



Date: 21st July 2025

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 – SKFINDIA	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai – 400001, Maharashtra, India BSE Scrip Code -500472
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Subject: Intimation for transcript of NCLT Convened Meeting of Equity Shareholders held on 14th July 2025 at 11:30 AM (IST).

Reference: Our Intimation dated 15th July 2025 for Video link of NCLT Convened Meeting of Equity Shareholders held on 14th July 2025.

Dear Sir/Mam,

Pursuant to Clause 15(b)(iii) of Schedule III, Part A, Para A read with Regulation 30 (2), Regulation 30 (6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) (“SEBI LODR”), please find enclosed herewith transcript of NCLT convened meeting of Equity shareholders held on Monday, 14th July 2025 via VC/OAVM at 11:30 AM IST. The same will be available shortly on the website of the company for the convenience of the shareholders at the below-mentioned link: <https://www.skf.com/in/investors/shareholder-information>.

The above is for your information and record. You are hereby requested to disseminate the same on your respective websites.

Thanking you,

Yours faithfully,
For SKF India Limited

Ranjan Kumar
Company Secretary & Compliance Officer

SKF India Limited

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CIN: L29130PN1961PLC213113

Mr. Kuldeep Kumar Kareer

Good morning, everybody and good morning to all the shareholders who are present online. I welcome you all to this NCLT convened meeting of equity shareholders of SKF India Limited. I would like to mention that this meeting has been convened through video conferencing and other audio-visual modes in compliance of the orders of the NCLT Mumbai bench passed on 04th of June 2025 for the purpose of considering the scheme of arrangement between SKF India Limited, SKF India (Industrial) Limited and the respective shareholders and creditors as per the provisions of Section 230-232 and other applicable provisions of the Companies Act, 2013.

I am Kuldeep Kumar Kareer. I have been appointed as chairperson of this meeting by the Honorable National Company Law Tribunal, Mumbai. Before beginning with the proceedings of the meeting, I would like to introduce the board of directors and other officers of the Company who are present online. I will call out their names and they will introduce themselves. Ms. Anu Wakhlu.

Ms. Anu Wakhlu

Namaste. I am Anu Wakhlu, Independent Director of the Company. I'm also the chairperson of the Audit Committee, the Nomination and Remuneration Committee, and a member of the Risk Management Committee, Stakeholder Relationship Committee, and Corporate Social Responsibility committee. I am participating in this meeting from Pune, Maharashtra, India.

Mr. Kuldeep Kumar Kareer

Thank you, Ms. Anu. Mr. Gopal Subramanyam.

Mr. Gopal Subramanyam

Namaste, good morning to all of you. I am Gopal Subramanyam, Independent Director of your Company. I am also the Chairperson of the Board of SKF India Limited, the Risk Management Committee and Stakeholder Relationship Committee. Besides, I am also a member of Audit Committee, Nomination and Remuneration Committee and CSR Committee. I am joining this meeting from Pune, Maharashtra, India. Thank you.

Mr. Kuldeep Kumar Kareer

Thank you, Mr. Gopal. Ms. Kerstin Enochsson.

Please, uh...

Ms. Kerstin Enochsson

So once again, namaste and good morning. Kerstin Enochsson is my name. I'm President Automotive at SKF. I'm Non-Executive and Non-Independent Director. I'm calling in from Sweden and I'm also member of the Audit Committee. Thank you.

Mr. Kuldeep Kumar Kareer

Thank you, Ms. Kerstin. Mr. Joakim Landholm.

Mr. Joakim Landholm

Hi everyone, my name is Joakim Landholm. I'm the group, I'm heading up group operations in SKF Group. I am a Non-Executive and Non-independent board member of SKF India. I'm also a member of the Nomination and Remuneration committee of the Company and I am attending this meeting from Stockholm, Sweden.

Mr. Kuldeep Kumar Kareer

Thank you, Mr. Joakim. Mr. Mukund Vasudevan.

Please check your audio.

Mr. Mukund Vasudevan

Here I go again. Good morning, everyone. Namaste. I am Mukund Vasudevan, Managing Director of your Company. I am the Chairperson of the CSR committee and a member of the Stakeholders Relationship Committee and Risk Management Committee of the Company. I'm participating in this meeting from Pune, Maharashtra.

Mr. Kuldeep Kumar Kareer

Thank you, Mr. Vasudevan. Mr. Shailesh Kumar Sharma.

Please check your audio, you are not audible.

Mr. Shailesh Kumar Sharma

Hello, Namaste.

Mr. Kuldeep Kumar Kareer

Yes.

Mr. Shailesh Kumar Sharma

I am Shailesh Kumar Sharma, Whole-Time Director of your Company. I am also a member of the Risk Management Committee of the Company. I am attending this meeting from Pune, Maharashtra, India.

Mr. Kuldeep Kumar Kareer

Thank you, Mr. Shailesh. Mr. Ranjan Kumar.

Mr. Ranjan Kumar

Good morning, everyone. I'm Ranjan Kumar. I am the Company Secretary and Compliance Officer of your Company. And I'm joining this meeting from Pune, Maharashtra, India.

Mr. Kuldeep Kumar Kareer

Thank you Mr. Ranjan. Thank you all of you. Mr. Ashish Saraf who is Chief Financial Officer of the company. He was also supposed to join but he could not join this meeting due to some personal exigency. The company has made all possible arrangements under the current circumstances to enable the members to effectively participate in this meeting through video conferencing facility and to cast their vote electronically.

Now I would request Mr. Ranjan Kumar, Company Secretary and Compliance Officer of the Company to please check and confirm whether the quorum for this meeting is there and also share, some vital information about this meeting with the shareholders. Over to Mr. Ranjan Kumar.

Mr. Ranjan Kumar

Thank you, Honorable Chairman. After looking at the number of shareholders present at this meeting, I confirm that the requisite quorum as required under the law for this meeting is present. As per various circulars issued by Ministry of Corporate Affairs and SEBI from time to time, the participation of the shareholders who have joined this meeting through video conferencing has also been considered for the purpose of computing quorum. Shareholders, please note that this meeting is also being attended by our statutory auditors, M/s Deloitte Haskins & Sells LLP; our secretarial auditors, M/s J.B. Bhavé & Co.; our cost auditors; as well as the Scrutinizer appointed by the Honorable National

Company Law Tribunal (NCLT). Now a brief announcement for the convenience of the shareholders. All shareholders who have been joining, who have joined this meeting are being put on mute mode by default just to avoid any background noise and to ensure a smooth and seamless proceedings of this meeting. The shareholders who have registered themselves as speaker, they will be allowed to speak when their names are announced with the request to speak. Once the names are announced, their audio and video facility will be opened accordingly. Shareholders may further note that the recorded video of the proceedings of this meeting and the transcript of it would be uploaded on the website of the company. This would also be uploaded on the stock exchanges where the shares of the companies are listed, which is BSE Limited and National Stock, National NSE Limited in due Course. .

Now a quick information about voting inspection and speaker shareholders. I would like to inform the shareholders that in compliance with the provisions of the applicable laws, and various circulars issued by the Ministry of Corporate Affairs and SEBI, the shareholders were provided the facility to cast their votes through remote e-voting platform, which was open from 10th July, which was Thursday, 10th July 2025, which was Thursday from 9 a.m. Indian Standard Time till 13th July 2025, which was Sunday, till 5 p.m. Indian Standard Time.

The facility of casting an e-vote is also available to the members during this meeting. The shareholders who have not casted their vote using the remote e-voting platform but are present in this meeting can cast the vote during this meeting. E-voting facility is currently active and it will remain active till 15 minutes from the conclusion of this meeting. If the shareholder has already casted his or her vote, using remote e-voting facility, then he or she will not be allowed to pass their votes during this meeting.

Shareholders whose name I mean this is about the shareholders who are qualified to cast their vote so the shareholders whose name appeared on the register of member as on the cutoff date which was 07th July 2025 as was indicated in the notice also. These are the people who are eligible to cast their vote for this business since this meeting is being convened through video conferencing. There will not be any vote by show of hands

Now, I would also like to apprise the shareholders about the Scrutinizer. The Honorable NCLT has appointed Mr. Kewal Mahindra Shah of M/s Kewal Mahindra Shah & Associates as the Scrutinizer for scrutinizing the votes cast by the shareholders in a fair and transparent manner. They are also attending this meeting through video conferencing. The combined results of the remote e-voting and the e-voting conducted during this meeting will be declared by the Company after the receipt of the Scrutinizer's Report. The results will be published on the Company's website, www.skf.com, it would also be uploaded on the website of NCLT at www.evoting.NSDL.com. It will also be sent to the stock exchanges where the shares of the company are listed, which is BSE Limited and National Stock Exchange of India Limited in due course within the prescribed time as given in the law.

Now we move on to take the resolution contained in the notice, but before requesting Honorable Chairman to take up the resolution, I would like to reiterate the process of taking the query and questions from the shareholders, which was anyway explained in the notice which has been circulated to the shareholders. This being a virtual meeting, only the following members will be entitled to share their views and questions as was explained in the notice as well. Number one, the shareholders who have already registered themselves as speakers as on a before 04th of July 2025 as per the process explained in the notice. And also, the members who have expressed their views and have shared their questions in advance on the designated email address which was included in the notice by 04th of July 2025. The process of both of the enrolments was given in the notice, which has been floated to the shareholders. For others, if you have any questions, please do direct those questions to our registered email ID, which is investorsindia@skf.com. We'll try to reply your questions over email unless the same has already been addressed in this meeting. With this, I would hand back, hand over back to honorable chairman for taking up the resolutions.

Mr. Kuldeep Kumar Kareer

Thank you, Mr. Ranjan. Now we would briefly discuss the agenda of this meeting. On the requisite quorum, which we have come to know from Mr. Ranjan that it is complete, so I declare the meeting open and to order. The documents mentioned in the explanatory statement are open for inspection electronically on the website of the company that is www.SKF.com. In accordance with the directions set out in the order of the Honourable National Company Law Tribunal and in compliance with the Ministry of Corporate Affairs circulars, the notice of this meeting along with the documents mentioned in the explanatory statement have already been sent through email to such equity shareholders whose email addresses were registered in the records available in the company as on 30th May 2025. The shareholders may further note that notice of the NCLT convened meeting along with its annexures was also sent to the members via email dated 07th June 2025. A copy of the notice and the accompanying documents were also placed and are still there on the website of the company, the website of NSDL, being the agency appointed by the company to provide e-voting facilities for the meeting and the website of the stock exchanges, that is BSE Limited and National Stock Exchange of India Limited on 07th June, 2025. The notice convening this meeting was duly published through an advertisement in newspapers on 09th June 2025 i.e. Financial Express all editions, Business Standard Pune edition, Economic Times and Mint in English language and Lok Satta Pune in Marathi edition. That was also in compliance with the relevant rules and the directions of the Honorable NCLT.

Considering the same, with your permission, the notice of the meeting and other company documents is being taken as read. Let me now briefly apprise you with the scheme of arrangement which we are considering through this meeting, which has been placed upon the shareholders for your approval in this meeting. This meeting is placed in pursuance to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act and inter alia provide for the following. Demerger includes transfer and vesting of the demerged undertaking i.e. industrial business from SKF India Limited, the demerged company, into the SKF India (Industrial) Limited., the resulting company, on a going concern basis and issue of equity shares by the resulting company to the equity shareholders of the demerged company in consideration thereof in accordance with the provisions of the Companies Act, 2013 and Section 2, Subsection 19A of the Income Tax Act 1961 and to, various other matters consequential or otherwise integrally connected therewith. Including reduction and cancellation of the entire pre-scheme share capital of the resulting company. The rationale of the scheme is mentioned on page number 29 and 30 of the notice and explanatory statement which has already been circulated to you. The appointed date is the same as the effective date and or such other data may be mutually decided by the board of the demerged company and the resulting company. Effective date means the day on which the last of the conditions specified in clause 24, conditionality of this scheme is complied with or otherwise duly waived as applicable in accordance with this scheme.

For the purpose of the demerger of the demerged undertaking from the merge company to resulting company, based on the share entitlement ratio report of M/S . PwC Business Consulting Services who are registered valuers and the report dated 24th December 2024. The resulting company will issue one fully paid-up equity share of Rs. 10/- each for every one fully paid-up equity share of Rs. 10/- held in the demerged company. M/S Saffron Capital Advisers Private Limited, an independent SEBI-registered merchant banker, in their fairness opinion dated 25th December 2024, has opined that the share entitlement ratio is fair and reasonable. Upon the effectiveness of the Scheme and subject to receipt of necessary approvals. The equity shares of the resulting company issued as consideration to the shareholders of the company in terms of the scheme will also be listed on BSE Limited and National Stock Exchange of India Limited. The scheme is subject to receipt of approvals from the Honorable National Company Law Tribunal and other regulatory authorities. So, the agenda item on which your vote today is required is to approve the scheme of arrangement between the company and the resulting company and their respective shareholders and creditors under sections 230 to 232 and other applicable provisions of the companies at 2013. With this, as we have gone through the agenda items of this NCLT convened meeting, I thank the members for their participation.

Now I will request the Company Secretary Mr. Ranjan Kumar to invite the members who have registered themselves as speakers. He will announce their names and on announcement of their names the audio and video facility of the respective members will be opened. I would like to request the members to be kindly brief and summarize their views and questions in just two minutes so that all the members get ample opportunity of expressing their views and raise their queries and questions. The questions raised by the speakers will be addressed once all the speakers have concluded with their queries. In interest of time, I request again to all the speakers to kindly confine their queries and questions only with respect to the agenda item which is there before us. That is the approval of the scheme.

Now I would request Mr. Ranjan to kindly facilitate the question-and-answer session and call the shareholders in order of their registration as speakers to raise their queries. Thank you and over to Mr. Ranjan.

Mr. Ranjan Kumar

Thank you, Honorable Chairman. In the interest of time and for the benefit of other shareholders, I'll repeat again. I'll keep a time check as well and request the shareholders to confine their questions and you in two minutes. With this, let's go to our first speaker shareholder, which is Ms. Prakashini Shenoy. Can we have her on the screen, please? Ms. Prakashini Shenoy. Ms. Shenoy, are you able to hear me?

Ms. Prakashini Shenoy

Am I audible, sir? Am I audible?

Mr. Ranjan Kumar

Yes, ma'am. You are audible.

Ms. Prakashini Shenoy

Thank you, Thank you, sir. I'm Prakashini Ganesh Shenoy from Bombay. Chairman, sir, since we are meeting for the first time, I wish one and all happy, healthy, wealthy, and prosperous 2025. Respected Honorable Chairman appointed by the NCLT, other dignitaries on the board, and my fellow shareholders, good morning to all of you. I received the EGM report. EGM notice well in time, which is self-explanatory. I thank Mr. Ranjan Kumar, Company Secretary and Ms. Mayuri for the same. I should not forget to thank Ms. Mayuri once again for reminding me of today's meeting without which I wouldn't be in a position to speak. Thank you, Ms. Mayuri once again. The chairman has given a beautiful picture regarding the company and its NCLT matter. Sir, thank you very much for the same. Sir, I have just one or two questions My first question is what is the cost of whole merger process and how much time will it take to complete the process? my second question is what about the staff whether they will be allowed to continue or otherwise? And the last question is how it is beneficial to the shareholders? Chairman, last but not the least, my personal request to you, please continue with VC so that people all over will have an opportunity to express their views. I wish the company good luck for the bright future and pray God that the profit of the company shall reach the peak in due course. Sir, I strongly and wholeheartedly support all the resolutions put forth in today's meeting. Thank you, Chairman Sir.

Mr. Ranjan Kumar

Thank you so much, Ms. Shenoy. We noted your questions. With this, we move to the next speaker shareholder, which is Mr. Bimbal Kumar Agarwal. Can we have Mr. Agarwal on the screen, please? Mr. Agarwal, can you hear us?

Mr. Bimal Kumar Agarwal

Hello. Can you hear me?

Mr. Ranjan Kumar

Yes, sir.

Mr. Bimal Kumar Agarwal

You can hear me.

Mr. Ranjan Kumar

Yes, Mr. Agarwal.

Mr. Bimal Kumar Agarwal

Thank you. First of all, I thank the company secretary Mr. Ranjan Kumar and his team and also Mayuri Kulkarni for reminding us. Ms. Shenoy has told that she also just reminded 9.30 around. Thank you for that. And already my question was already raised by just now by Shenoy. I got no question to ask and I have already voted for the same. Thank you very much and I also agree that you continue the video conference in future. That's all from me. Thank you very much and try to arrange a plant visit if you don't mind.

Mr. Ranjan Kumar

Thank you. Noted your suggestion and we'll soon come back to you on that. Especially on the plant visit. With this, can we go to our next speaker shareholder, is Mr. Himanshu Trivedi.

Mr. Trivedi, can you hear us?

Mr. Himanshu Trivedi

Yes, sir. Yes, sir. I'm audible?

Mr. Ranjan Kumar

Yes, sir. You're audible? Yes, sir. You're audible. Please go on.

Mr. Himanshu Trivedi

Hello. Good morning. Respect the NCLT's chairman, Kuldeep Kumar Kareer, my fellow shareholders, myself, Himanshu Trivedi from Maldhra, Gujarat State. Sir, first of all, I'm thankful to our company secretary, Ranjan Kumar, for sending me a soft copy of the NCLT report, which is full of information and fact-checking are in place, which is easy to follow and easy to understand. So, I am thankful to you and your entire secretarial team. Sir, I don't have much question because I have already faith on board and they are working. I support all the agenda items. I have sent my few questions through the email. Still, I have few questions which is, I have first query sir. What step would be taken new management for old employees of the company? And my second query is, sir, who paid legal and other charges? Rest, nothing, thank you for allowing me to speak. I support all resolution agenda item. I wish good luck and bright future for the coming financial year. Thank you, sir.

Mr. Ranjan Kumar

Thank you, Mr. Trivedi. Thank you so much. Then we move to the next speaker shareholder, which is Ms. Lekha Shah. Can we have Ms. Lekha Shah please on the stream?

Miss Shah, can you hear us? Mr. Lekasha, can you?

Ms. Lekha Shah

Sir, can I? Am I audible?

Mr. Ranjan Kumar

Yes, ma'am. You're audible. Please go on.

Ms. Lekha Shah

Thank you, Respect the chairman, sir. Board of Directors and my fellow members, good morning. And regards to everyone, myself, Leksha from Mumbai. First of all, I would like to thank our company secretary, Mr. Ranjan Kumar Ji, especially madam Mayuri, for giving me this opportunity and for smooth process where I'm able to talk in front of you all in EGMs. I found the EGM notice and I'm delighted to say it's really useful with lot of information. Chairman sir, your opening remarks were so insightful and comprehensive that all the day address everything I had in mind. I have complete rest and faith in our board of directors, chairman, sir. There is no question, sir. Once again, I would like to specially thank Mayuri Madam for being in touch always I am a regular speaker in the company, sir. Or I totally agree with my previous speakers, Bimal Kumar Agarwal, Prakashini Shenoy . Please continue video conference meeting in future. So, I strongly and wholeheartedly support the special resolution for today's meeting. Thank you so much.

Mr. Ranjan Kumar

Thank you so much, Ms. Shah. We noted your suggestion or request of plant visit and we'll organize that soon. Then we move to our next speaker shareholder, is Mr. Haritima Joshi. Can we have Mr. Joshi on the call, please?

Female voice

Sir, this speaker has not joined the meeting.

Mr. Ranjan Kumar

Okay. We move to the next speaker shareholder, which is Mr. Ravindra Purohit. Can we have him on call, please? Mr. Purohit, can you hear us?

Mr. Ravindra Purohit

Yes, I can. Am I audible?

Mr. Ranjan Kumar

Yes, sir, you're audible.

Mr. Ravindra Purohit

Yeah, hi. Good morning, gentlemen. And thanks for this. And first of all, we'd like to congratulate and have wholeheartedly supported this demerger initiative that SKF Group is undertaking. And also appreciate the initiatives that we've taken over the last one or two months where we've had a lot of con calls and analyst meets, and there are a lot of material already available. So just a couple of questions regarding this. So once this demerger, our peer Schaeffler group actually merged everything into one single entity, whereas we are going the other way around. And of course, SKF group itself has decided on this breakup. we are totally OK with that. The question is, we will now have three entities in India. There is already an unlisted entity that we have in Ahmedabad, the SKF engineering and lubrication, right? And post this, you'll have two more entities. Does it really make sense when we are trying to uncomplicate structures globally? But in India, we will actually have three companies and shareholders will always be kind of second guessing where, do you know, the company's interest lie, of course, the listed entity being the largest one, I'm assuming that will that's where the shareholder alignment and interest would also lie. But, it will just like life make life easier if, if there was more clarity on the structure and the path that the group is planning to take, right? And the second question was, you know, sir, between the six months back, right, when we had done a couple of con calls and now

when at the time of demerger, there has been a significant change in in our CAPEX outlook. Right. I think earlier we were effectively doing about 100, 150 odd crore CAPEX, but closer to the demerger and the last two calls that we have had specific to demerger, we have significantly raised our guidance on CAPEX from about, you know, 150 odd crores over the last three-year average to now taking it almost to 350 crores to 400 crore per annum basis, right? And we've put out in our presentation as well. So, what has kind of happened between then and now for us to kind of, know, warrant this very large change in our CAPEX? If you could address both of these questions, that would be very helpful for us. Thank you. And once again, I completely support the demerger and we have kind of voted in favor of the same. Thank you so much.

Mr. Ranjan Kumar

Thank you. Thank you, Mr. Purohit. And we really noted your question and also the suggestion of bringing more clarity and structure. We'll go back to this question. With this we move to our last speaker shareholder which is Mr. Jahangir Batiwala. Can we have him on the call please?

Mr. Batiwala, can you hear us?

Mr. Jahangir Batiwala

Can you hear me?

Mr. Ranjan Kumar

Yeah, we can hear you now.

Mr. Jahangir Batiwala

Okay, sir. Nothing more to speak because already a has been spoken. Good morning to all the dignitaries on VC platform. Just one question is that now I was listening to the last speaker. Now, Schaeffler also is our group company. So now, what is the business model? What will be the business model? And how are we going to go ahead in the future? Like, we'll be holding shares of two companies. So kindly clarify this and if possible, a factory visit is if it is due. Thank you.

Mr. Ranjan Kumar

Thank you Mr. Batiwala. Well noted your request of factory visit and will speak about the clarity as to how would these two entities would look like you hold share in both entities. We'll address that now. Good with this. With this we are done with all speaker shareholders. Reference back to under the chairman.

Female voice

So, speaker number five has joined the meeting.

Mr. Ranjan Kumar

Oh, that's great. Then let's let him be let him be on the call. Mr. Haritima Joshi, can we have him on the call please?

Mr. Joshi, can you hear us?

Mr. Haritima Joshi

Hello. Yeah, Mr. Joshi. Hi, this is Nikhil Upadhyay. I'm a joint account holder. I just had a couple of questions. One is on the structure, as one of the earlier participants highlighted, I think we have a range of other entities, group entities in India, and especially in industrial business. So, are there any thoughts in terms of simplifying the ownership structure and merging all under one single ownership? That is one. And secondly, if you look at in the auto also, you know, if you look at some of the other

group, other competitors in the space, over a period they've expanded and added several other product categories, bearing, bearing allied, allied products in bearing and then other product categories in the auto space. So, post restructuring, is there any thoughts on portfolio addition, you know, for, you know, the residual auto business under SKF? That is second. Third is, you know, can you just give some more color in terms of the market position in major end segments for us? Both in automotive and industrial, what kind of a market share we have now, you know, in major end applications or segments, be it industrial, automotive, versus three to five years back. So, parent in their presentation give out a very detailed market position, you know, be it an industrial, be it electronics, aerospace. So, for us, you know, can you give some sense, is our market position there?

Other than that, I have a few questions on the aftermarket piece, whether it be auto and industrial. And the question here is, if I look at last three to five years, we have taken several initiatives, be it on distribution, network expansion or serviceability of product. If I look at the product segment growth, and if I compare to our competitive competitors, then we've seen some bit of muted performance there. So just trying to understand, know, what really transpires is pricing limitation for us or is it longer led times? Because somewhere we also had a dedicated distribution center based in India, but growth service not picked up to the level where we think, you know, an added question is, you know, if we can elaborate on the value edge platform, which we have launched and how do it differentiate what is of other offering in the marketplace? And one more question is, if I look at a network, both be it automotive or industrial, how has it grown over the last three, four years, and how do we look to grow in coming years? In industry, if you look at parent, they were very leading positions globally in aerospace, defence, electronics, and semiconductor applications. So, for India, entity, do we have any presence in any of these segments? And if we do then what kind of revenue contribution these contribute currently?

And in the upcoming localization which we talk about, do we have any plans for localization for these segments? Last two questions I had, one is on the automotive. We talk about hybrid bearing, we also talk about advanced sensorized bearings now, especially in the solution offerings. So, what kind of a content we're talking about versus current product component sale of a bearing we would have to any OE. And are these localized? Last two questions were on the management. So, in terms of incentive structure for the top management, what would that be? Is there any ESOP plan for them? And what would be the KRAs these link to?

And last is on the cash. How would the cash be distributed between the two entities? So just one more. Parent has established recently a global competency center in India for IT and digital solutions. So, will that be a part of the listed entities? These are the questions I just request you to answer each of them in detail.

Mr. Ranjan Kumar

Thank you. Thank you, Mr. Joshi. So, with this, we concluded all speaker shareholders who got themselves registered for the questions or sharing their views. I hand over back to you, Mr. Chairman.

Mr. Kuldeep Kumar Kareer

Thank you Mr. Ranjan and thank you all the shareholders who took time to raise very pertinent questions. Now I would request the Managing Director Mr. Mukund Vasudevan to kindly respond to the questions raised by the shareholders.

Mr. Mukund Vasudevan

Thank you, Honorable Chairperson and thank you all shareholders for your questions. I will do my best now to answer these questions and I would request support from Mr. Ranjan Kumar and Mr. Shailesh Kumar Sharma to support me in some of these where they will have additional information to share.

The first question I have listed down is what is the cost of this whole demerger and the timeline. I'd request Mr. Ranjan Kumar if he could briefly touch upon this.

Mr. Ranjan Kumar

Sure. Sure. I'll start with the timeline. The way this was presented even in the last investor call as well, we are still targeting to conclude the process of demerger when we need to obtain the approval of NCLT by the by Q4 2025. We seem to be on track at this point of time. But as you know, NCLT process is something which is not in the control of the company. So, all the estimation, all the targets are subject to the approvals, which we expecting from NCLT. So, on a high-level timeline, we expect to the NCLT approval somewhere September and October months post which we go for the listing and we want to conclude the whole process before Q4 2025. That's the high-level target we have taken as a management team and we seem to be on track on that. Now coming on the cost of team merger, we are still in the process of accumulation. As you know, it's a complex project primarily because the businesses both automotive and industrial, they are so deeply integrated that having two independent businesses is a complex process. We are still in the process of really quantifying the cost of the demerger, but we'll soon come back to the shareholders when we have some clear data around that. Mukund, back to you.

Mr. Mukund Vasudevan

Yeah. So, the second question was, how will this be beneficial to shareholders, this demerger? As you all know, and we have stated in our calls with investors and the shareholders and with to Sebi, the purpose of this demerger is to create two fits for purpose companies, are independently world-class companies. So, both the automotive and industrial, the idea is that we will create two companies which are tuned to serve the market needs or the customer needs, tuned in their business model to serve the automotive or industrial segments. And also, the internal manufacturing processes will be tuned so that we can serve our customers better. And finally, even innovation will be tailored to what the customers want in industrial or automotive.

The net result of all of that, our aspiration is that we will create two companies which are more profitable and can grow faster. So that is the overall intention and that as a result should create more shareholder values to both the automotive and industrial shareholders.

If I move on, Mr. Bimal Agarwal didn't have any questions. Mr. Himanshu Trivedi had two questions. I'll take the second one first. Who will be paying for the legal charges for this demerger process? Mr. Ranjan Kumar, if you could answer that one.

Mr. Ranjan Kumar

No, sure. So currently what we are doing is the whole cost is being built by the SKF India Limited because it's the demerger is being initiated by the listed entity. However, since it doesn't matter where does the cost exist, be it in automotive or industrial entity, the reason being the shareholders are getting one is to one. So technically with the same ownership, we are splitting the businesses too. But just to answer your question, currently the costs are being built in the listed entity, which is SKF India Limited, which is in the process of demerger.

Mr. Mukund Vasudevan

Thank you, Mr. Kumar. And the first question from Mr. Trivedi was what steps will new management take for the old employees through the process of this demerger? As you know, SKF is a company which cares deeply for all its employees and values their contributions. As we said, in India, we are trying to create two companies which will grow faster and become more profitable. So, the intention here is to make sure that the employees are taken care of. are split in who is working with automotive and who is working with industrial. And they will take the company forward. And we really make sure that the two companies are fit for purpose and work towards what the customers need. There is no, I think the

caring nature of the company towards its employees will continue whether it is automotive or industrial.

Okay, Ms. Lekha Shah did not have any questions other than continue with VCs and factory visits and encouraged for factory visits, which we will continue to do. Mr. Ravindra Purohit had a question that there will be once the demerger is done, there will be three entities. Does it make sense? And is there any plan in the future to merge these entities?

The suggestion from Mr. Purohit was merging them will create some clarity in structure and also clarity on where the interests of the company lie. At this point, we are going through the demerger process. As you know, this is very complex process. are, especially because we are also splitting factories into automotive and industrial. So, we do not want to complicate this, any kind of the process at this point. We want to go through the demerger. Any future decisions on merging entities will be made at a later date once the demerger process is completed. But at this point, the demerger is the focus. There are no other thoughts to merge the entities. That said, we will come back to you if something, our thought changes on that. But at this point, there is no such intention.

As far as where our interest lies, our interests clearly lie with the shareholders and we intend to continue to do that with both automotive and industrial shareholders in the future. will continue to work towards, our management will continue to work towards making sure that we build these two fits for purpose companies and we are aligned with our shareholders in where we want to take the companies.

The second question from Mr. Purohit was there's a significant change in CAPEX outlook from around 150 crore a year going up to almost 400 crore a year. What has caused this change? There are two main reasons for this change. One is the macro in India where we believe we need more capacity to serve the growing demand, whether it is automotive demand or industrial demand. The infrastructure needs or the consumer needs or the commercial vehicle needs, all these are driving more demand and we need more capacity. So, one of it is purely capacity expansion, which we are accelerating. The second is that we are building a second factory for the industrial business and that itself will involve a little bit of... Starting 27-28 will increase the amount of CAPEX. So that will be as I said a fit for purpose industrial factory tailored specifically for industrial. So those are the two main reasons for the CAPEX Delta or the increase URC.

Okay, Mr. Jehangir Batiwala had asked two questions. One is, what is the business model going to be like in the future? connected with that was, since all shareholders will be holding two shares in two companies, will the business model be different? And the answer to the question is, the business model will become more, as I said, fit for purpose, will become tailored more to automotive, tailored more to industrial for the two shares, for the two entities. So as, which means the business model includes everything from how do we, how do we manufacture? Automotive has, is larger batch sizes and more lean manufacturing. Industrial does a lot more different segments, different industry verticals, smaller batch sizes. So again, manufacturing processes will be different. Innovation in automotive is now tailored towards a lot more. As we see the macro industry trends there, electric vehicles are growing. The last mile delivery with commercial vehicles is growing.

So those are macro drivers in automotive, whereas macro drivers in industrial are driven by infrastructure growth, which has a ripple effect on all the cement, steel, power. And again, there will be fit for purpose bearings, which will be created and manufactured for these industries. So, the business model should be slightly different. While we have been tailoring to both these industries, the business models will evolve to make both the entities world class and high performing.

All right, I will then switch to Mr. Nikhil Upadhyay, who is representing Mr. Haritima Joshi. The first question was around the structure, and I think we have already answered that. Is there a thought to merge into one? The second question was automotive. Is there a plan to add more product categories

in automotive? Yes, there is. We are continuously looking at what additional product categories do we want to add in automotive. And I believe through this demerger, we will have more opportunity to look at it more closely and say, what else can we add to the portfolio in automotive so that we can add more value to our customers. Third question was around market share and how are we doing three years ago to now? I don't have specific figures right now to share, but happy to discuss this more. overall, our data based on BMI, is the Bearing Manufacturing Index, it tells us that our market share has been fairly steady in India over the last three years. There are pockets where we have grown and pockets where we have probably not grown as much. But those are conscious calls. We have walked away from business where the profitability was not high. We have also gained business where we have localized more content and localized more manufacturing. So would say across all our major segments, we have been, we have taken conscious calls, but overall, if you look at it, our market share has been fairly steady, both in automotive and in industry over the last three years.

Okay, aftermarket growth was the next question. Both on auto and industrial and the question was why has the growth been picked up or not? I think we have done a lot in both industrial and automotive and value edge, which was the next question was one of them in industrial. So, the value edge program is a program which encourages our distributors, our channel partners to do the right thing, which is to make sure that we are selling value to the customer and not just trading product that enables us to get premium, also to retain a customer, and also to make sure that our distributors are partners in this process. So, there are lots of examples of how Value Edge has actually helped convert or helped us gain market share or convert away from competitors to us, to SKF. It also ensures that the secondary sale is happening in the right way, not just based on price. Our aftermarket has obviously been growing well, driven by two things. One is our coverage of the market. Both in automotive and in industrial, we have added several new distributors to cover the market fully. But we have also added secondary distributors or retailers. We have an IPS program in industrial, which is retail shops, which sell into industrial markets. We have a mechanic program in automotive. So, we've added thousands and thousands of both IPS retail stores, as well as mechanics to our bucket to expand the aftermarket. And that has ensured a good coverage of the market. That is number one.

The second is connected to Value Edge. How do we partner with our channel partners, whether it is the IPS or it is mechanics or it is our distributors. We partner with them with joint accountability, joint targets, but also sharing incentives and loyalty reward programs so that we can encourage them to do the right thing for our business. Overall, our growth has been good. Can it be better? Is there room for improvement? There is always room for improvement.

Next question was around aerospace and defence. Do we have a plan to localize more? We do have some defence products being manufactured in India, defence related products being manufactured. Is there a plan to localize more? We are continuously evaluating that and seeing what else we can do to kind of localize. Aerospace has been less of a demand in India because most OEMs are outside of India. But that said, this is something we will continue to look at. And if, when the time is right, and if we believe that the investment is justified, we will definitely look at it.

All right, incentives for management were the next question. So, this was around what kind of incentives do the managers have for SKF, the managers in the two demerged entity, what kind of incentives they have. All our managers are driven by growth and profitability. And while global does play a role in it, there is large content of local growth and profitability and networking capital. So those will continue to be a priority, which is, I believe, aligned with our shareholder interests. And the last question was around cash distribution. Ranjan, if you could take this question.

Mr. Ranjan Kumar

Sure. Sure. I mean, in the process of Demerger, as you know, we have created the cardboard financials for both entities separately and each of the P&L item and balance sheet items have been addressed with a very logical principles of allocation. So, cash allocation, have largely gone for last three years

profit which these two businesses have made and based on the last three-year profits we have evolved the principles of allocating cash also. So, for each of the P&L and balance sheet items there's a very logical principle which has been evolved with the help of the experts to split each of the elements. Yeah.

Mr. Mukund Vasudevan

Thank you, Mr. Ranjan Kumar. I think I have covered all the questions. I now hand it back to Mr. Ranjan Kumar.

Mr. Ranjan Kumar

Thank you. Mukund, one last question. think the last speaker also requested for a plan of localization, if you can speak something around that with automotive and industrial.

Mr. Mukund Vasudevan

So, both industrial and automotive, we are continuing to work on localization. Automotive is already around 95 % localized. Industrial is a little less and that is one of the reasons we are continuing to invest. You remember the CAPEX increasing. Industrial is localized to around 50%, a little less than 50%, but that we expect to continue to grow in the next three years and bring it back up to around 70% localized. It does not make sense to localize around 100 % because it's a trade-off between how much you invest versus what's the payoff you get for that investment. So, it may sometimes it makes sense to keep manufacturing elsewhere and to trade the product through the listed entities in India.

Mr. Ranjan Kumar

Thanks. I think one question was also asked about the R &D center which has been set up in India. This demerger is of the listed company that R &D center continues to be with SKF engineering which is the non-listed entity of the promoter. So, no change is proposed in that. It was existing in SKF engineering which was the non-listed entity. It continues to stay there. So, I think with this we have covered all the questions which was raised by our speaker shareholder. If you still feel some questions have not been answered appropriately, please feel free to write us back on the assigned email ID. We'll try our best to respond to your questions in more detail if you feel that has not been covered in that most detail for you. With this, thank you all shareholders. I will hand over back to Honorable Chairman.

Mr. Kuldeep Kumar Kareer

Thank you, Mr. Ranjit Kumar and Mr. Vasudevan, for responding to the question of the shareholders. I think all the questions have been reasonably answered and the company has tried to respond to all your questions to the extent possible and if you have any further queries, please feel free to write to the company and the company will definitely respond and address the issues raised by you.

Now we are coming to the voting part of the meeting. The e-voting facility is already open and will continue to remain open for 15 minutes after we conclude this meeting to enable the shareholders to cast their votes. The resolution as set forth in the notice will be deemed to be passed today, subject to the receipt of the requisite number of votes.

As we already noticed and declared that the quorum for the meeting is complete. Now I authorize the scrutinizer to declare the results of voting as per the prescribed timelines. The result of e-voting will be declared within two working days from the conclusion of the meeting today. And the same along with the consolidated scrutinizer's report will be placed on the website of the company, on the website of NCLT and also on the website of BSE Limited and National Stock Exchange of India Limited. The company will also display the voting results on the notice board at the registered office of the company. So why once again, I thank all the board members of the company, shareholders, team of management and all the invitees for sparing their valuable time for attending this meeting.

Since the business of the meeting is now complete, I declare this meeting as closed. However, the e-voting facility will continue for another 15 minutes. Thank you. Thank you everyone. Thank you very much.