of drive more output out of it and continue to drive additional efficiency and get more output to meet the demand. It's not that we are falling short of capacity right now, it's just that by 2028 additional capacity.

Ashish Saraf: And just to add, we are also -- again, even though we are constrained by capacity, we are still going to add one additional channel by early 2027, one additional TRB channel by 2027.

Ravi Purohit: Okay. And sir, one precedence that we have seen in India is that, you know, lot of MNCs who had similar line businesses between listed entities and unlisted entities, there has been a tendency to kind of merge everything into one uniform entity from costs point of view and, you know, operations point of view and marketing and sales point of view, right?

So example being you've seen 3M do it, we have seen the latest in the list is Bosch, right? They have basically acquired the 100% subsidiary of Bosch parent in India, which is Bosch Chassis, right? So we have a large factory in Ahmedabad, we have some operations in Bangalore. So there is a lube business and a wind-bearing business which is outside of this company, although we do kind of market and sale through the listed entity from via traded goods.

But it's a suggestion and I don't know if you have any thoughts that you can share with investors at large now that Industrial is a separate entity altogether and we have this regular platform to kind of discuss future plans. So if you could just kind of give some insight and if Mr. Sujeeth can also kind of share a few words given that he's taking reins over from 1st of September as to how does he see, you know, SKF Industrial over the next three to five years.

Mukund Vasudevan: Okay. This is something which we continuously evaluate. So at this moment, as I've mentioned before, we're not looking at it actively, mainly because we want this demerger stabilised, there's some stabilization required within India on this demerger. And as you saw, there is some work to be done. So we're going to let this stabilize before we think about any other major such move. But that is something we continuously evaluate, but right now we're not looking at it in terms of merging the end.

In terms of Sujeeth, a few words, why don't we leave that to the last so maybe one other question and then if we have some time we'll let Sujeeth to speak just in the interest of taking as many questions as possible in the time, if you don't mind.

Ravi Purohit: Sure. I'll get back in the queue. Thank you.

Mukund Vasudevan: We'll take one last question and then Sujeeth can say a few words.

Moderator: Thank you. The next question comes from the line of Divij Punjabi with Banyan Tree Advisors. Please go ahead.

Divij Punjabi: Yes, hi. Thanks for the opportunity. I had two questions. One is, like you mentioned the ambition of doubling the business in five years. So can you talk about the key drivers or the key segments that will drive this growth? And the other one is based on the capex plans of INR800 to INR950 crores, what are the kind of asset turns that can be achieved over there once the demand comes through and we are operating at scale?

Mukund Vasudevan: Sorry, can you repeat the second question again? What is the second question?

Divij Punjabi: So based on the asset --

Mukund Vasudevan: Asset turns on that?

Divij Punjabi: Yes, if it would align with what we're seeing in FY '26?

Mukund Vasudevan: Yes, okay. Since the other investor wanted Sujeeth to speak, maybe Sujeeth you can take this question, what are going to be the major growth drivers for the India business, which industries do you see, and then kind of give a few words?

Sujeeth Pai: All right. Sure. Thank you. Thank you, Mukund. So I think I'll start with overview. Firstly, I think we're in a great place in terms of pure tailwinds that we have. The great thing about SKF is we operate in pretty much all segments. We don't have overreliance on any one segment. And all of these segments are cyclical.

But if you just look at the overall trajectory and where the country is going, purely from a infra perspective, steel capacity addition perspective, cement addition perspective, we're in a great place where most major companies have plans to kind of double by 2030. And we'll add more capacity in the next five years than we've added probably in the last 10 years.

What this does is this also drives demand for all the other general machinery industries, the motors, the pumps, the ancillaries, the conveyors, et cetera. So that's one part of the major industry where we're seeing great macro drivers and we see growth is going to come from there.

The second big one, of course, is railways. And railways again we continue to invest. It's an area that keeps growing and we see good headwinds from there as well. And the last one will be on renewable energy. We spoke about that a little bit yesterday. 25.0% of the renewable energy that's going to be added is going to come from wind. And as we see wind growing, again we see good potential for us to grow.

So I think from where we are set up today in terms of how we've structured the new Industrial company, we see opportunities across all of these segments. We have structured well today to seize the opportunity in all of these different segments. We also have all the investment secured and in place so that we get the capacity growth over the next three to four years.

So really for us it's about execution today. We have the strategy, the right strategy in place, we've got the investments in place, and as long as we execute well, we see we're in a good place to get growth over the next five years.

Mukund Vasudevan: And Ashish, if you could quickly take the next question.

Ashish Saraf: Sure, Mukund. So again, if you look at the investments that we are making of around INR850 crores to INR900 crore, a significant part of the investment is to set up the new factory, right, which is basically the whole infrastructure of the factory and the whole the whole layout, right?

So from a payback perspective, what we are looking at is around five to seven years, right, for the entire investments that we are making, which is basically the new factory, transfer of our existing channels from the automotive factory to this factory, plus getting new channels from other SKF companies as well as from third-party, right? So putting the entire investment together, we are looking at a payback between five to seven years.

Divij Punjabi: Sure, that was very helpful. Thank you.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. We will close the conference. On behalf of SKF India Industrial Limited. That concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.