



Date: 19th May 2026

National Stock Exchange of India Limited, Exchange Plaza, 5 th Floor, Plot No. C-1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai – 400051, Maharashtra, India NSE Scrip Code – SKFINDUS	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai – 400001, Maharashtra, India BSE Scrip Code -544572
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Subject: Submission of Transcript of Investor meeting held on 13th May 2026

Reference: Our intimations dated 8th May 2026 and 13th May 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 Investor meeting held on Wednesday, 13th May 2026 at 3:00pm (IST) to discuss the results for quarter and year ended March 31, 2026.

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

<https://www.skf.com/in/investors/skf-india-industrial-ltd/shareholder-information>

We request you to take the above information on record.

Thanking you,

Yours faithfully,
For SKF India (Industrial) Limited

Poorva Bang
Company Secretary & Compliance Officer



“SKF India (Industrial) Limited
Q4 & FY Ended 2025-'26 Earnings Conference Call”
May 13, 2026



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

Moderator:

Ladies and gentlemen, good day and welcome to the SKF India (Industrial) Limited Q4 and FY ended 2025-'26 Earnings Conference Call. For the smooth conduct of the meeting, all participants are in a listen-only mode. A brief question and answer session will follow the formal presentation. Should you need assistance during the conference call, please press star then zero on your touchtone telephone. Kindly note the duration of today's call will be for 45 minutes. As a reminder, this conference is being recorded.

I would now like to hand it over to Prabhsharan Kaur from Corporate Communications Department of SKF India (Industrial) Limited. Thank you and over to you.

Prabhsharan Kaur:

Good afternoon, everyone. Thank you for joining us today. With us, we have SKF India Industrial's Managing Director, Mr. Mukund Vasudevan, and our CFO, Mr. Ashish Saraf. The purpose of today's call is to share our Q4 results and our overall financial year's performance.

Please note that 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 demerged 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 demerged company.

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 risk and uncertainties and actual results may differ materially.

Such statements are based on management beliefs as well as assumptions made by and on the information currently available to the management. The audience is cautioned not to place any 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 now turn over the call to Mr. Mukund Vasudevan. Over to you.

Mukund Vasudevan:

Thank you, Prabh. Welcome, everyone. Welcome, everyone to the Q4 2026 Investor Call. I'm Mukund Vasudevan, Managing Director of SKF India (Industrial) Limited, and with me, I have Ashish Saraf, CFO of SKF India (Industrial) Limited.

I will go through the presentation which has been shared with each one with all of you. And let me start with just the agenda which is on Page 3, Slide 3. I will have a quick executive summary, then we'll talk about macroeconomic update, then I'll go through the quarterly highlights which is the financials. We'll talk about our strategy for going forward and some success stories. And then I'll hand it over for questions and answers and we'll take one question at a time.

Moving ahead to the executive summary, which is Page 4. We are glad to inform our investors that we had a really solid sales growth this quarter. We are reporting as stated in the introduction for the introductory statement, we are reporting quarter-on-quarter because year-

on-year are not that comparable because that involved extraction from SKF India Limited. So, we are reporting quarter-on-quarter, which is we are comparing here Q3 of the financial year to Q4 of the financial year. So, Jan to March is being compared to October to December '25.

We had a sales growth of 9.8% with INR 9.5 billion of sales. We had a 1,731 basis points improvement in our profit before tax, that's at 9.5%. Caveat on that, which is the two bullets you can see at the bottom. Due to the demerger, there were some one-time expenses both in the previous quarter and in this quarter.

If we remove that, remove the impact of that, this quarter we delivered a margin of 11.5% -- or profit before tax of 11.5%. Again, solid performance given all the changes which were going on in the demerger. And then in net working capital also, we came in strong, reduced our net working capital by 2.8% quarter-on-quarter and delivered 18.7% of sales net working capital.

The one-time charges which happened in the previous quarter and in this quarter included, in the previous quarter, it included some IT-related costs related to the demerger, professional services, and a large stamp duty which was paid related to the land transfer from SKF India to SKF India (Industrial) Limited. That was a total of around INR1.8 billion in the last quarter.

In this quarter, we again had demerger-related IT costs, primarily that, totalling up to INR 183 million. These are all explained in detail in our detailed financials. But overall, very solid performance, proud to say that we had good growth and a solid margin improvement quarter-on-quarter.

If I now go on to the economy update and I'll take you to the page titled macro update. As all of you know, the GDP continues to be robust in India. While there's a slight bit of softening related to macro conditions, including the Middle East war, the projected Q4 '26 GDP is around 6.5%. This is based on assumptions from Ministry of Statistics and its projected.

CPI inflation was also at a little bit of an uptick, again related to the war and oil price increasing. If I look at industries relevant to us on the next page, which is titled major sector performance, most of the industrial sectors are actually doing very well and we see this as a ripple effect on our business.

The industrial production continues to show robust growth, year-on-year growth, so 4.5% is what our latest is. We have been averaging around 4% to 4.5% in the last few quarters. Electricity production, while no change from last quarter, is still quite solid. Iron and steel production seems to have increased, driven partly by the construction growth also which has increased.

So, construction growth was 6.6% and iron and steel production was 9.7% year-on-year. Both we have solid business in construction, which is related to cement and a few other industries, and in the steel, iron and steel areas. So, all those, as you will see in our results, have contributed to our good performance.

If, I now move to the next section and talk about our quarterly highlights, and here I'll go deeper into some of the financials. Let me start with the next page, Slide 9, and let me talk

through the sales first. Again, as we said, solid growth, 9.8% growth quarter-on-quarter. This is primarily driven by a very solid OEM growth, so sales to OEMs. And these OEMs specifically were wind, which grew 91.0% quarter-on-quarter, driven by orders from ZF and Suzlon, significant order deliveries.

And then the second biggest was to metals, which is to steel companies, Tata Steel as well as SAIL, significant orders were delivered during this quarter. And then rail also grew around 12.0%. Rail tends to be a little cyclical depending on when their deliveries are required, but again a good quarter as far as all these three segments are concerned and so, very solid OEM growth.

The second contributor to our growth, second largest contributor, was sales to SKF India Limited, which is driven by the automotive business growth. There's some amount of sales which SKF India (Industrial) or manufacturing which SKF India Industrial does for SKF India Automotive and that again contributed to some of the growth in this quarter. Again, a very solid growth.

If you look at the distribution business, that actually came down a bit. If you can look to the bottom right table there, the distribution business actually came down a bit, mainly driven by the fact that we made some corrections to distributors whose payments were outstanding. So, we shifted volume from them to other distributors, but also held back on some shipments. But we don't see that as a long-term trend. We think the distribution business will come back strongly also.

If you look at the bottom left, you can see that our mix has changed a little bit. We have OEM business which has gone up actually from around 46% to 50%. Again, that is driven by the sales to wind and railways and metals. So, OEM business has gone up. The distribution business has actually come down from around 38% to 32%, partly due to more OEM sales, but also partly due to the fact that we held back on shipments to some of our distributors. Exports also performed well, primarily exports to Europe and some Southeast Asian countries.

So overall, to summarize this page, if you look at the top left, we had a 10% quarter-on-quarter growth. If you do want to compare year-on-year growth, there is a 31% growth year-on-year. Again, outstanding performance from the team and I think the macros are good, our wins are good. The OEM business which we are winning, though it comes at a lower margin as you'll see in the subsequent slides, helps us in long-term aftermarket business and that will improve our margin also.

If I move to the next slide, Slide 10, which is an analysis on margin. As you can see, if you look at, if you compare quarter-on-quarter, year-on-year comparison is not as advisable just because those involved some extractions from SKF India and some assumptions. But if you look at quarter-on-quarter, big jump from negative 7.8% to positive 9.5%. But that involved some demerger expenses both in the previous quarter and this quarter. And so, if you remove both of them, then the previous quarter, that is Q3 '26, would have been 13.1% and the current quarter would have been 11.5%. So that's the difference.

If you ask what specifically caused the decline in margin from 13.1% to 11.5% if you remove the one-off demerger expenses, the biggest reason was the mix change. Our OEM business grew significantly and as a result, the mix of lower margin OEM business compared to higher margin distribution business accounted for most of this drop. Again, we expect that to normalize over the next few quarters.

The other reason was a higher employee cost. The higher employee cost was primarily driven by the fact that in the previous quarter, we had a bonus which was paid out which was less than what was accrued. Whereas in this quarter, we are accruing a full 100% in the current quarter we are reporting, we are accruing 100% of bonus. That is the reason the employee costs appear higher. Again, that would normalize by the end of this year.

If I move on to Slide 11, which is on net working capital. Again, as we said, excellent performance, 2.8% drop in net working capital. That you can see that on the left-hand side. That is driven by primarily the inventory reduction. You can see that the middle chart on the right-hand side shows an inventory reduction of 16.9% to 16.0%. So relative to sales, that is a good reduction in inventory.

We also had a higher, accounts receivable driven by more sales, especially the intercompany sales to SKF India Limited. On the flip side, we also had a higher, accounts payable to SKF India and our sister companies as we are waiting to settle that. Again, both those will normalize and the impact of inventory will probably drive this net working capital, which we expect in the range of 19% to 20% going forward, 19% to 20% of sales.

Moving on to Slide 12, which is the cash flow. Again, big jump in cash flow as last quarter, as we had shared, we had some one-offs which impacted the cash flow. But this quarter, we have seen a significant jump in the cash flow, partly due to the net working capital reduction as well as some tax adjustments which were made. And then there were other exceptional items -- other items, which include interest incomes and some other current assets and liabilities which accounted for a higher cash flow in Q4.

I'll now move on to discuss our strategy and some success stories which tie well with our strategy. I thought it's important to reiterate our strategy as we are now a separate listed entity as SKF India (Industrial) and I think it helps to kind of say what are we trying to do and how are we trying to grow and make our business more profitable.

We call our strategy, the ACES strategy, and our strategy is defined through to 2028. And what we are trying to do here is each one of these ACES has multiple initiatives below it, but I'm highlighting some of the critical ones. The first one is to accelerate localization, which means both we will manufacture more in India for India, but also drive the work with our supplier base to make sure that we get more components also coming from India rather than imported.

That helps us in not just making a more agile and flexible supply chain which can deliver products faster to our customers but also brings down our cost of production. The critical work

here we have to do is get the higher volume growth through our localized products, which we are beginning to see, and we will continue to drive as we localize more.

The second pillar of our strategy is commercial excellence, which is how do we deliver the right product at the right place at the right price to our customers and drive it with a good sales coverage for aftermarket plus key account management for our key OEMs. So, there it's all about customer centricity and innovation. We will share a few examples of how we're doing this.

All this cannot be done unless we have disciplined execution and for that, what we are doing in terms of building the competency of our teams is how do we build high-performance teams and people who have a high ratio of do versus say. So, they do what they say and meet our commitments and are accountable to delivering the results. So, execution is the third pillar.

And the last pillar is around working as one SKF, which means we collaborate between the different functions, between the different departments to make sure that we are all aligned towards what the customer wants. So that's our strategy. What I wanted to talk about in the next three pages is examples of how we are doing that.

So, let's take an example in the next slide, which is Slide 15, on the tractor business. We recently won an order of almost 32.5 crores with a tractor company, one of the largest tractor companies here. They were expanding their India facility to become a global manufacturing hub but wanted a local supply chain. So, all their parts, all their even their product development was done with local suppliers.

So, SKF Industrial worked right from the platform design stage, what we mean by platform is the overall tractor design stage, and created a customer-specific offering which included our tapered roller bearings and our cylindrical roller bearings. And these were designed specifically for this OEM, and we supplied it from our both our Pune and our Ahmedabad factories.

So, the customer got a one-stop solution for their bearing needs from a highly reliable source and not only that, it was at both logistics and costs were better as far as the customer was concerned. So, this plays to how we do our key account management, which is the commercial excellence in our strategy, but also it plays to how we innovate with our customers, so innovation again around commercial excellence.

And last but not least, around how do we localize and make the product locally for our customers. Again, the more we do of all these, the more we will see growth and profitable growth. The next example which we wanted to talk about is local commuter trains. This is a suburban train which wanted to increase its load, train load from 18 tons to 21 tons.

And they also wanted to increase their maintenance interval from around 1 million kilometers to 1.2 million kilometers. So again, the SKF team worked with the railway department and developed a unitized solution, which means a bearing plus housing plus the seal. And we also created larger roller sizes and thicker rings which can take bigger load so that the load moves from 18 to 21.

So overall, it was a compact solution, actually a more compact solution, but which provided extended service life and reliability. The local commuter trains travel at around 130 kilometers per hour. We are now extending this same platform testing it for 180 kilometers per hour, which is what Vande Bharat travels at and we hope to get additional business there. Again, this is a great example of our customer centricity and working with our key customers.

The last example is how we are innovating in our operations as we localize more and more products. So, our tapered rolling roller bearing capacity in Pune was required because we had agricultural business, off-highway business, which is around mining, construction, aftermarket for both of those, plus exports to Europe, Middle East, Africa potential to do that. But we were short of capacity.

So, what we did was we enhanced the capacity of our existing machines, added a few more machines to make high-speed machines to get more productivity with less manning. This also saved on utilities and the consumable cost with the way with the process optimization. The net result of that was without too much expense, we increased capacity from 600,000 pieces to 886,000 pieces.

Cost was reduced by almost 18%. Flexibility, which is key, which is industrial business is all about flexibility in the channels, which means we can switch between one product and another because the lot size, unlike automotive, is smaller. The flexibility and the resetting time also increased by or resetting time came down by 20%, which means flexibility went up by 20%.

And finally, in terms of new product lead time reduction as we launch new products, it was improved by almost 35%. Again, a great example of localization, but also localization applying cutting-edge technology so that we can actually improve our production volumes which we produce in India.

With that, I would now end my presentation and hand it over back to Prabh for questions and answers.

Moderator:

Thank you very much. We will now begin the question and answer session.

Anyone who wishes to ask a question may press * and 1 on their touch-tone telephone. If you wish to remove yourself from the question queue, you may press * and 2. Participants are requested to use handsets while asking a question. And to restrict to 1 question at a time. Kindly join back the queue for any follow up questions.

Ladies and gentlemen, we will wait for a moment while the question queue assembles.

We'll take our first question from the line of Mumuksh Mandlesha from Anand Rathi Institutional Equities. Please go ahead.

Mumuksh Mandlesha:

Yes, thank you, sir, for the opportunity and congrats on a good growth for this quarter, sir. Sir, just first on data point if you can share for the FY '26, how is the mix in terms of segment-

wise, general machinery, heavy industries, metals, railway, wind, and OEM and aftermarket and export, sir?

Mukund Vasudevan: I gave the OEM and aftermarket and I think that's visible in one of our slides. But broken out by segment, I'll let Ashish answer that.

Ashish Saraf: So, I believe your question is for the full financial year FY '26, right? So, if you look at full financial year, our distribution was at around 35% and OEM business was around 51%. Exports were at around 6% and sale to SKF India was at around 4% and other income was around 3%. So, that's the broad mix. Within the OEM, the general machinery was at around 7%, wind and defence was at 7%, heavy was at 7%, railway was at 8%, sorry, railway was at 11% and metals was at 6%.

Mumuksh Mandlesha: Got it. Thank you for this, sir. Sir, just on the question part, just if you can help us understand how is the RM cost inflation happening, sir, and how much price hikes we have taken from the OEM and distribution level? And also, I mean, the going ahead, sir, with the capacity additions and demerger transition impact, just how do you see the margin, sir, going ahead?

Mukund Vasudevan: Let me try, let me answer that to the extent possible and then Ashish can add on. Let me answer your second question first, which is on how do we see the margins going ahead. So given the recent demerger expenses, right, by we would say towards the end of this calendar year, we see that mostly normalizing. We should get back to a little more around 13%. So, most of those demerger expenses will be done.

We will also have some the mix, which we believe OEM is higher right now, we believe the distributor business will come back and the mix will normalize a bit more. So that will also account for some of the growth back to around 13%. Over the next few years, which is '28-'29 and '29-'30, we are looking at more localization, so more production in India for India.

We are looking at operational efficiencies as we are looking at how do we build a more local supplier base of our components, but also how do we manufacture, like we showed in the example, how do we manufacture more with less with less cost of manufacturing as well as more less manpower. How do we do that?

And then finally, we see more drop down or leverage from our sales on the top from the top line with less S&A involved, Sales and Administration involved. So, all that we think will get us by around by '29-'30, we believe we should be getting back to the 15% range. That's the goal. But those kind of are subject to, of course, market conditions. But that's our goal. But near term, we expect to get back to where we were around 13% after the demerger costs are over.

In terms of cost escalations, this is very broad numbers right now. There are two things which have hurt us because which are challenges, but we are passing on price increases. One is the bigger one actually is FX. So, anything we are importing, right, and selling, there is an FX impact with the rupee depreciating.

The second is around escalating costs. The escalating costs we are projecting around 3% to 4% right now, but that is still variable, right? And that involves some assumptions what we are seeing in oil prices right now, but it also involves some assumptions in steel prices going up.

We are expecting to pass on most of it through price increases, some both the FX impact as well as the cost escalations. Obviously, with OEMs, it might be it's a little tougher, those are tougher negotiations. We are hoping to pass on most of it. With distributors, we will probably pass on a larger chunk. So that's our overall assessment right now.

Ashish Saraf:

Yes. And just to add, I think additionally to what Mumuksh said, we have already undertaken actions as we kind of started this quarter, especially with the distribution business, we have taken some pricing actions already in the market given the cost escalation that we are seeing both on the side of FX as well as raw material. Even with the OEMs, we are actively approaching them to get an appropriate price escalation to offset the additional cost.

Mumuksh Mandlesha:

Thank you. Thank you, sir, for the answer, sir. I'll come back to the queue, sir.

Moderator:

Thank you. We will take our next question from the line of Viraj from SiMPL. Please go ahead.

Viraj:

Yes, hi. Thanks for the opportunity. Just two questions. See, if you look at in quarter 4, while we said that the mix is adverse, our gross margin even Q-on-Q has not seen that kind of a moderation. But actually, even if you adjust for the demerger expense of INR 18 crores, the jump in other expenses is pretty sharp for us. So just trying to understand, you know, if you can quantify the major line items, you know, which is driving this.

And the second part to this question is, see, before the demerger also, you know, in earlier press releases, we used to share the kind of margins industrial used to do. And even with the localization it had at that point in time, the business used to do 13% to 15% comfortably. Now with localization which you are targeting to increase, you know, with operational efficiency, ideally one would think that the blended margins for the industrial business would be close to say 16% to 18%, you know, by '28-'29. So, I'm just trying to understand where is that disconnect or the gap coming to you from?

Mukund Vasudevan:

Yes. So, I will answer the second question from my side and then Ashish can answer the first question since I don't have all the details around other expenses. But so, on the second question, one of the reasons for the drag is additional investments which we are making in as we have announced earlier in Pune. These additional investments, including a new plant as we are running out of capacity, is going to add to our expense. So, I would say that is one.

The second is we are under, you know, it is a competitive environment and we do face lots of competition. So, while as the especially at the OEMs, I think the competition is intense. Our railway mix has gone up, that has also brought down our margin a little bit. But we see this all recovering, but not before conservatively speaking, not before '29-'30.

So, our aspiration is to get to 16% to 18%, but right now up to 2030, both due to slightly higher OEM mix and a little higher depreciation charges, we see this, we have been

conservative here in saying we are going to get to around 15%. More increase is possible, but we can't commit to it right now.

Ashish Saraf:

Yes. Just to elaborate on other expenses, the big components of other expense cost was one was around royalty and trademark. We had we had to pay a royalty and trademark on our sales, on our higher sales to our group company. So that increased by around INR 60-odd million. Apart from that, there were other manufacturing-related costs, which was predominantly around repairs and maintenance, around power and fuel, and stores and spares, which had increased in this quarter compared to previous quarter.

And over and above that, we have basically availing some services, manufacturing services from our group company SKF India, on which we have to pay or reimburse a small transfer pricing margin which we basically booked in this quarter. So that kind of led to an increase in the in the overall other expense.

Viraj:

Okay, sir. Just two parts on the first second part again. See, if you look at our white spaces, you know, in the past also, we have kind of vacated some segments in distribution either due to accessibility, affordability, or even in terms of wind, you know, where we have exited certain low margin, low profitability threshold segments for us.

Now with localization coming through and you're still guiding a 15% margin, I'm talking about the EBITDA level, you know, because the comes after that. So, you know, is would it be right to think that the focus would be more on achieving a much more higher rate of growth while margins may be, you know, around what we are saying in the interim?

Would that be a right thing to, you know, look at? So that is one. And second is on the Capex, is there any I mean, if you can just confirm the timeline by which we expect it to commission?

Mukund Vasudevan:

Yes. So, you're partially right. Our goal or our strategy is growth while maintaining margin, right? So, if you remove the one-offs, we want to maintain margin, we want to get it back to around 15%, that's what I mean by maintain, right? But we see a much higher potential for growth. The reason you are right, we did exit wind business. Because of localization we are now getting back into it.

We did exit some railway business, especially around freight, now we are getting back into it, etcetera, right? So, there are many areas, even the agricultural tractor business, some of it was we exited and now we are getting back into it due to localization. So, we are winning more share, but if you compare it to it comes at the cost of some amount of margin.

Our OEM business margin in general is lower, right? So, you can see that. But we don't expect that to kind of sustain, that low margin, that relatively lower margin. We will work both with operational efficiency as well as on pricing to try and get back to at least 15%.

Viraj:

On capex sir?

- Ashish Saraf:** So, on capex, the overall plan for the between FY26, FY27 to FY29, FY30, we are looking at doing a capex spend of around INR 800 crores plus, which includes a significant chunk of investment on the new Pune plant which we are in the process of setting up.
- Viraj:** No, my question was.
- Moderator:** Viraj, I request you to join back the queue as we have participants waiting for their turn.
- Viraj:** Yes, I have just one. When do you expect the capacity to be commissioned?
- Ashish Saraf:** Yes. So, we expect we expect the new Pune plant to be commissioned by end of 2028.
- Viraj:** CY'28, right?
- Ashish Saraf:** Yes. End of '28. End of calendar year 2028. So that is when the plant will get operational in the middle of 2028, but by the time we will ramp up all the channels and transfer all the channels from the existing plant, all that we expect will be completed by end of 2028.
- Viraj:** Thank you.
- Moderator:** Thank you. Next question is from the line of Krupashankar NJ from Avendus Spark. Please go ahead.
- Krupashankar NJ:** Good afternoon and thank you for the opportunity. My first question is on the wind piece of it. You did highlight that on a quarter-on-quarter basis, you saw significant improvement on the wind business. Just wanted to get a sense around, you know, what sort of a traction are you seeing? Are you focusing more on domestic or because you did mention ZF-related wins and that's I'm assuming is more to do with gearboxes for exports.
- So, just wanted to get a sense around what is the focus area over there? And the second question would be on, you know, your strategic goals, the ACES strategy what you have said. It's been stated that it's going to be a single SKF. That means you will be working towards with working with SKF India towards approaching for new orders. Is my understanding correct?
- Mukund Vasudevan:** Okay. So, second question, no, that's not the that's not what we are talking about when we say this is within SKF Industrial, working all the departments working together. So, for example, how does product innovation, the technology team, work with the manufacturing team, work with the sales team?
- How do we make sure that our, you know, our lubrication team and our seals team works together with our bearings team, so on, right? So, it's less to do with SKF India, it's more to do with within SKF Industrial itself, how do we work as one unit to deliver what is required to the customer. That's the second part of your question.
- The first part was around wind. Wind is primarily India, actually. India is now the fastest growing wind market. So, a large portion of the business which we are looking at right now, both in ZF and Suzlon, is India. ZF does have a significant export business also. I believe it's around, you know, I could be don't quote me on this, but I believe ZF has around 30% of their

business today is export. But that is only partially delivered by us, it's partially delivered by our factories in other countries also.

Krupashankar NJ:

Got it. One follow-up question, just wanted to get a sense with respect to parent's capability and some of the product portfolios which are there available globally. Anything you are looking to add incrementally in the Indian ecosystem and to probably introduce in the distribution business, something which we are not catering, for example, lubrication or any other sub-segments which can be an ancillary to the bearings business?

Mukund Vasudevan:

So, I think that it is a long list. There is, we are constantly looking at that from other factories what we can bring in to India. Now as the volumes increase and we feel there's significant volumes, we will start localizing it. When but the when the volumes are not high enough, we will not localize it because it doesn't justify the expense otherwise.

So just to give you some examples of things like this, you know, we have, we are beginning to see some traction in hybrid bearings, which is ceramic bearings, both in any high-speed applications or where there are high...where there are high currents involved to prevent current leakages as well as kind of reduce friction and make it more energy efficient. One example of this would be compressors and chillers in data centres.

Today, the volume is not enough in India for us to make it locally. So, we will continue to import those and supply to our customers here. But for others like tapered roller bearings, while the, we already make tapered roller bearings here, there is a lot of SKUs or product families within tapered roller bearings which we will continue to expand our portfolio footprint of offerings within India. So, I'm not avoiding the question, but it's a very long list of things which we are trying to do and every, I would say almost every quarter two or three more product lines are added.

Krupashankar NJ:

Understood. Thank you for answering my questions.

Moderator:

Thank you. We'll take our next question from the line of Yash from Awriga Capital Advisors LLP. Please go ahead.

Yash:

Hi, thank you. Earlier you had alluded of for investing INR 350 crores to INR 400 crores for channel expansion. What would that be?

Mukund Vasudevan:

So, is your question are we still on track to do that? Is that your question?

Yash:

Yes, and what would that investment be for?

Ashish Saraf:

Yes. So, as we are setting up the new Pune plant, right, we are looking at adding additional channels to the new Pune plant, which is around the DGGB and TRB channels, which is where the investments are going in.

Mukund Vasudevan:

Second part, I think it was partly around new channels, but partly around new building itself, right?

- Ashish Saraf:** Yes. So, the overall investment as I articulated is around INR 800 crores, right, over a period of next four to five years. A big chunk of it is to set up the new Pune plant and definitely we are also investing in some new channels around the DGBB and the TRB product lines.
- Yash:** So, these investments would be for warehouses?
- Mukund Vasudevan:** No, no, manufacturing.
- Ashish Saraf:** So, plant and machinery, plant and machinery, basically to add more capacity.
- Yash:** Okay, okay. Thank you. Secondly, till the time your new plant comes up, how do you see growth in the interim period?
- Mukund Vasudevan:** So, the growth will continue to be in the range of I believe we have forecasted around 8%. So, we expect that growth to continue. We are, till that new plant comes up, comes about, we are continuing to do some our SKF India entity is continuing to manufacture some for us on a job work basis. So that will continue. We will also look at, like we just showed in the example, find ways to sweat our existing channels more so that we can increase the capacity or output from existing channels. And we are fairly confident that that'll be good enough till 2028.
- Ashish Saraf:** Yes. And just to add, we will continue to like in case as we are setting up the new factory, if there is more demand, we will continue to source products from other SKF factories globally, especially Ahmedabad and Nilai.
- Moderator:** Thank you. Ladies and gentlemen, since the call duration is up, we will now wrap up the call. On behalf of SKF India (Industrial) Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.