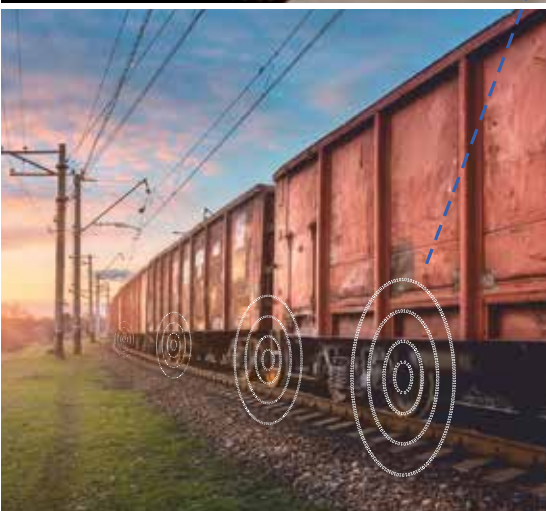


Creating customer value through

Rotating Equipment Performance



Annual Report 2017-18

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Corporate Information

Board of Directors

Rakesh Makhija
Chairman

Carl Orstadius
Managing Director
(effective 01.04.2018)

Shishir Joshipura
Managing Director
(upto 31.03.2018)

Hema A. Hattangady

Prakash M. Telang

Prasad R. Menon

Bernd Stephan

Company Secretary

Pradeep Bhandari

Auditors

M/s Price Waterhouse & Co Bangalore LLP
Business Bay, 7th Floor, Tower A, Wing 1,
Airport Road,
Yerwada,
Pune – 411 006

Bankers

**The Hongkong & Shanghai Banking
Corp. Ltd.**

HDFC Bank Limited

Share Transfer Agent

TSR Darashaw Limited
6-10, Haji Moosa Patrawala
Industrial Estate,
20, Dr. E. Moses Road,
Mahalaxmi, Mumbai 400 011.

Country Management Team

Carl Orstadius
Managing Director

Anjali Byce

Chandramowli Srinivasan

Shrikant Savangikar

Shoaib Shaikh

Mandar Vaidya

Creating Customer Value through Rotating Equipment Performance

Today a customer's expectations from their machinery and equipment have changed. In increasingly competitive markets, customers have grown to demand more from their machines in not just critical sectors but also from non-critical ones.

It is this increased expectation of machine functionality, efficiency and productivity from our customers that fits in wonderfully with our strategic value proposition of Rotating Equipment Performance (REP).

As a part of our core business, we continue to provide superior products and meet customer's requirements of performance, for their specific industries, on time and at a competitive price. But at SKF, we are also aware of the need of today's customers of a more comprehensive solution which allows them to improve their rotating equipment performance.

Our company now provides an integrated approach for customers to reduce their operating costs, run machines in a trouble free manner with reduced unplanned downtime and reduced total cost of ownership. Building on its global

reach, combined solutions from varied technologies, expert application engineering knowledge, quality service and its people, SKF has been working ceaselessly to create quantifiable customer value.

The SKF REP Value proposition addresses the issues that today's customers face on a regular basis; that of data collection and analysis, increased monitoring of plants for optimisation, increased asset reliability, and zero surprise failures.





In the year under review, we have taken our REP based solutions to several industries. Our REP proposition now enables customers to increase their focus on reliability with asset health management, move from time based reactive to predictive maintenance, and allows them to monitor health of their machines remotely. It also supports their requirement of increased output, increased speed, and Condition Monitoring through our Remote Diagnostic Center and online spindle monitoring.

SKF's new business model offerings support customers measure efficiencies in terms of performance and machine functionality. This performance based approach shall allow us to secure contracts in cement, steel and paper and pulp industries. We provide innovative solutions creating real measurable value for our customers.

Our company has been able to increase its share of business significantly in a well-known steel industry player, by providing suitable solutions impacting their pain areas of production losses, increasing maintenance costs and inventory carrying costs. SKF worked on an integrated contract for service and supply of bearings

to this customer, where we have partnered with the customer in increasing their machine efficiencies. This performance based contract gives the customer increased reliability and reduced downtime. Along with this, the customer is also assured of availability of right bearings at right time, with regular health checks.

Such contracts enable SKF to manage the customer's rotating equipment performance and will clearly demonstrate reliability and quantifiable value to the customer.

Our company is developing REP value propositions together with the industrial customers. Customers like Railways, Wind Turbine manufacturers and end user industries like Pulp & Paper, Food and Beverage are all customers that will benefit from this value proposition.

Another successful REP performance project has been with a paper and pulp manufacturer, which allows the customer to benefit from our Remote Diagnostic Centre (RDC) facility. Here SKF collects data and continuously filters it with our proprietary algorithms and analysis by our experts. This analysis leads to recommendations to

the customer to prevent sudden machine failures, timely maintenance and avoid loss of production. SKF has installed sensors that monitor machine functioning in critical machines allowing us to provide vibration analysis, health check and condition monitoring for the customer. The project is a huge success and has zero breakage, no unplanned downtime and increased production. A strong commitment and strong customer engagement have led to the successful execution of this project.

Our company is working on several such projects that build on a combination of services and products that we can provide to alleviate customer concerns. Our REP proposition is a key differentiator between SKF and its competition & sets us apart in being a pioneer in detecting, analysing and resolving customer issues.

SKF India maintains its focus on retaining our market leadership position and we continue to augment our engagement with our customers by supporting them in their goals of increased productivity, increased uptime, reduced total cost of ownership and planned downtime.

Board of Directors



Standing left to right : Bernd Stephan, Director, Rakesh Makhija, Chairman, Prakash M.Telang, Independent Director
Sitting left to right : Carl Orstadius, Managing Director, Hema Hattangady, Independent Director, P.R.Menon, Independent Director

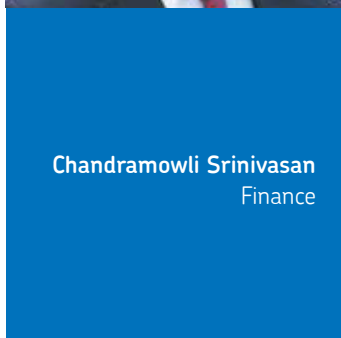
Country Management Team



Carl Orstadius,
Managing Director



Anjali Byce
HR



Chandramowli Srinivasan
Finance



Shrikant Savangikar
BE & Sustainability



Shoaib Shaikh
Automotive



Mandar Vaidya
Purchase



Managing Director's Letter to Shareholders

“

The organisation remains focused on growing further in the value chain. It combines the strength of its various platform offerings and the knowledge of a 100 years to provide integrated solutions through our “Rotating Equipment Performance” value proposition. This enables our customers to achieve their goals of productivity, profitability and sustainability.

”

Dear Shareholders,

As we draw the financial year 2017-2018 to a close, I am proud to present to you the Annual Report of SKF India Limited. For the year 2017-18, SKF India has reported Net Sales for the year ended March 31, 2018 amounting to ₹ 28,048 million as compared to ₹ 28,355 million in the previous year. The revenue figures for two years are not directly comparable due to the reclassification of revenue following the introduction of Goods and Services tax (GST), effective July 1, 2017. On a comparable basis, the sales for the year ended March 31, 2018 is 4.5% higher than the previous year. The Profit after Tax for the year ended March 31, 2018 amounted to ₹ 2,959 million compared to ₹ 2,439 million during the previous year.

The past year witnessed the largest reform in the country's indirect tax system with the introduction of the Goods and Services tax (GST). This massive initiative required all businesses to realign their business models and their ways of working, including having to adapt their ERP systems to the new tax regime. After an initial period of some disruption, most businesses settled down to the new tax laws.

While the past few years saw low oil and commodity prices, low interest rates, and ample liquidity amidst an environment of generally low global growth. All this has started to change now. Global growth is improving, oil prices and other commodity prices are firming up and interest rates have started to rise. As per the estimates provided by IMF, the strong momentum in global economic activity seen towards the end of 2017 is expected to continue in 2018 and 2019, driven by advanced economies where growth is expected to be around 2-2.5 per cent.

The Indian economy appears to have resumed its high growth trajectory with a revival in consumption spending and investment activity after having recovered

from the disruptions caused by the demonetisation and introduction of GST. We are looking forward to 2018-19 as the first year when we reap the full benefits of the reforms of the past years.

SKF India had started 2017 with an ambitious program under the Accelerate Asia directive. This was based on the strategic initiatives of growing faster than the economy, customer centricity and innovation based growth. It is with great pride that I share the success in achieving the goals set.

Your company has seen improvement in Industrial Sales driven by increased demand from steel, cement, material handling, F&B and mining & construction segment. The wind energy segment is yet to pick up and is estimated to do so only by the third quarter of FY 2018-2019. Indian Railways is a big opportunity for your company and with its massive upgrade and modernisation initiatives, key developmental projects, its focus on improving safety in trains, and expansion of locomotives, it will continue to be a big opportunity for us and hence an area of focus.

The strong demand for two wheelers and four wheelers has buoyed the Automotive segment. The commercial vehicles segment, which was in a prolonged slump, has finally rebounded strongly and is normally a strong lead indicator for the rest of the industrial sector. This strong growth in our Automotive sales is led not only by the upturn in the auto industry but also by your company's technologically advanced new product offerings like pinion bearings, Hub 3 and Split THU, which will help us grow more in the coming days.

Even as we grew in sales and profits, we continued to focus hard on our working capital. This helped us reduce inventories and trade receivables even when the liquidity in the market was impacted negatively due to GST and

even as we ramped up our inventories of imported products in our new Centralised Distribution centre at Chakan. The introduction of GST helped us to rationalise and reduce the number of distribution centres in the country.

With the strong performance on the sales side, we will focus on our Solutions and Services to carry forward our Rotating Equipment Performance value proposition. The company's offerings of asset reliability services, condition monitoring, predictive maintenance through our remote diagnostic centres and offerings of performance based business models will enable SKF to address the critical customer requirements. The new business models built combining all SKF technologies are helping us cater to the emerging requirements of reduced Total Cost of Ownership, increased reliability, decreased unscheduled stops, increased energy efficiencies and extended maintenance intervals.

The Rotating Equipment Performance value proposition is a true differentiator and enables us to offer a full range of services and solutions to both OEM and aftermarket customers across major industries, at each phase of their asset life cycle. The company can offer its expertise in providing solutions ranging from data analysis, asset reliability management, condition monitoring, remote diagnostics, remanufacturing, design verifications, vibration analysis and an optimal combination of SKF's different technologies. This showcases our efforts in constantly moving up in the value chain with integrated efforts in creating customer value. The projects implemented and executed successfully hold the potential to help our customers get all their operational and manufacturing concerns addressed by one solution provider.

We have had several firsts in our company this year. Keeping in tandem with our

vision of leveraging innovation for growth, your company is proud of its inroads into the innovation-based growth as a critical driver for the development in India. The company has been able to garner value-added businesses with the development of the Super Precision Bearings (SuPB) for an esteemed automotive customer where our engineers have worked hard to develop a rather clever solution for a long-standing problem. The pre-loaded bearings which have been created for the rear axle application for trucks is a critical application and need a specific solution that allows the Auto OEM increase warranties to its end customer. The pinion bearing, being a unitised solution, does away with the need of any spacers. This product is the culmination of several years of hard work by the team.

The SNH Housings launched in 2017 have a distinct advantage of being cost competitive and easily available. These robust housings and accessories are developed to reduce the risk of bearing damage and work to extend the service life. The launch of the SNH Housings helps SKF leverage the shift in the market trends and extend SKF product offerings in the market at multiple price and performance points.

Besides its continuous focus on operational and manufacturing excellence, your company is also proud of its strong CSR initiatives. In 2017 we launched our SKF Scholarship Program for Girls – Udaan. Under the purview of this program, your company provided scholarship to 40 meritorious girls to attain higher education through complete financial aid. This program covers all educational expenses starting from class 11 till the completion of a professional course for young girls from the Marathwada region in Maharashtra. The

first batch of 40 girls, selected through an intensive selection process and based on their economic backgrounds, have shown great progress and are working hard to move closer to their dreams. I am sure this will have a resonating impact on their immediate families and their communities at large.

The year continued to see your company being acknowledged by various industry and customer awards, reiterating our good work in CSR, quality of our products and solutions, and the path to growth as shown by the leadership. I am sure you all share my happiness with SKF India being adjudged as one of India's 'Most Admired Workplaces for 2017' by the Economic Times. This past year, SKF India also won the coveted CII-ITC Awards in Sustainability for Excellence in CSR. Your company also received a special commendation for Significant Achievement in Environment Management.

SKF India's Pune Factory received the Gold Award in India Manufacturing Excellence Awards 2017 by Frost and Sullivan. On the customer front, Bajaj Auto's Gold awards, for the 7th year in a row, along with The Harley Davidson award for excellent quality and delivery performance, is a testimony of our commitment to quality and customers.

At present, we are standing at the cusp of a revolution. Manufacturing 4.0 and IoT is all set to rewrite the rules of the game both for our operations and our customers'. This is an exciting opportunity that will combine all our prowess in product and industry for a paradigm shift, both for us and for our customers. Our Industry Leadership position, which we all have coveted and retained over a long period of time, will call for us to assimilate the changes about to be unleashed by this transformation.

Looking ahead, your company is well placed to capture a healthy growth in the market with an extensive product portfolio which addresses the local needs appropriately both at performance and price points. The company is also moving on to leverage its technological prowess and a century of knowledge to address customers needs from the point of view of machine reliability and asset health management. Our REP value proposition will harness all our strengths in product, people, business operations and technology. It will help us address the emerging customer needs of increased uptime, increased speed, increased productivity and increased connectivity to monitor data and take right decisions.

I take this opportunity to thank all the employees for their passionate involvement and contribution to our business initiatives, and working resolutely to deliver value to our customers. I would also like to especially thank all our partners – our distributors and suppliers, our bankers and all stakeholders for their continued trust and support. At SKF India, we remain committed to creating and delivering value in a sustainable way.

Thank you,

Carl Orstadius
Managing Director

We are SKF India Ltd.



SKF India Ltd was incorporated in the year 1961 as a result of collaboration between AB SKF, Associated Bearing Company limited and Investment Corporation of India Ltd. In 1965, our first manufacturing plant was commissioned in Pune. However, our existence in India can be traced back to 1923, when SKF Group setup its trading arm in Kolkata.

Our product portfolio consists of bearings, seals, mechatronics, lubrication systems and services and we extend the foremost technical support, maintenance and reliability services, engineering consulting, and training to our customers. With a rich heritage of more than a century, we have a value chain spreading across 130 countries alone with more than 15000 distributors across 450 locations.

Over the years, we have emerged as a knowledge-driven integrated solutions provider and have come a long way from being a pioneer bearing manufacturing company. Being at the helm of the affairs, we are helping our customers to achieve a sustainable and competitive advantage over their peers.



Our vision

'A world of reliable rotation'



Our Mission

**'The undisputed leader
in the bearing business'**

Manufacturing Footprint

Our manufacturing footprint encompasses three state-of-the-art facilities at Pune, Bengaluru and Haridwar. The Haridwar facility has received Gold Awards by Quality Circle Forum of India (QCFI).

SKF Pune facility received the prestigious Frost & Sullivan Platinum Award for India Manufacturing.

SKF Haridwar facility has become a 'Zero Water Discharge' facility. This move has further strengthened our sustainability practices.

Pune Factory



- Year of establishment: 1965
- Certifications: ISO 9001 ISO 140041 OHSAS 18001
- Segments: Automotive, Industrial Electrical
- Product range: Bearings

Bengaluru Factory

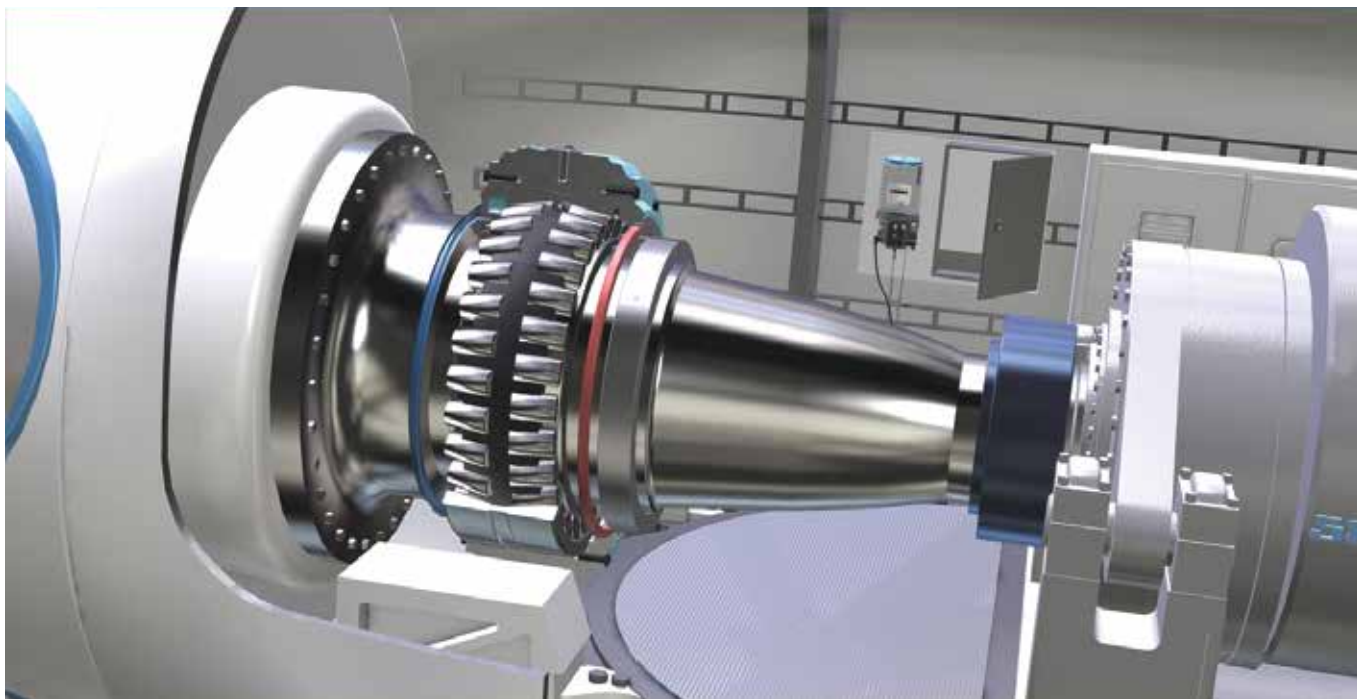


- Year of Establishment : 1989
- Certification : TS 16949 / ISO 14000
- Segments : Automotive, Industrial
- Product Range : DGBB, Value-Added Solutions, Customised products and assemblies

Haridwar Factory



- Year of Establishment : 2010
- Certification : Certified to ISO 14001 & OSHAS 18001
- Segments : Two wheeler segment
- Product Range : DGBB



Our Rotating Equipment Performance Proposition

- Right solution
- Right performance
- Right total cost of ownership

Our product value proposition

- Right product
- Right price
- Right time

Our value matrix

- High ethics
- Empowerment
- Openness
- Teamwork

Our growth drivers

- Grow with profit
- Quality
- Innovation
- Simplicity & Speed
- Sustainability

Customer Value Proposition

We are living in exciting and continuously evolving times, where digitalisation and agility are the axles of every business. These axles rotate around one key stakeholder – the customer, who drives all the businesses. Creating value for customer is a core focus for us at SKF India.

SKF, being a market leader in the industry, truly recognises this fact and has its strategy in place to turn it to an opportunity. By providing unique solutions to cater to customer demands, SKF has been constantly broadening its distribution network in the physical world as well as in the digital.

We have been driving digital customer engagement via social media pages, blogs, targeted content and online marketing tools, which have resulted in SKF becoming the most followed bearings company in India.

SKF provides augmented value to customers with innovative solutions, propelled by cutting-edge technological tools, harnessing Manufacturing 4.0.



Awards and Accolades

Year 2017-18 saw SKF India Ltd. soar to newer heights and achieve tremendous customer recognition. This is corroborated by the sheer number of awards and accolades won by the company. Not only do our customers recognise us as a supplier of choice, but the Industry Associations also acclaim our leadership position.

Customer Awards:

- **Tata Steel**

SKF India won the Mainstreaming Sustainability Award 2017 for contribution to bringing sustainable changes within TATA Group's businesses

- **Harley Davidson India**

SKF India won the Outstanding Quality & Delivery Award at Supplier Summit 2017

- **Hindalco**

SKF India won the Best Partner Award at Hindalco's Hirakud facility for its customer-centric approach



- **Bajaj Auto**

SKF India won the Gold Award from Bajaj Auto for the 7th year in a row

- **Grasim**

SKF India won the Best Vendor Award

- **Rieter India Limited**

SKF India won the Best Supplier – Service Award for the 3rd year in a row

- **Nord Drive Systems (India) Pvt. Ltd.**

SKF India won the Best Supplier Award

Industry Accolades

- **CII-ITC - Sustainability Award, 2017**

- SKF India got Commendation for Significant Achievement in Environment Management
- SKF India won CII-ITC Award in Sustainability awards for Excellence in CSR

- **Frost & Sullivan - India Manufacturing Excellence Awards 2017**

SKF India - Pune Factory accredited with the Gold Award

- **Quality Circle Forum of India (QCFI) Award 2017**

SKF India - Hardiwar Factory accredited with the Gold Award

- **The Economic Times - Most Admired Workplaces 2017**

SKF India got featured in India's Most Admired Workplaces for 2017 published by The Economic Times



SKF's customer centric solutions proved to be time and cost-effective while overcoming the challenge of bearing failure and machine replacement.

SKF enjoys nearly 100% share of business for all convertors in India. It is the only solution provider to the Indian steel industry.

Manufacturing 4.0

Manufacturing 4.0 is the 4th industrial revolution which is a combination of automation, data management and manufacturing technologies to increase productivity and manufacturing performance.

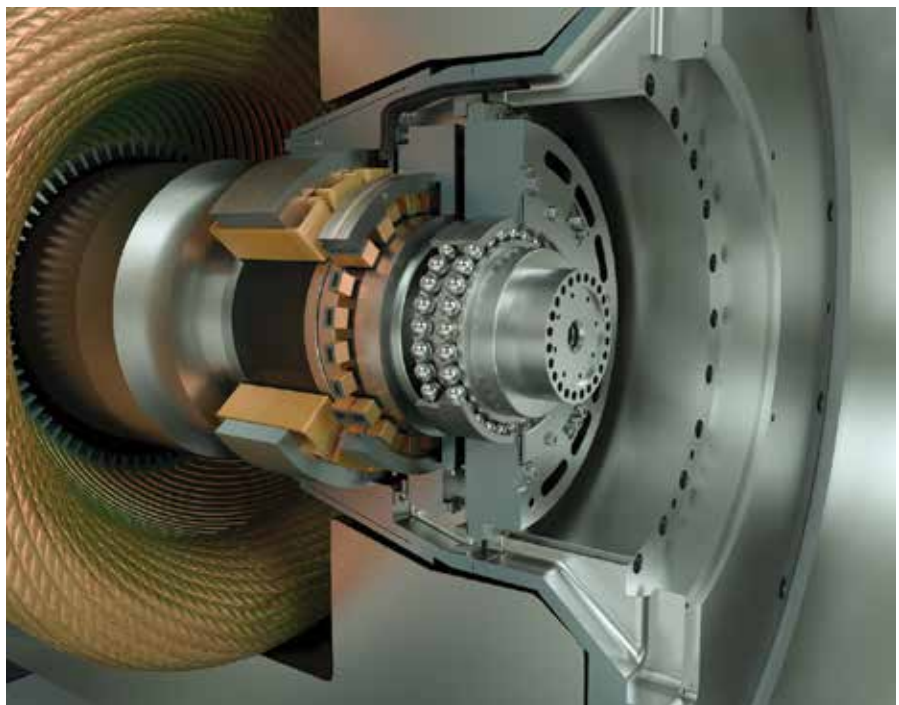
Today many companies are combining the use of artificial intelligence, cognitive technologies, and the Internet of Things (IoT) to create digital enterprises that are interconnected and are capable of more informed decision-making.

SKF offers technologies to connect, collect and analyse data from customers to optimise performance and give them control over their machine functionality.

Our company is working on pilot projects to improve reliability, reduce risks, increase agility and monitor equipment for key customers.

SKF gathers data from machines which are in different geographic locations across the country, analyses this data and gives our customer an edge in terms of knowing the exact machine health at any of their plants at any time. This data allows us to foresee and predict potential machine failure. In turn, this gives our customer the advantage of deciding for a planned downtime and optimising their production. The data also allows our customer to be better prepared in allocating resources elsewhere, ordering for spares, increasing output at alternate machines and negating unplanned downtimes.

Our Company has completed pilots for complete digitalisation of critical equipment at an automotive customer plant to address their pain points. SKF has provided special bearings to the customer with online spindle monitoring and analysis of that data using our Remote Diagnostic Centre. The data analysed can help spot any upcoming spindle failures, for which SKF can provide skilled



maintenance resources and service these spindles at our solutions factories. In case a replacement is needed and foreseen, SKF can also provide experienced resources to replace the damaged parts.

Manufacturing 4.0 contributes to the current need for organisations to become increasingly agile, by creating a digital foundation, including digitalisation of manufacturing processes and product development. It allows organisations to be increasingly responsive to changing

customer requirements in key markets and produce products that address this changed requirement. On top of the digital foundation, advanced analytics and collaboration can be maximised for increased efficiencies and business excellence.

The manufacturing industry currently is striving towards harnessing this to achieve operational excellence. We at SKF are ready to serve this future demand.

Remote Diagnostic Center

Our Remote Diagnostic Center is a state of the art facility which allows our solutions team provide diagnostic services to our customers' machining conditions. This helps customers' prevent failures and take timely measures to eliminate re-occurrences. Timely diagnosis and monitoring helps to enhance machine reliability and availability. Customers

are in a position to undertake planned maintenance, scheduling of resources and elimination of unplanned downtimes, thus enabling the customer achieve lower operating and maintenance costs. Such timely preventive actions help customers reduce their capital and IT investments. Our RDC can provide diagnostics, analysis and actionable suggestions to customers

to avoid surprise failures and unplanned shutdown. The RDC is completely cloud based solution center, monitoring machines in a holistic way to dive deeper and resolve issues at client end, without causing the client any delay or loss of production.



New Product Offerings & Innovations

New range of SKF Housings and Accessories



In keeping with the customer requirements, SKF launched the "Made in India" (SNH and SD) range of housings and accessories in 2017. These housings have the distinct advantage of being cost competitive, easily available and have a better service life.

The product incorporates the bearing and is designed to offer maximum service life.

These housings are perfect for material handling, mining, metals, cement, sugar and agricultural industries.

Insert Bearing Units – UC Range

The Insert Bearing Unit – UC range was launched in India and is designed for Japanese Industrial Standards (JIS). This reliable and robust bearing unit solution offers improved productivity, is extremely easy to use and is simple to order. The new range of bearing units are developed to match various operational and application conditions.

SKF UC Range products are designed to be interchangeable with JIS equipment. These bearing units have a set screw locking feature to operate in environments where systemic vibrations are a part of the characteristic operating conditions.

This range caters to the material handling industry, conveyors, food process machinery, packing equipment, agriculture industry, HVAC equipment, and construction and metal industry.



Heavy Duty Grease Gun

SKF Heavy Duty Grease Gun is designed for smooth and trouble free greasing in tough operating conditions. The SKF Grease Gun is ideal for agricultural, automotive, construction and manufacturing industries where operating conditions are harsh.



Pinion Bearings

SKF India Engineering team has developed the first of its kind ever, Pinion Bearings that reduce operational efforts and assembly time by 50%, resulting in higher productivity for the customer.

Pinion bearings are a critical requirement in any heavy duty truck application, which is usually in the harsh and dusty conditions in India. The trucks need a specific pinion for its rear axle application which has a spacer within the bearing to maintain proper tolerance levels.

Until recently, the placement of the spacers was done manually, making it extremely time intensive and prone to high margins of error. The errors and requirement of large amount of time made the OEMs look for a reliable pinion



solution for their Heavy Commercial Vehicles, which would be less time

consuming. The additional need of reduced tolerance levels in the pair of bearings and spacers was also to be addressed.

SKF India Pune team has successfully devised a solution that allows Auto OEMs to do away with manual placement of spacers. This ensures that the pinion is free of the concerns and errors found in manual assembly. It has led to decreased time taken to assemble one unit and the single unit design increases productivity.

SKF tapped into its competent application engineering to achieve this at tight tolerances with a specific value of friction under dynamic conditions. The new pinion bearings were successfully manufactured indigenously in our Pune factory. The new set of pinion bearings reduces operation efforts and assembly time by 50% resulting in higher productivity.



Community Care

Vision:

To create a positive change in the life of communities neighbouring our operations and create a meaningful difference from the recipient's perspective.

Social responsibility is one of the core guiding principles of SKF India. The company believes in being accountable for the social and environmental impact of our business. SKF works towards making a meaningful difference. The company believes in contributing to the growth of communities where it operates. It identifies areas where it can add value and formulates structured initiatives to bring societal change.

SKF India initiates, implements and monitors initiatives in Education, Empowerment and Environment through structured short and long term programs. We believe that giving back to the society only completes the natural sustainability cycle through which businesses can continue to grow.

SKF Sports Education Program (SSEP)



SKF Sports Education Program provides holistic development to underprivileged children between the ages of 11 to 16 through the medium of sports. The program trains children in football for a well rounded physical and mental development. The SSEP program provides classroom and field training for children ensuring they are prepared for the world's largest youth football tournament – Gothia Cup.

The beneficiaries of SSEP are underprivileged boys and girls from communities in and around our factories, in Pune and Ahmedabad. SSEP focuses on holistic development of every student through improved tactics, attitude and stamina, where there is a focus on 360 degree development.

Youth Empowerment at SKF (YES)

YES is a vocational training program in modern automotive maintenance and repair for underprivileged youth from rural and urban areas. This certificate course on Automotive Service trains the beneficiaries on repair and maintenance of two and four wheelers of different makes. YES is a combination of practical and theoretical training which can help youth with means of sustainable livelihood. In addition to mechanical skills, the program also includes modules on goal setting, marketing, tax, legal and finance, personal development, communication skills and customer service.

With about 84% of placements, YES helps create a sustainable automotive maintenance ecosystem.



SKF scholarship programme for Girls (UDAAN)



SKF Scholarship Program for Girls is an effort for the cause of women's empowerment, especially for young girls, through education.

UDAAN provides access to higher education for girls from socio-economically weaker sections. This program provides 100% support to girls from Std XI till completion of their higher education. The support includes college tuition fees, text books, educational materials, hostel facilities and transport facility fees for higher education.

In August 2017, 40 meritorious girls from Marathwada region were awarded the UDAAN scholarship and their lives have been impacted positively, giving them an opportunity to strive to achieve their dreams..

Financial Highlights

(₹ in Millions)

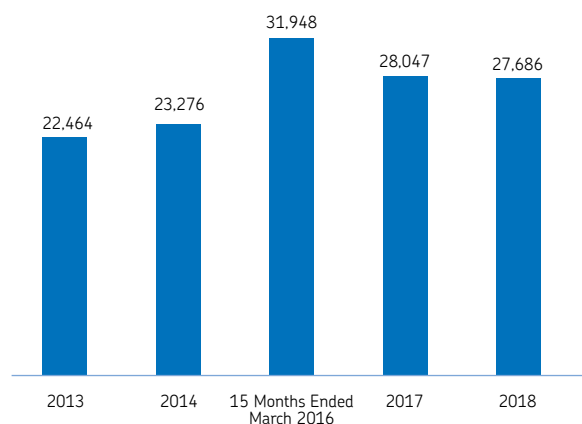
	As per IND AS			As per Indian-GAAP						
	year ended on 31.3.2018	year ended on 31.3.2017	15 months ended on 31.3.2016	2014	2013	2012	2011	2010	2009	2008
Net Sales	27,686*	28,047*	31,848	23,726	22,464	22,041	24,167	20,684	15,709	16,202
Profit before tax	4,555	3,756	3,945	3,062	2,530	2,831	3,139	2,661	1,431	1,944
Profit after tax	2,959	2,439	2,559	2,028	1,667	1,901	2,085	1,770	942	1,277
Cash earning per Share (₹)	66	55	62	49	41	44	47	40	23	30
Rate of dividend (%)	120	100	150	100***	75	75	75	70**	40	45
Gross Block	11,021	10,657	10,315	10,315	10,351	10,045	9,190	8,472	7,693	7,392
Net Block	2,753	2,806	2,980	3,654	4,011	4,072	3,547	3,193	2,568	2,387
Total borrowings	850	340	650	0	0	0	0	0.1	1	2
Share Capital	513.4	527	527	527	527	527	527	527	527	527
Reserves & Surplus	17,860	17,585	16,119	13,635	12,228	11,026	9,585	7,960	6,620	5,924
Book Value per Share ₹	356	343	316	269	242	219	192	161	136	122
Shareholders' Nos.	23,549	24,653	24,635	24,353	21,219	22,070	23,102	25,969	27,350	28,474
Employees' Nos.	1,779	1,789	1,824	1,962	2,052	2,053	2,165	2,122	2,152	2,210

* Net sales for the year ended 31.03.2017 & 15 months ended 31.03.2016 includes excise duty, as per Ind AS, whereas 2014 and prior periods are excluding excise duty as per Indian GAAP. In accordance with Ind AS 18 – Revenue, GST (Goods and Service Tax) is not included in Net Sales effective from July 1, 2017

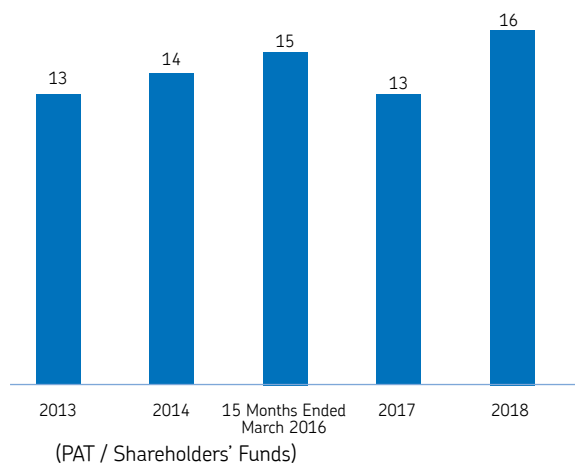
** Dividend of 70% includes 10% Golden Jubilee Special dividend

*** Dividend of 100% includes interim dividend of 75%

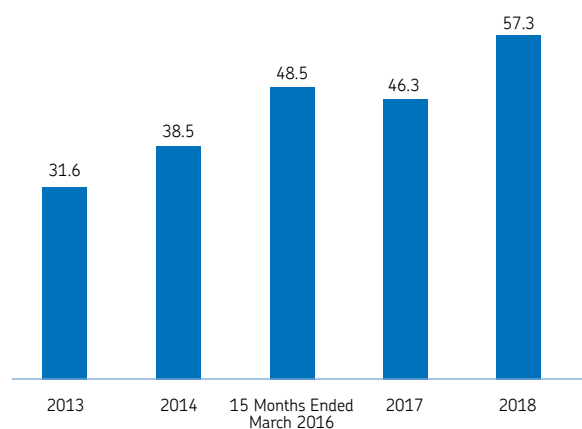
Sales (₹ in million)



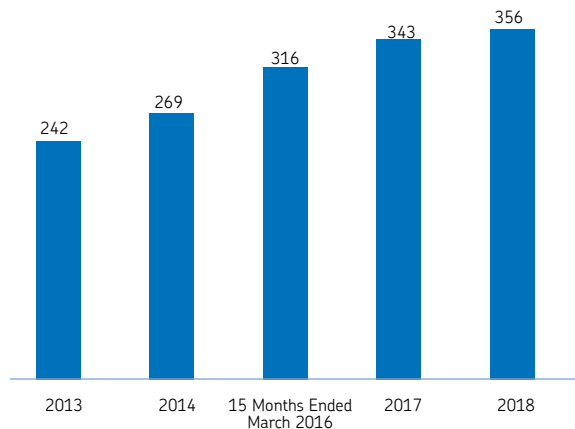
RONW (%)



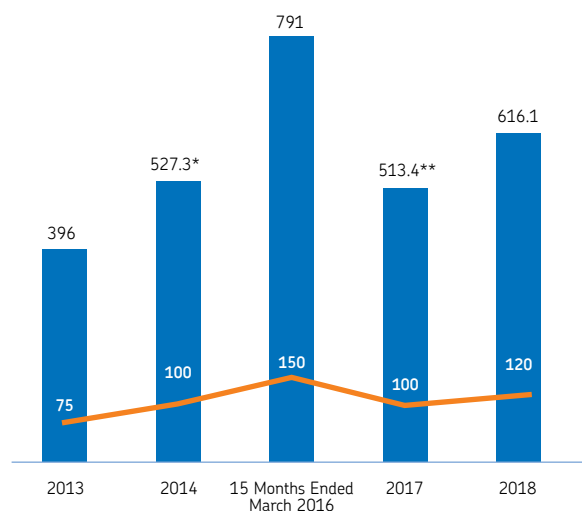
Earnings Per Share (in ₹)



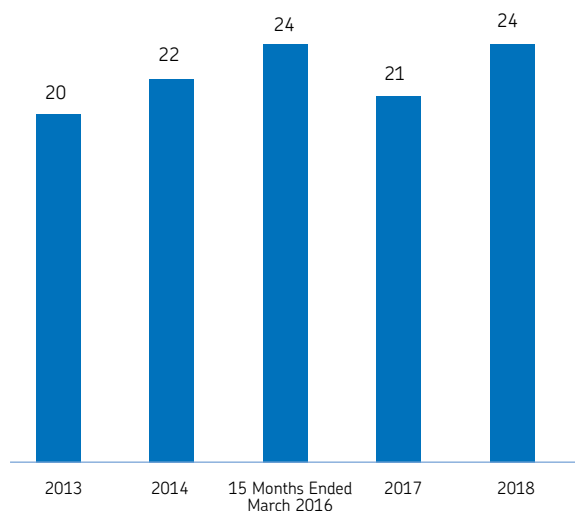
Book Value (₹ per share)



Dividend (₹ In Millions & % per share)



ROCE (%)



ROCE = PBT/Capital Employed

* Including 396 of Interim Dividend

** Dividend figure for 2017 is at reduced capital after Buyback of equity shares

NOTICE

NOTICE IS HEREBY GIVEN that the Fifty Seventh Annual General Meeting of the Members of SKF India Limited will be held at Rangaswar Hall, 4th Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Nariman Point, Mumbai 400 021 on Wednesday, July 25, 2018 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the year ended March 31, 2018 together with Reports of the Directors and the Auditors thereon.
2. To declare a dividend on Equity Shares for the financial year ended March 31, 2018.
3. To appoint a Director in place of Mr. Bernd Stephan (DIN 07835737) who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or amendments or re-enactments thereof for the time being in force) and pursuant to the approval of Members at the Fifty Fourth Annual General Meeting, the appointment of M/s. Price Waterhouse & Co Bangalore LLP, Chartered Accountants, (Firm's Registration Number 007567S with the ICAI) as Statutory Auditors of the Company be and is hereby ratified to hold office as such from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company, on such remuneration as may be decided by the Audit Committee / Board of Directors of the Company from time to time."

SPECIAL BUSINESS:

5. **Appointment of Mr. Carl Orstadius (DIN: 08080144) as a Director of the Company**

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution :

"RESOLVED THAT Mr. Carl Orstadius (DIN: 08080144) who was appointed as an Additional Director of the Company with effect from April 1, 2018 by the Board of Directors and who holds office up to the date of this Annual General Meeting under Section 161 of the Companies Act, 2013 ("the Act") and Article 129 of the Articles of Association of the Company and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company be and is hereby appointed as a Director of the Company."

6. **Appointment of Mr. Carl Orstadius (DIN: 08080144) as Managing Director of the Company**

To consider and if thought fit, to pass the following Resolutions as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provision of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modifications or re-enactment thereof and subject to such other approvals as may be necessary, the appointment of Mr. Carl Orstadius as Managing Director of the Company for a period of one year with effect from April 1, 2018 on the terms and conditions and remuneration as contained in the agreement dated 20.3.2018 between Mr. Carl Orstadius and the Company, copy whereof initialed by the Chairman for the identification is placed before the meeting be and is hereby approved."

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profit in any financial year the remuneration payable to Managing Director shall be governed by Section II, Part II of Schedule V of the Companies Act, 2013 or any statutory modifications thereof or re-enactments thereof, or such other limits as may be prescribed by the Government from time to time as minimum remuneration."

"RESOLVED FURTHER THAT the Nomination & Remuneration Committee / Board of Directors of the Company be and are hereby authorized to alter and vary the aforesaid terms as to remuneration including perquisites subject to the same not exceeding the limits specified under Section 197, read with Schedule V to the Companies Act, 2013, as in force from time to time and to do all such acts, matters, deeds and things as are usual or expedient to implement this resolution."

7. **Approval of transactions with SKF GmbH, Schweinfurt, Germany, SKF Group Company.**

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (including any statutory modifications or amendments or re-enactment thereof, for the time being in force), approval of the Members of the Company be and is hereby accorded for the material contracts / arrangements / transactions in the ordinary course of business with SKF GmbH, Schweinfurt, Germany ('SKF Germany'), a 'Related Party' as defined under Section 2(76) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 for the Financial Years from 2017-18 to 2019-20 as set out under the Statement setting out the material facts annexed to this Notice dated May 8, 2018 for Item No.7 on such terms and conditions as may be mutually agreed upon between the Company and SKF, Germany."

“RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorized to do all such acts and deeds to finalise the terms and conditions as may be considered necessary, expedient or desirable, in order to give effect to this Resolution.”

8. Ratification of Remuneration to Cost Auditor

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the Company hereby ratifies and confirms the remuneration of ₹ 3.8 lakhs (Rupees Three lakhs and eighty thousand) plus applicable taxes and out-of-pocket expenses incurred in connection with the cost audit, payable to Messrs R A & Co., Cost Auditor, Mumbai having Registration No. 000242 appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the year 2017-18.

By Order of the Board
 SKF India Limited

P. Bhandari
 Company Secretary

Registered Office :

Mahatma Gandhi Memorial Building,
 Netaji Subhash Road,
 Mumbai 400 002.

CIN No.:L29130MH1961PLC011980

E-mail:investors@skf.com

Website:www.skfindia.com

Telephone No.:022-66337777

May 8, 2018

Notes

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“AGM” or “Meeting”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Instrument appointing a proxy should however be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions / authority, as applicable, issued on behalf of the nominating organization.

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of

the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights then such proxy shall not act as a proxy for any other person or Member.

2. The Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 (“the Act”), concerning the Special Business in the Notice is annexed hereto and forms part of this Notice.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, July 17, 2018 to Wednesday, July 25, 2018, both days inclusive, for the purpose of payment of dividend, if declared at the Annual General Meeting.
4. The dividend on equity shares, as recommended by the Board of Directors, if declared at Annual General Meeting, will be paid:
 - (i) in respect of shares held in physical form to those shareholders whose names stand on the Register of Members of the Company after giving effect to all valid transfer deeds in physical form lodged with the Company on or before Monday, July 16, 2018; and
 - (ii) in respect of shares held in the dematerialized form to those deemed members whose names appear in the statements as furnished by the depositories for this purpose as at the end of the business hours on Monday, July 16, 2018.
5. Beneficial Owners of shares in demat form are advised to get particulars of their Bank account updated with the Depository Participant (DP) as in terms of SEBI Guidelines and the regulations of NSDL & CDSL, their Bank Account details, as furnished to the DP, will be printed on their dividend warrants. The Company will not entertain requests for change of such bank details printed on their dividend warrants.
6. The amount outstanding in unpaid dividend account in respect of financial year 2011 and shares where dividend had remained unpaid for last seven years will be transferred to the ‘Investor Education and Protection Fund’ maintained with the Central Government.

The Company has placed on its website www.skfindia.com, the information on unclaimed dividends.

7. The Ministry of Corporate Affairs has introduced a ‘Green Initiative in Corporate Governance’ by allowing paperless compliances by companies. It has issued circulars stating that documents including Annual Report can be sent by e-mail to its shareholders. Your Company welcomes this green initiative for paperless communication, which is in line with its focus on eco friendly and sustainable products and services.

To support this green initiative in full measure, shareholders who have not registered their e-mail addresses, so far, are

requested to do so in respect of electronic holdings with the Depository through their concerned Participants. Shareholders who hold shares in physical form are requested to fill and send the "Email Registration Form" to the Company which is available on SKF India's website www.skfindia.com under Investor page section / Shareholder's Information.

In accordance with the provisions of Section 101 of the Act read with Rule 18 of the Companies (Management and Administration) Rules, 2014 as amended, the copy of Annual Report of the Company for the Financial Year 2017-18 and this Notice, inter-alia, indicating the process and manner of e-voting along with Attendance Slip and proxy form are being sent by e-mail, unless any Member has requested for a physical copy of the same, to those members who have registered their e-mail address with the Company (in respect of shares held in physical form) or with their DP (in respect of shares held in electronic form) and made available to the Company by the Depositories. This notice and the Annual Report 2017-18 will also be available on the Company's website www.skfindia.com in the investors section.

In case you wish to get a physical copy of the Annual Report, you may send your request to csg-annualreports@tsrdarashaw.com mentioning your Folio / DP ID & Client ID.

8. Members desiring any information relating to the accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
9. All documents referred to in the notice and the explanatory statement requiring the approval of the Members at the Meeting and other statutory registers shall be available for inspection by the Members at the registered office of the Company during office hours between 11.00 a.m. and 1.00 p.m. on all days except Saturdays, Sundays and public holidays, from the date hereof up to and including the date of the annual general meeting.
10. Route Map showing directions to reach to the venue of the 57th AGM is being provided in the Annual Report. The route map has been uploaded on the website of the Company viz. www.skfindia.com

11. Process of Members opting for e-Voting:

- (1) E-voting: In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and the provisions of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by National Securities Depository Limited (NSDL), on all resolutions set forth in this Notice. The facility for voting, either through electronic voting system or polling paper shall also be made available at the AGM and the members attending the meeting who have

not already cast their vote by e-voting shall be able to exercise their right to vote at the AGM.

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

Log-in to NSDL e-Voting website

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
 2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
 3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
- Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically*
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 Once you confirm your vote on the resolution, you will not be allowed to modify your vote

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to skf.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

Other Instructions:

- i. The e-voting period commences on Sunday, July 22, 2018 (9.00 a.m. IST) and ends on Tuesday, July 24, 2018 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialised form as on Wednesday, July 18, 2018 i.e. cutoff date, may cast their vote electronically.
- ii. Any person who is not a member as on the cut-off date should treat this notice for information purpose only. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she / it shall not be allowed to change it subsequently.
- iii. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

Company as on Wednesday, July 18, 2018. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date shall be entitled to avail the facility of e-voting, as well as voting at the meeting through electronic voting system or poll paper.

- iv. Any person who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of cut-off date i.e. July 18, 2018 may obtain the login id and password by sending a request at pallavid@nsdl.co.in, evoting@nsdl.co.in. However, if he/she is already registered with NSDL for e-voting then he/she can use his/her existing User ID and password for casting vote.
- v. In case Shareholders are holding shares in demat mode, USER ID is the combination of (DPID + Client ID). In case, Shareholders are holding shares in Physical mode, USER ID is the combination of (EVEN No. +Folio No).
- vi. A Member may participate in the Annual General Meeting even after exercising his right to vote through e-voting but shall not be entitled to vote again.
- vii. Mr. P. N. Parikh and failing him Mr. Mitesh Dhabliwala and failing him Ms Sarvari Shah of M/s. Parikh and Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the voting process (electronically or otherwise) in a fair and transparent manner.
- viii. The Scrutinizer shall on conclusion of the voting at the AGM first count the votes cast at the meeting and thereafter, unblock the votes cast through e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.

The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.skfindia.com and on the website of NSDL www.evoting.nsdl.com and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed. The results of the voting shall also be placed on the Notice Board at the Registered Office of the Company.

STATEMENT SETTING OUT MATERIAL FACTS UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No.5

The Board of Directors appointed Mr. Carl Orstadius (DIN 08080144) as an Additional Director of the Company with effect from April 1, 2018 on the recommendation of the Nomination

and Remuneration Committee. Pursuant to Section 161(1) of the Companies Act, 2013 ("the Act") and Article 129 of the Articles of Association of the Company, Mr. Carl Orstadius holds office of the Director up to the date of this Annual General Meeting but is eligible for appointment as a Director. The Company has received a notice under Section 160(1) of the Act proposing his candidature for the office of Director of the Company.

The Board of Directors is confident that with his vast Global knowledge and varied experience within SKF will be of great value to the Company and hence recommends the Resolution at Item No.5 of this Notice for your approval.

None of the Directors or Key Managerial Personnel of the Company and their relatives other than Mr. Carl Orstadius is in any way concerned or interested, financially or otherwise, in this resolution.

Item No.6

The Board on the recommendation of the Nomination and Remuneration Committee appointed Mr. Carl Orstadius as Managing Director of the Company effective from April 1, 2018 for a period of 1 (one) year at its meeting held on March 20, 2018 on the terms and conditions including remuneration as set out in the agreement dated March 20, 2018 which are as under:

1. Remuneration

A) Salary

The Managing Director shall be paid by way of annual Base Salary a sum of ₹ 7,800,000/- which shall be revised annually each year beginning April 2019. The increase shall be at the discretion of the Nomination & Remuneration Committee / Board of Directors of the Company.

- B) In Addition to the Base Salary the Managing Director will be entitled to an annual Supplementary Allowance amounting to ₹ 7,800,000/- and an annual Location Allowance amounting to ₹ 8,500,000/-.

C) Incentives

- i. The Managing Director will be entitled to a Short Term Variable Salary (STVS) Incentive as per the Group Bonus Plan. The maximum STVS payable is 25% of Base Salary and Supplementary Allowance put together.
- ii. Long Term Scheme : The Managing Director will be entitled to participate in the Group Long Term Variable Salary (LTVS) program.

D) Retirement Benefits

Provident Fund : SKF will contribute 12% of Annual Base Salary towards Provident Fund

Gratuity : Gratuity as per the Payment of Gratuity Act.

Additionally : An amount of upto a maximum ₹800,000 annually will be paid by the Company towards Pension Schemes and Social Security costs in Sweden

E) Perquisites

In addition to the above remuneration, the Managing Director shall also be entitled to the following perquisite :-

a) House Accommodation/House Rent Allowance (HRA)

The company will provide a rent free furnished accommodation in Pune.

b) Medical reimbursement to self and dependant family (spouse and children) for outpatient medical care and will be covered under the Hospitalisation scheme as per the Rules of the Company.

c) Membership of two clubs.

d) Car and Telephone – The Company shall provide one Car and driver and telephone reimbursement as per the Company policy.

e) Hospitalisation Policy, Personal Accident Group Insurance Scheme and Death Insurance policy as per the Company rules and regulations.

Provision for the use of company car and telephone(s) at residence and mobile including payment for local calls and long distance official calls shall not be included in the computation of perquisites for the purpose of calculating such ceilings.

f) Leave – Entitlement for leave as per the rules of the Company. Encashment of unutilised leave at the end of tenure shall not be considered as a perquisite for purposes of ceiling on remuneration prescribed in the Companies Act, 2013.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules wherever applicable and in the absence of any such rules, perquisites shall be evaluated at actual costs.

The total remuneration and perquisites payable to the Managing Director shall be within the ceiling limits prescribed in Sections 196 to 201 of the Companies Act, 2013. In case of absence or inadequacy of profits in any financial year, the Company shall, subject to the provisions of Section II, Part II of Schedule V of the Companies Act, 2013 or any statutory modifications thereof and / or the approval of the Central Government where necessary, pay the remuneration mentioned above as minimum remuneration to Mr. Orstadius.

The Nomination and Remuneration Committee / Board of Directors are authorised to alter, increase and vary the remuneration and perquisites provided that total remuneration by way of salary and perquisites and other allowances shall be within the maximum limits as laid down under Sections 196

to 201 and all other applicable provisions, if any of the Act read with Section II, Part II of Schedule V of the Companies Act, 2013, as may be amended from time to time or any equivalent statutory re-enactment thereof for the time being in force.

2. Other material terms of appointment

i. Mr. Orstadius acting as the Managing Director of the Company shall exercise and perform such powers and duties as the Board of Directors of the Company (“the Board”) shall from time to time determine and subject to any directions and restrictions from time to time given and imposed by the Board, he shall have the general control, management and superintendence of the day-to-day business and affairs of the Company with powers to enter into any contracts on behalf of the Company in the ordinary course of business, and to do and perform all other acts, deeds and things which in the ordinary course of business he may consider necessary, expedient or proper in the interests of the Company.

ii. The agreement may be terminated by either party by giving a notice in writing of three month to the other party.

iii. The Company shall be entitled to forthwith determine this Agreement in the event of Mr. Orstadius being found guilty of misconduct or negligence in the discharge of his duties or in the conduct of the Company's business or to any other act or commission inconsistent with his duties as the Managing Director or any breach of this Agreement which in the opinion of the Board renders his termination from the office of Managing Director desirable.

iv. If, before the expiration of this Agreement, the tenure of office of Mr. Orstadius shall be determined by reason of reconstruction or amalgamation, whether by winding up of the Company or otherwise, Mr. Orstadius shall have no claim against the Company for damages or otherwise whatsoever.

v. The terms and conditions of appointment of MD also include clauses pertaining to adherence with the SKF Code of Conduct, Non-Competition Policy and maintenance of confidentiality.

A copy of the Agreement entered into between Mr. Orstadius and the Company is available at the Registered Office of the Company for inspection on any working day (except Saturday) during normal working hours of the Company.

The Board of Directors recommends resolutions set out at Item No.6 of this Notice for your approval.

Mr. Orstdaius is not related to any of the Directors of the Company. None of the Directors, Key Managerial Personnel or other relative except Mr. Orstadius is interested in the resolution set out at Item No.6 of this Notice.

Item No.7

The Company is a subsidiary of its parent Company Aktiebolaget SKF (AB SKF). SKF GmbH, Schweinfurt, Germany is also a subsidiary of AB SKF and is a 'Related Party' as per definition under

Section 2(76) of the Companies Act, 2013 and 2(zb) regulations of SEBI (LODR) Regulations, 2015

In terms of the regulations 23 of the SEBI (LODR) Regulations, 2015, the transactions as described hereunder had exceeded 10% of the annual turnover of the Company as per the last audited financial statements of the Company and therefore exceeded the materiality threshold as prescribed under the Regulations. Thus, in terms of SEBI Regulations, these transactions would require the approval of the Members by way of an Ordinary Resolution.

The particulars of the contract / arrangements / transactions are as under:

PARTICULARS	INFORMATION
Name of the Related Party	SKF GmbH, Schweinfurt
Name of Director(s) or Key Managerial Personnel who is related, if any.	None of the Directors except Mr. Bernd Stephan and Mr. Carl Orstadius being representatives of AB SKF on the Board of Company
Nature of relationship	Subsidiary of Holding Company
Nature, and monetary value of contract / transactions with SKF GmbH, Schweinfurt (RPTs)	1. Purchase of raw material and finished goods (2231.3 minr)
	2. Purchase of capital goods (0.1 minr)
	3. Sale of Goods & Services (577.4)
	4. Service Received (0.9 minr)
	5. Reimbursement paid (0.6 minr)
	6. Reimbursement Received (1.1 minr)
Particulars of Contract with SKF GmbH, Schweinfurt.	1. Purchase of Finished Goods for resale: SKF India Limited business model comprises of two broad streams – sales of own manufactured goods and services and sales of traded goods manufactured by other SKF companies. In respect of traded goods, the buying price is fixed according to international transfer pricing guidelines and is approved by Special Valuation Bureau of Customs. SKF Germany is one of SKF Group companies from whom SKF India Limited is sourcing its product to meet the demand of the customer.
	2. Purchase of components and capital goods: These are generally specialized items that are made to SKF drawings and specifications and are bought at arm's length prices.
	3. Sale of goods: SKF India Limited sells products to other SKF Legal entities for ultimate sales to external customers in their country and the prices for the same are fixed according to international transfer pricing guidelines. SKF Germany is one of such customers to whom SKF India Ltd exports its products.
	4. Reimbursement of expenses received or paid, services obtained or rendered from time to time: SKF India Limited may incur expenses which either need to be reimbursed or recovered or availed for procurement of goods for its ultimate customer.

PARTICULARS	INFORMATION
Whether the transactions have been approved by the Audit Committee	Yes, the Related Party Transactions are in Accordance with the Related Party Transactions Policy of the Company and have been Approved by the Audit Committee.
Estimated Monetary Value of such RPTs	<p>Considering the nature of the industry / business in which the Company operates, the Company expects the level of transactions with SKF, GmbH, Schweinfurt to be above the Materiality threshold. Therefore the approval of the Members is sought for an aggregate value of transactions with SKF GmbH, Schweinfurt, for an amount not exceeding twice the aggregate value of RPTs in the ordinary course of business, in each financial year entered into by the Company with SKF, GmbH, Schweinfurt as compared to the value of RPTs entered into in the immediately preceding financial year.</p> <p>e.g. If the value of RPTs contracted is ₹ 100/- in FY 2017-18 then the ceiling for the RPTs for FY 2018-19 would be ₹ 200/-.</p>
Any other information relevant or important for the Members to make a decision on the proposed transaction.	None

All the above transactions carried out by SKF India Limited with SKF GmbH, Schweinfurt are in the ordinary course of business and at arm's length and hence are recommended for approval by the members.

Considering the dynamic business environment where neither demand nor foreign exchange rates can be predicted in advance, the Company expects the level of transactions to be above the materiality threshold as prescribed under the Listing Regulations, for the period for which the approval of Members is sought as stated above. To sustain quality standards of the SKF Group, quantitative benefits to enable operational efficiency, this needs to be considered as an enabling resolution. The details of the Related Party Transactions will continue to be disclosed in the Annual Financial Statements.

The Related Party Transactions as aforesaid are necessary, normal and incidental to business as also play significant role in the Company's business operations and accordingly the Board recommends the Ordinary Resolution set forth in Item No.7 of the Notice for the approval of the Members in terms of Regulations 23 of SEBI (LODR) Regulations, 2015.

None of the Directors and Key Managerial Personnel or their relatives except Bernd Stephan and Mr. Carl Orstadius representing SKF Group are in any way concerned or interested in the resolution.

Item No. 8

The Company is required to have its cost records audited by Cost Accountant in practice. Accordingly, the Board of Directors of the Company, on the recommendation of the Audit Committee,

approved the appointment of Messrs. R A & Co., Cost Accountants, having Firm Registration No. 000242 as Cost auditors of the Company for the financial year ending March 31, 2018.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. Accordingly, consent of the Members is sought by way of an Ordinary Resolution as set out at Item No. 8.

The Board accordingly recommends Item No. 8 of the Notice for your approval.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested in the resolution.

By Order of the Board
 SKF India Limited
 P. Bhandari
 Company Secretary

Registered Office :
 Mahatma Gandhi Memorial Building,
 Netaji Subhash Road,
 Mumbai 400 002.
 CIN No.:L29130MH1961PLC011980
 E-mail:investors@skf.com
 Website:www.skfindia.com
 Telephone No.:022-66337777
 May 8, 2018

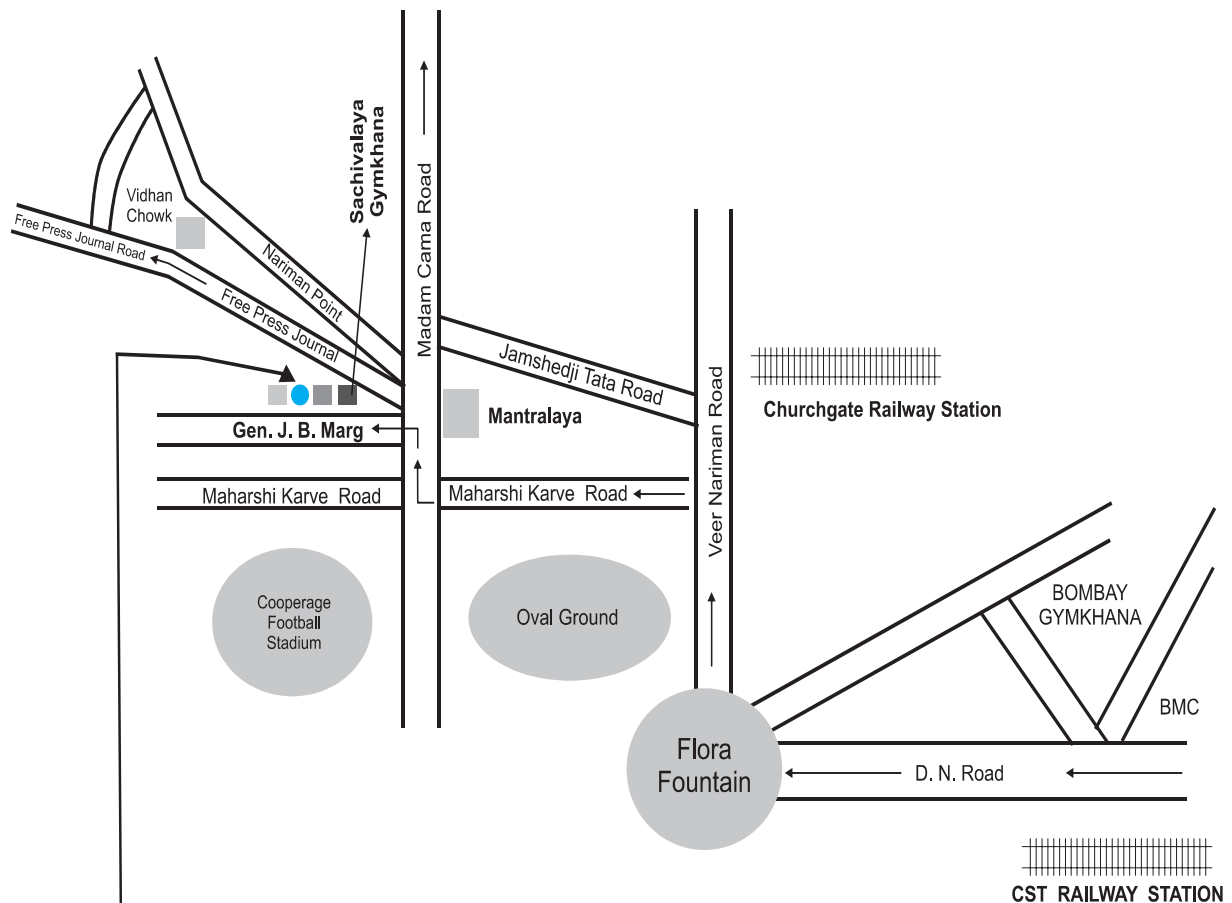
Details of Directors seeking re-appointment / appointment at the forthcoming Annual General Meeting

Name of the Director	Mr. Carl Orstadius	Mr. Bernd Stephan
Director Identification Number	08080144	07835737
Date of Birth	01.02.1962	09.12.1956
Nationality	Swedish	German
Date of Appointment on Board	01.04.2018	08.06.2017
Qualification	Master of Business Administration from the University of Gothenburg, Sweden	Mechanical Engineer from University of Essen in Germany
Expertise	Mr. Orstadius has been associated with SKF Group since 1987 and has held several leading positions in the past within SKF Group. The most recent one being at SKF Group Headquarters at Gothenburg, Sweden as an in charge of Supply Chain, Investments and Integrated Cost Reductions apart from Controlling function of Automotive & Aero Business Segment of SKF Group. In the past three years, he has been the driver behind improvement in the operating margin of the Global Automotive business for SKF. Mr. Orstadius was Managing Director of SKF Sweden in 2006-10 and of SKF Peru in 1996-98	Mr. Stephan is associated with SKF Group since 1994 and is currently President , Automotive and Aerospace and Member of SKF Group management. Prior to that, Mr. Bernd Stephan was Sr. Vice President Group Technology (CTO) and had held several leading positions in the past within SKF Group in Renewable Energy, Business unit Trucks, Business unit CR Europe. Mr. Stephan was Managing Director of C R Elastomere GmbH in 1994.
Shareholding in SKF India Ltd	Nil	Nil
List of Directorship held in other Companies	SKF Espanola Lincoln Helios (India) Limited	SKF Austria AG and SKF GmbH, Germany
Chairmanship / Membership of Audit and Stakeholders Relationship Committee	Stakeholders Relationship Committee SKF India Ltd.	Nil
Relationship between the Directors inter-se	Nil	Nil

For other details such as number of meetings of the Board attended during the year, remuneration drawn, please refer to the Corporate Governance report.

ROUTE MAP TO THE VENUE OF THE AGM

on Wednesday, July 25, 2018 at 3.00 p.m.



Rangaswar Hall

4th Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg,
 Next to Sachivalaya Gymkhana, Nariman Point, Mumbai 400 021

Directors' Report

Dear Members,

The Directors of your Company are pleased to present the 57th Annual Report, with audited financial statements for the financial year ended on March 31, 2018.

Financial Results

		₹ in million
	Year ended Mar 31, 2018	Year ended Mar 31, 2017
Revenue from operations	28048.2	28355.4
Other Income	713.6	873.3
Total Income	28761.8	29228.7
Operating Expenditure	23749.5	24993.9
Depreciation	457.4	478.8
Profit before Tax	4554.9	3756.0
Provision for taxation	1596.0	1317.1
Profit After Tax	2958.9	2438.9
Other Comprehensive Income	14.8	(20.7)
Total Comprehensive Income for the period	2973.7	2418.2

OPERATIONS

The Revenue from operations of the Company for year ended on March 31, 2018 is ₹ 28,048.2 million as compared to ₹ 28,355.4 million in the previous year. The revenue figures of the two years are not directly comparable due to the reclassification of indirect taxes following the introduction of GST effective July 1, 2017. The Company's Profit before tax for the year ended March 31, 2018, is ₹ 4,554.9 million as compared to ₹ 3,756 million in the previous year.

The Profit After Tax for the period ended March 31, 2018 is ₹ 2,958.9 million, compared to ₹ 2,438.9 million during the previous year.

Material Changes and commitment if any, affecting financial position of the Company

There have been no material changes and commitments that have occurred between the end of the financial year of the Company to which these Financial Statements relate and the date of this Report which affect the financial position of the Company.

DIVIDEND

The Board of Directors of the Company had approved the dividend Distribution Policy in its meeting held on February 13, 2017 in line with the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015. The Policy is available on

the Company's website at <http://www.skf.com/in/investors/shareholder-information/index.html>.

In line with the said Policy, the Board of Directors is pleased to recommend a dividend of ₹ 12/- per Equity share of ₹ 10 Face value for the year ended March 31, 2018, as compared to ₹ 10/- per Equity share, for the preceeding year ended March 31, 2017. This Dividend is subject to the approval of the Members at the 57th Annual General Meeting of the Company.

The Register of Members and Share Transfer Books will remain closed from July 17, 2018 to July 25, 2018 (both days inclusive) for the purpose of payment of the dividend for the financial year ended March 31, 2018 and the Annual General Meeting.

During the year, unclaimed dividend pertaining to the dividend for the year 2010 was transferred to the Investor Education and Protection Fund.

TRANSFER TO RESERVES

The Company does not propose to transfer any sum to the General Reserve out of the amount available for appropriation.

BUYBACK OF EQUITY SHARES

Considering the company's strong cash reserves and its healthy cash flow generation, the Members had approved a

proposal for buyback of equity shares of the company, at a price of ₹ 1500/- per share during the fiscal year 2017-18. The Company had utilized ₹ 2091.7 million for the Buyback of equity shares of the Company and the share capital of the Company after the said Buyback now stands reduced at ₹ 513.35 million. The buyback process was completed and the shares were extinguished on June 21, 2017.

AWARDS / ACCOLADES

Your Directors are happy to report that during the year, your Company received numerous awards and felicitations from distinguished bodies for achievements in various fields that re-emphasized SKF's strong position in the Indian Manufacturing Industry, making us proud of our achievements and some of the significant achievements were:

- Bajaj Auto's Gold awards, for the 7th year in a row, for our support and contribution
- The Harley Davidson award for excellent quality and delivery performance
- Mainstreaming Sustainability by Tata Steel, Jamshedpur
- Awards for Excellence in CSR and Significant achievement for Environment Management from CII-ITC Centre of Excellence for Sustainable Development.
- Best Partner Award' from Hindalco's Hirakud facility and 'Best vendor award' from Grasim
- The 'Best supplier award' by Nord Drive Systems India Pvt Ltd.
- SKF was adjudged as one of India's Most Admired Workplaces for 2017 by the Economic Times.

MANAGEMENT'S DISCUSSION AND ANALYSIS AND OUTLOOK

A detailed review of the operations, performance and future outlook of the Company and its business is given in the Management's Discussion and Analysis report, which forms part of this Report as **Annexure I**.

CORPORATE GOVERNANCE

Your Directors reaffirm their continued commitment to good corporate governance practices. The Annual Report contains a separate section on Company's Corporate Governance practices, together with a certificate from the Secretarial Auditor, a practising company secretary confirming compliance, as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which forms part of this Report as **Annexure II**.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

As per the provisions of Sections 149 and 152 of the

Companies Act, 2013, the shareholders at their 54th Annual General Meeting held on 23 April 2015, had approved the re-appointment of all the existing Independent Directors of the Company for tenure of up to five consecutive years. None of the Independent Directors are liable to retire by rotation. In accordance with Section 149(7) of the Companies Act, 2013, each Independent Director has confirmed to the Company that he or she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Bernd Stephan (DIN: 07835737) retires by rotation and being eligible, offers himself for re-appointment.

Mr. Shishir Joshipura, Managing Director resigned from the Board on account of personal reasons. The Board, placed its sincere appreciation and gratitude for his valuable services rendered during his term of more than eight years and wished him all the best for the future. The Board further expressed that SKF had grown under his leadership even during the period of slowdown witnessed in the Indian economy during his tenure.

The Board at its meeting held on March 20, 2018 appointed Mr. Carl Orstadius (DIN: 08080144) as the Managing Director of the Company for a period of one year effective from April 1, 2018. As per the provisions of Section 161 of the Companies Act, 2013, Mr. Orstadius holds office up to the date of the forthcoming Annual General Meeting of the Company. Resolutions seeking approval of the Members for the appointment of Mr Bernd Stephan and Mr Carl Orstadius and a brief profile about them have been incorporated in the Notice of the Annual General Meeting.

Mr. Carl Orstadius, Managing Director (DIN: 08080144), Mr. Chandramowli Srinivasan, Chief Financial Officer and Mr. Pradeep Bhandari, Company Secretary are the Key Managerial Personnel of the Company as on the date of this Report.

BOARD MEETINGS

The Board of Directors met six times during the year. In addition, an Annual Strategic meet was held to obtain strategic direction from the Board in which all Business units and functional heads made detailed presentations to appraise the Board about the various business activities, achievements, plans etc. Details of Board meetings and other Committee meetings of the Board are laid out in Corporate Governance report, which forms part of this annual report.

BOARD EVALUATION

Your Company believes in value for its stakeholders through ethical processes & integrity. The Board plays a very important

role in ensuring that the company performance is monitored and timely inputs are given to enhance its performance and set it in the right direction for profitable growth, in full compliance with regulatory requirements.

As per provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, an evaluation of the performance of the Board, its Committees and individual members was undertaken. The Evaluation process primarily focused on the criteria with respect to the overall functioning of the Board as well as the Committees, governance aspects etc. The criteria applied in the evaluation process are explained in the Corporate Governance Report. The results of such performance evaluation were presented in the meetings of the Independent directors / NRC / Board.

FAMILIARISATION PROGRAMME

In compliance with the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place a familiarization program for Independent Directors to familiarize them with the working of the Company, nature of the industry in which the Company operates, business model of the Company, their roles, rights and responsibilities vis-a-vis the Company, etc. Details of the Familiarization Programme are explained in the Corporate Governance Report and is also available on the Company's website at <http://www.skf.com/in/investors/shareholder-information/index.html>.

APPOINTMENT OF DIRECTORS AND REMUNERATION POLICY

A Policy with well-defined criteria is in place for the selection of candidates for appointment as Directors, Key Managerial Personnel and senior leadership positions. The relevant information has been disclosed in the Corporate Governance report which is a part of this report.

AUDIT COMMITTEE

The Company has in place an Audit Committee in terms of the requirements of the Companies Act, 2013. The details relating to the same are given in the Report on Corporate Governance forming part of this Report. The Board has accepted all recommendations made by the Audit Committee during the year.

CORPORATE SOCIAL RESPONSIBILITY

The Company has always maintained a high level of social engagement and social responsibilities. The initiatives in the social sphere have always been built on the Company's Values of "SKF Care" which comprises of four pillars, namely 'Business care /Employee care/ Environment care and Community care'. Community care has been at the core of SKF business practices and SKF is running multiple initiatives to empower the communities. In two very important developments we have

now opened a YES (Youth Empowerment at SKF) Centre at Symbiosis Open Skills university in Pune and have announced UDAAN - a very ambitious program to enable deserving girl students from economically challenged backgrounds realize their educational dreams.

Corporate Social Responsibility ("CSR") Committee reviews and monitors the CSR projects and expenditure undertaken by the Company. The brief outline of the CSR Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure III** of this report. The policy is available on <http://www.skf.com/binary/83-295636/SKF-India-CSR-Policy.pdf>

RISK MANAGEMENT

Your Company has developed and implemented a Risk Management Policy which is approved by the Board. The Risk Management Policy, inter alia, includes identification of risks and their rating based on likelihood of the event and the impact it is expected to have on the Company's operations and performance. The risks that fall under high likelihood and high impact are identified as key risks for which detailed mitigation plans are developed and integrated with the Business processes and Audit Plan.

The Company's assets continue to be adequately insured against the risk of fire, riot, earthquake, terrorism and the risk of loss of profits also stands insured amongst other things. In addition, adequate coverage has been taken to cover product liability, public liability and Director's and Officer liability. Also, all the employees are covered against the risk of loss of life, hospitalization and personal accident.

A section on Risk management practices of the Company forms a part of the chapter on "Management Discussion and Analysis" in this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, your Directors state that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
2. Appropriate accounting policies have been selected and applied consistently. Judgments and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at March 31, 2018 and of the profit of the Company for that period;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4. Annual accounts of the Company have been prepared on a going concern basis;
5. Internal financial controls have been laid down and are being followed by the Company and that such internal financial controls are adequate and are operating effectively;
6. Proper systems to ensure compliance with the provisions of all applicable laws are in place.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and the reviews carried out by the Management and Committees of the Board, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year ended March 31, 2018.

RELATED PARTY TRANSACTIONS

In accordance with Section 134(3) (h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contracts or arrangements entered into by the Company with related parties referred to in Section 188(1) in Form AOC-2 is attached as **Annexure IV** of this report. Prior approval from the members, if applicable, was taken by the Company for such transactions mentioned in the aforesaid Annexure. All transactions with Related Parties are approved by the Audit Committee / Board in line with the prevailing regulatory requirements for such transactions including prior omnibus approval of the Audit committee as permitted by law. Statement giving details of the Related Party Transactions entered into against such prior approval taken, is placed before the Audit Committee on a quarterly basis.

All transactions entered into with related parties during the year were on arm's length basis and in the normal course of business. The details of related party disclosures form part of the notes to the financial statements provided in this annual report. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and can be accessed at the web-link: <http://www.skf.com/binary/83-166889/Policy-on-Related-Party-Transactions-modified-highlighted-Sept-2014.pdf>

None of the Directors and Key Managerial Personnel had any pecuniary relationships or transactions vis-a-vis the Company.

SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES

The Company doesn't have any Subsidiary or Joint Venture or any Associates as per definition of the Companies Act, 2013.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company has a well-defined whistle blower policy to ensure directors and employees can raise concerns and alarms to report concerns about unethical behavior, actual / suspected frauds and violation of Company's Code of Conduct. Under this policy, adequate safeguard against victimization of persons who use such mechanism are in place and a direct access to the Chairperson of the Audit Committee is available to them.

To create greater awareness among employees, e-learning modules and face-to-face training sessions and employee forums are planned for achieving a high level of engagement and compliance. This reflects your Company's strong commitment to 'Zero tolerance' for non-compliance in this regard. The Policy for the same has been disclosed on the Company's website. "<http://www.skf.com/binary/83-166890/Vigil-Mechanism-Policy-31.07.2014-FINAL.pdf>"

REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the company by its Employees to the Audit Committee under Section 142(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

BUSINESS RESPONSIBILITY REPORT

SKF is continuously working to reduce the environmental impact of its business activities and developing products and solutions that benefit the energy, emissions and disposal requirement of the customers.

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Business Responsibility Report is attached and is a part of this annual report.

FIXED DEPOSITS

The Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013. Accordingly, no disclosure or reporting is required in respect of details relating to deposits covered under this Chapter.

STATUTORY AUDITORS

Pursuant to provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s Price Waterhouse & Co Bangalore LLP, Chartered Accountants (Firm Registration No. 0075675S with ICAI), were appointed as Statutory Auditors of the Company for a term of four years, to hold office from the conclusion of 54th Annual General Meeting held on April, 23 2015, until the conclusion of 58th Annual General Meeting, subject to ratification of their appointment at every subsequent Annual General Meeting.

A certificate has been received from them to the effect that their appointment as Statutory Auditors of the Company, if ratified, at ensuing Annual General Meeting would be according to the terms and conditions prescribed under Section 139 and 141 of the Act and Rules framed there under. A resolution seeking ratification of their appointment, forms part of the Notice convening 57th Annual General Meeting and the same is recommended for your consideration and approval.

There have been no qualifications, reservations, adverse remarks or disclaimers in the auditor's reports, requiring explanation or comments by the Board.

SECRETARIAL AUDITOR

The Company had appointed M/s Parikh & Associates, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Report of the Secretarial Auditor is attached as **Annexure V** of this report.

The Company is following the Secretarial Standard which are mandatory prescribed by the Institute of Company Secretaries of India. The company has devised proper systems to ensure compliance with the provisions of all applicable secretarial standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively. The Secretarial Audit Report does not contain any qualification, reservation or adverse mark. The Board has also appointed Parikh & Associates as Secretarial Auditor to conduct Secretarial Audit of the Company for Financial Year 2018-19.

COST AUDITOR

The Board of Directors on the recommendation of the Audit Committee had appointed M/s. R A & Co. (firm Registration No. 000242) as Cost Auditors of the Company for the year 2017-18. The Cost Auditor have confirmed that their appointment meets the requirements of Section 141 of the Companies Act 2013. The Cost Audit is under process and the Company will submit the Cost Auditors' report to the Central Government in time. The Cost Audit Report of the Company for the Financial year ended March 31, 2017 was filed within the prescribed time limit.

As per the provisions of the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution for seeking Members' ratification for the remuneration payable to M/s RA & Co, Cost

Auditor is included at item No. 8 of the Notice convening the Annual General Meeting.

Significant and material orders passed by the regulators or courts

There were no significant and/or material orders, passed by any Court or Regulator or Tribunal, which may impact the going concern status or the Company's operations.

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as **Annexure VI** of this report.

However, pursuant to the provisions of Section 136(1) of the Companies Act, 2013, the Annual Report, excluding the aforesaid information, is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during business hours on any working days of the Company up to the date of the ensuing Annual General Meeting. Any shareholder interested in obtaining a copy thereof, may write to the Company Secretary in this regard.

INDUSTRIAL RELATIONS

The year under review witnessed cordial Industrial Relations across all manufacturing locations of the Company.

Your Company's focus continues towards proactive and employee centric practices which aims to create an engaged workforce, a transparent communication of business goals, an effective resolution mechanism which are the cornerstone of your Company's employee relations approach.

In order to develop skills and foster togetherness at the workplace, your Company runs multiple training and engagement programs covering a wide range of topics including safety, environment, quality, TPM, and six sigma etc.

TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO IEPF

Pursuant to the provisions of Section 125 of the Companies Act, 2013, the declared dividends, which remained unpaid or unclaimed for a period of seven years, have been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

As per the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016

notified by the Ministry of Corporate Affairs and subsequent amendment thereof, the Company has transferred shares to such authority in respect of which dividend has not been paid or claimed by shareholders for seven consecutive years or more.

The Company has sent individual notices to concerned shareholders, whose shares and dividend are liable to be transferred to IEPF Authority to their latest available addresses.

The Company has displayed full details of such shareholders, dividend and shares on its website at www.skfindia.com. Shareholders are requested to verify the details of the shares liable to be transferred as aforesaid.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans given, investment made or guarantee given or security provided have been disclosed in the financial statements, no fresh loan has been given during the year. The Company did not give any guarantee or provide any security in connection with any loan and did not acquire any securities during the financial year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as required to be given under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is provided in **Annexure VII** forming part of this Report.

POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company is an equal opportunity provider and consciously strives to build a work culture that promotes the dignity of all employees. Our Policy is gender neutral. As required under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the Company has implemented a Policy on prevention, prohibition and redressal of sexual harassment at workplace. All women and men – permanent, temporary

or contractual, including service providers, visitors are covered under the policy. This has been widely communicated internally and is uploaded on the Company's intranet portal. An internal Committee comprising of 17 management staff across locations, including an NGO member is in place. This includes seven women to redress complaints relating to sexual harassment. Besides, in each of the plants, there is at least one nodal person in each region to receive, listen and forward complaints directly to the Committee.

During the year, no Complaints which required investigation were received by the Company.

Awareness programs were conducted across the Company to sensitize employees to uphold the dignity of their colleagues at the workplace, particularly with respect to prevention of sexual harassment. A few employees also attended training programmes conducted by an external agency.

EXTRACTS OF ANNUAL RETURN

In terms of the provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 an extract of the Annual Return forms part of this Report as **Annexure VIII**.

ACKNOWLEDGEMENTS

The Board of Directors take this opportunity to thank its Principals, Aktiebolaget SKF, customers, members, suppliers, bankers and business partners / associates for their exemplary and valued contribution towards the Company.

For and on behalf of the Board

SKF India Limited

Rakesh Makhija
 Chairman
 DIN: 117692

Pune
 May 8, 2018

ANNEXURE I – TO THE DIRECTOR’S REPORT

Management Disussion And Analysis

Economy

The Indian economy over the past few years, was aided by a confluence of favorable factors in the form of low crude oil prices, soft bond yields and ample liquidity which translated into a low fiscal deficit thereby aiding the favorable macroeconomic environment.

However, in recent times, these trends have started to reverse; the oil prices have now increased by more than 50 %, interest rates are moving up, exports growth is not keeping pace with the growth in imports. This has resulted in downward pressure on currency and a rise in fiscal deficit. However, even in the backdrop of these, there are visible signs of economy returning to the growth path. The year under review saw perhaps the most revolutionary change in our country's tax system in the form of the rollout of the new GST. The GST reform is designed to change the way India's business entities conduct their business and pay their taxes. The economy is predicted to adjust to the new reality of the unified tax system, which will have a long term positive and beneficial impact.

The expectations of the global community from India's economy to deliver on its potential continued to remain high as the country retained the tag of the fastest growing economy in the world. The green shoots of Indian economic revival are growing and there is overall optimism of a higher growth of GDP. All projections for the near future, by various external agencies shows that India will continue to remain the fastest growing economy. The growth is expected to pick up as pre-GST jitters and the lingering effects of demonetization have started to fade.

The growth witnessed in gross fixed capital formation is further seen as a sign that private sector investment, which has been a laggard for some years now, may become resurgent as capacity utilization starts to increase. The road ahead for the Indian economy will also depend on actual implementation and translation of reforms and ease of rules and regulations for doing business in India. It is welcome news that India has recently jumped 30 positions in the 'Ease of Doing Business' ranking.

A normal monsoon forecast for the coming year is further expected to aid the overall growth of the economy. The Insolvency and Bankruptcy Code introduced recently is finding a definitive solution for the banking sector bad loans issue which is crucial for progressing the economic agenda of the nation. The Government is focusing on the challenges of the economy in the spirit of its motto 'Sab Ka Saath, Sab ka Vikas' by blending fiscal prudence with emphasis on rural economy, agriculture, healthcare, infrastructure and employment generation.

Industry Structure

The Indian bearings market did not witness any major structural changes and is estimated to be in the range INR 95-100 billion market. The bearing industry is highly capital intensive and technology driven. The market is driven by two key user segments – viz automotive and industrial sectors.. Organized sector companies including global bearing majors meet the needs of the Indian market through a mix of domestic manufacturing and imports. The business is further divided into Original Equipment Manufacturer (OEM) and End User Market.

In terms of consumption, organized sector dominates the OEM market and industrial aftermarket demand, while the unorganized sector primarily caters to the low performance and lower end cost-sensitive segment of the aftermarket.

During the year, automotive sector showed growth in both urban and rural markets while in the industrial sector some sectors showed deceleration even as few others posted moderate to strong growth. The bearing industry is anticipated to grow because of various initiatives from Government of India under the 'Make in India' program, which is expected to spur manufacturing, giving a boost to bearings consumption.

SKF India is a part of the SKF Group and has a wide ranging product portfolio to serve all segments. The decades of experience in the industry, the in-depth know how and understanding of the local markets will enable us to capture this expected growth and to enhance our market leadership.

Your Company, with its reputation for global standards of excellence, continuous innovation in design, testing and services along with the application engineering knowledge through our global SKF network, will continue to deliver performance and sustainable results to its customers.

Opportunities

The Indian Economy is currently on the threshold of the next phase of growth through government sponsored '**Make in India**' initiatives and other investment led strategies. Concurrently, the business environment in the country is expected to undergo a radical transformation with the big push in infrastructure via roads, ports, water-ways, airways and railways through the '**Bharat Mala**' and '**Sagar Mala**' programmes aimed at improving the logistics landscape. GST is already making logistics operations simpler and seamless. Now with the teething issue of GST implementation waning, the aftermarkets are showing a strong traction and there is a resurgence in demand in that segment.

India's urbanization is on the upswing. But to achieve sustainable growth, cities will have to transition into more livable places with ensuing expectations and meeting requirements of clean air, water, power and reliable infrastructure for inhabitants. Organizations capable of providing solutions in the form of – capital, technology, planning and know-how, goods and services will be able to participate positively in this growth.

The Government's ambitious call for **"Make in India"** is a clear signal to the global community to invest in India and to leverage the immense potential of the local markets and capabilities of the people for greater good. Reforms and infrastructure investments made to achieve scale and efficiency will bode well for the manufacturing sector. Moreover, Government schemes such as - **"Saubhagya Scheme"** for electrification of country, bank recapitalization to increase credit growth, insolvency rules to reform stressed assets, and 'Housing for All' will create the much needed boost. Digitalisation and Industry 4.0 are expected to boost demand for automation, energy-efficient and eco-friendly solutions which are likely to increase productivity and create ample employment opportunities.

Indian Railways is all set to upgrade with major spends allocated for key developmental projects, that includes commissioning of new lines, automation, passenger safety, refurbishment of existing infrastructure, dedicated freight corridors and high speed trains .

All these factors will offer higher incentives to manufacturing industries, encourage domestic savings and spur investments.

Over the years SKF India has grown into an organization that is both resilient and adaptable to market needs and is confident of capturing the potential unfolding in near future.

Automotive Sector

The dramatic change which the automotive industry is undergoing is driven by the emergence of new technologies leading to an emergence of connected vehicle technologies. Several changes in the technology and regulations are set to rewrite the rules of the game in automotive markets. E-vehicles, autonomous cars and changing emission norms are likely to usher in a completely new era in automotive segment in the mid to long term. These technologies could transform both the industry and the very nature of driving itself.

Rapid technological change is also transforming the relationship between the automotive industry and government regulators. Government agencies will ensure that motor vehicle regulations achieve their public goals, such as safety, clean emission and protection of environment while not slowing the emergence of new technologies that have potentially huge social, economic, environmental, and other benefits. These challenges are certain to continue since the pace of technology will continue to evolve.

During the year, automotive industry expanded further even while it grappled with the after-effects of demonetization, the shift to Bharat Stage IV emission norms and challenges arising from the transition to GST. The commercial vehicle market after a long slump, has started to show strong growth trajectory with increasing penetration thanks to an increased demand in the semi-urban and smaller towns.

India is the world's biggest market for two-wheelers with a large segment of market residing in rural India. It is expected that two wheeler and the tractor segment will continue to show higher growth owing to predicted normal monsoon, leading to the revival of the rural economy. The commercial sector is also poised to grow further due to a continued nationwide focus on standards of emissions, fuel-efficient technologies and setting norms in place to stop overloading and phasing out of vehicles older than 20 years.

India's driving conditions including ownership and maintenance practices are unique when compared to the developed world practices. The leaders in the field are therefore expected to develop solutions that best address conditions specific to the country. SKF's strong technology base coupled with its local technical capabilities and a broad manufacturing base will allow the company to offer a wide array of customized solutions to customers.

Industrial Sector

India's economic revival is largely dependent upon the progress of industrial sector. The growth in this sector is driven by many core segments such as metals, mining, cement, engineering, energy and infrastructure amongst others. The Government has acknowledged the importance of this sector for the country's development and has announced several programs to create a conducive environment for attracting investments into these sector. The announcement of industrial corridors and in building smart cities connected through a dedicated freight corridor will lead to infrastructure development. This will revolutionize not only the movement of goods across the country but will also lead to an expansion in serviceable markets due to the connection of production centers with consumption markets and ports. Once completed, it will definitely provide an ever-lasting competitive edge.

Creation of these new industrial hubs will also enable India leverage its demographic dividend corridors across the country. It will lead to further development around these hubs and as industrialization penetrates deeper, it will drive up the demand for products and solutions across the country.

Railways is one of the lifelines of Indian economy and initiatives towards modernization and electrification , focus on safety, high-speed rails and metro projects are expected to boost the country's rail sector.

As a leader in bearings industry, SKF is uniquely positioned to participate in this augmentation. With continuously expanding distribution network, your Company's strategy of being closer to customers will help us to be a preferred partner to our customers.

Threats

We are increasingly living in a volatile, uncertain, complex and ambiguous world. Our contexts are changing rapidly forcing us to continue re-examining our assumptions and course corrections are almost the order of the day. The corporate world is learning to cope with the rapid pace of disruptive technologies which can come from quarters hitherto unknown. As we enter the era of Big Data, IoT and smart machines, the speed of change is rapidly transforming from an era of linear dynamics to exponential dynamics.

As growth slowly picks up, there are areas of concern. Emerging protectionist tendencies in several advanced nations could threaten the economic prospects of emerging markets and developing economies as they take wing in international markets.

Threat of inflation due to firming up of commodity prices and reversal of downward interest cycle could slow consumption and dampen the hopes of a smooth demand-led recovery. Given the growth potential, the shortage of skilled manpower could delay the growth trajectory and damage the social fabric. Underutilization of global manufacturing capacities in some markets could pose a challenge for the business.

Counterfeit products are a threat to both the industry and the economy. Genuineness is critical and your Company continuously invests in creating awareness with various stakeholders to educate and inform them about the hazards of using counterfeit products as well as long-term benefits of using genuine products. Your Company works with law and order agencies to detect and prevent counterfeit products.

We believe that every threat also presents an opportunity. We will continue to leverage our relationship with our customers and global expertise to address these opportunities and strengthen our leadership position.

Outlook

Industrial production seems to project growth revival on a macro level. Factory outputs are gradually reviving and expectations are that this momentum is going to sustain with a thrust on road / highway development, rail automation, electrification of equipment, solutions for mass transit public transportation system, overall development of infrastructure etc. We are optimistic that India's gradual economic resurgence and rising consumption will also be a positive growth catalyst for the sector.

Creation of one market through the GST law, continued improvements in infrastructure, and an upswing in the consumer demand will be the key drivers of growth going forward. E-governance and digitalization are increasingly assuming greater significance in the business landscape.

In line with this belief, we will continue to leverage on innovation, in delivering excellence, in quality and pursuing localization

goals to expand our manufacturing and engineering footprint. We will continue to build on our knowledge engineering of over 100 years and we are confident that with this level of commitment we will be able to accelerate and strengthen our leadership position.

Risks and Concerns

The Enterprise Risk Management (ERM) framework in your Company is inclusive, well integrated and standardized across the organization encompassing all business units and functions. The ERM process enables the Company to identify and proactively address risks and opportunities, assessing them in terms of likelihood and impact, while determining a response strategy and monitoring them regularly.

ERM is integrated with the strategic business planning process. Key internal and external risks, inherent to the strategy for each of the business units are identified and the assumptions underlying the strategy are also considered. The framework involves identification of risks, opportunities and evaluation of shift in customer preferences, competitor actions, technology, regulatory trends and also geo-political risks.

The Risk Management policy adopted by your Company believes that managing risks while strategizing is key for the successful outcome of any initiatives. The ERM process provides an inbuilt robust system to remain vigilant on the changing business scenario, gaining competitive advantage over peers and to create and protect value for stakeholders.

Your Company has the advantage of a multinational parentage and adheres to stringent norms and policies framed by the SKF Group. SICS (SKF Internal Control Standard) is an extensive risk monitoring, controlling and assessment policy covering all business processes that your Company strictly adheres to.

Independent processes such as internal audits, quality audits, environmental compliance also assist in identifying and mitigating risks. Your Company also has in place ethics and compliance committee and a well-defined whistleblower policy. The code of conduct for ethics compliance formally informs employees of their responsibility. The whistleblower policy offers a serious platform for employees to raise concerns and report misconduct. Your Company takes all complaints and findings seriously, and uses external investigators where required.

Internal Control Systems and Their Adequacy

Given the nature of business and size of operations, your Company has designed a proper and adequate internal control system to ensure adherence to accounting standards, compliance to various statutes, company policies and procedures and effective usage of resources and safeguarding of assets. Your Company views internal audit as a vital part of management control systems that keeps management informed about the existence and efficacy of the control systems

and processes in the organization. Additionally, systems are in place to evaluate and refine control practices and adequacy of risk management processes. As a multinational, your company adheres to SICS (SKF Internal Control Standards), which is a customized control system adhered to across the globe by all SKF companies. The standards specified by SICS are an integral part of standard operating procedures for all business functions. These SICS controls are regularly tested by the Internal Audit function. Your company also works with an independent external firm to test the adequacy of the controls and highlight improvement areas if any.

A detailed Operational Risk Assessment exercise is undertaken to identify all major auditable areas. These form the basis of an Internal Audit Plan with a 4 years' time horizon. This four year plan is prioritised and further divided into Annual Internal Audit Plans. The internal audit function of the Company carries out periodic risk based internal audits across locations based on the Internal Audit plan approved by the Audit Committee.

Your Company uses the information from the Business reviews as well as specific feedback received during the year from the Units/Functions and the Statutory Auditors, to refine and revise the internal audit plan. This plan is approved by the Audit Committee at the beginning of the year. This internal audit plan is executed by the internal audit team, comprising of external and internal audit professionals.

Your Company has complied with the specific requirements as laid out under Section 134(5)(e) of the Companies Act, 2013 which calls for establishment and implementation of an internal Financial Control framework that supports compliance with requirements of the Act in relation to the Director's Responsibility Statement.

The internal audit function, independently, tests the design, adequacy and operating effectiveness of the internal control system and this provides a credible assurance to the Audit Committee regarding the adequacy and effectiveness of the internal control system. The plan and the internal audit reports are shared with the Statutory Auditors. As per the Companies Act, 2013, guidelines on Internal Financial Control (IFC) compliance, documents describing detailed structure of internal controls for each business process in the organization i.e. Purchase, Sales, Manufacturing and Fixed Assets, Treasury, Payroll and Accounting & Reporting; etc. are shared with the Statutory Auditors for their assessment. To strengthen the Controls and Compliances, IT Control testing along with IFC is conducted Annually by an external Audit Firm.

The internal Audit function reviews transactions vis-a-vis the established design of the internal control and its efficiency and effectiveness. The risks identified out of the audits are reviewed and mitigation plan are put in place. The status of implementation of actions plans for such mitigations are submitted in every Audit Committee for review along with the reports on the internal audits performed during each quarter.

Financial and Segment Performance

The Company continued with its momentum of strong financial performance in a year when demonetization and introduction of GST led to short term disruptions in the economy thereby demonstrating the sound structural strength of your Company.

In FY 2017-18 your Company has recorded GST adjusted revenue from operations of ₹ 27,504 million as against the comparable GST adjusted revenue of ₹ 26,314 million in FY 2016-17— a jump of 4.5%. Profit After Tax for FY 2017-18 amounted to ₹ 2,959 million vis-à-vis ₹ 2,439 million reported in FY 2016-17. SKF India made creditable progress in achieving superior performance during the year with better management of costs and working capital having significantly contributed to profit improvement during the year.

SKF India operates in a single segment, namely in bearings and related components which are used in a wide range of applications across industries. Your Company is one of the most trusted suppliers of bearings, seals, mechatronics, and lubrication systems. Your Company's manufacturing plants continue to be rated amongst the highest in the Global SKF benchmarking rankings.

One of the core requirements of any business sustainability is continued focus on cost competitiveness, and driving cost efficiencies continually. As customers across the industry face the challenge of sustainable profitability, all our actions were oriented towards product rationalization, value engineering, competitive sourcing with a vigor to achieve this.

A favorable mix of business coupled with Innovation driven approach yielded constructive growth in under-served segments. As the economy adjusted to the new GST regime, several sectors of economy witnessed return of growth even as some sectors continued to experience challenge in demand. Our performance in the year continues to reflect the strong position we have built through innovation in several sectors. We will continue to leverage innovation, technology and manufacturing excellence to build on our leadership position.

We remain confident that the economy will start reflecting intended benefits of the new tax reforms supported by good monsoons and gradual but definite change in business paradigms led by digitalization. As a leading provider of integrated solutions for diverse industries, your Company remains confident of reaping rich rewards from the future economic upswings.

Human Resources

Your Company has a vision of creating "A world of reliable rotation" and a mission of becoming "The undisputed leader in the bearing business". Our people and talent are our critical differentiator that enables us to drive these goals.

Your company has implemented and sustained various growth, development and transformation initiatives to attract, develop and retain a capable and competent workforce. The HR function has created a vision "Think Business Think People" – with a goal to build a business integrated function. We are very happy to share that your Company featured in the Economic Times "Best Companies to Work For" Award.

A key business goal in 2017 was to Grow Profitably Ahead of the Market. The Talent development programs are aligned to create enablers to achieve this. A host of initiatives were launched to strengthen Front Line Sales capabilities. These included technical programs, segment and application based programs and capabilities for customer centric solution based selling skills. Sales Boot camp was rolled out as an accelerated approach to building technical & product knowledge, creating a customer value proposition and SKF processes for front-end sales (especially with new joiners and trainees).

Further a structured approach was created to build outside-in and customer centric goals for all sales teams. As a next step a Sales Incentive scheme was designed with a focus to enable not only achievement but exceeding the targets.

In order to enable every part of the value chain to deliver Profitable Growth, the HR team designed a Growth Lab for Distributors with a goal to drive exponential targeted growth. This was piloted with an Industrial distributor in each Zone and is already beginning to yield positive results.

With the advent of Industry 4.0, the Manufacturing landscape is rapidly changing. To ensure that we are ahead of the curve, your company's HR team built a structured approach to create World Class Manufacturing. A competence mapping exercise has been commenced. A special program – Manufacturing leadership 4.0 was launched for leaders in Manufacturing. The program is targeted to build awareness about Industry 4.0, determine potential applicability in our factories and accelerate the implementation of 4.0 initiatives to sustain competitiveness of our factories.

Additionally we continued our drive towards building flexibility, productivity and competence across all our factories. Circle Leader and Team Leader concepts were launched and associates on our shop floor have been trained to operate at the next level. This is a structured approach to drive Self-Managed Teams and achieve Supervisor Free channels in future. Both Technical and Leadership Development programs were launched for the Circle and Team leaders. Leadership Development programs were also introduced for Unions and Work Council members.

Building a Leadership Factory was identified as one of the top 5 strategic initiatives by SKF India Ltd. In order to address this a program charter was created. The Leadership Factory charter was built on 4 pillars – Act on leadership pipelines, empower leaders to build more leaders, develop leaders for today and tomorrow and value leaders building leaders. We have a robust Succession planning process which enabled identification of critical positions and critical talent for future business success.

Based on the succession plans, your company created specialized programs across levels to accelerate readiness for growth of employees from one level to the next. These were created across levels ranging from Leadership for Growth for senior managers, Transcend for Middle Manager and Edge for Individual contributors. Each participant has been assigned real-time business challenges to address as a part of the development journey. The goal is to 'build leadership through action' – Learning by doing. Therefore the projects are designed to yield Business results (not limited to research / proposals only).

Additionally a new On-boarding program has been designed (a hybrid between an Online and F2F orientation program) to accelerate the readiness of new joiners. The Leadership Foundation Program deployment continued for first time managers, and external coaches were assigned to new leaders (needing a sounding board) having recently transitioned into larger roles. Your Company's management believes that such programs will ensure readiness of leadership capability for the future and enable your Company to Stay Ahead of the curve by building a strong leadership pipeline.

In order to build future capability and encourage innovation, your company has also sponsored a young team of students for Space-ex Hyperloop Pod competition. They were the only Indian Team selected and stood 4th Position globally out of 25 Teams. In addition, your company sponsored an All Girls team for the BAJA competition. They stood 38th Rank in Virtual Design out of 400 teams. Yet another example of sponsoring future technology was sponsorship of a team of young students for the Shell Eco Marathon – they were felicitated with a Special Recognition Award as the first Indian student team to develop an ethanol-based vehicle.

As an Equal Opportunity Employer, your Company has continued to focus on building a diverse team and an inclusive environment that enables employees to perform at their best potential. The recruitment process ensure equal opportunity for all genders. We have women on our shop-floors and 25% of our Graduate Engineer & Management trainees are women.

In order to ensure an inclusive environment, awareness workshops were conducted for Blue and White collars across locations in SKF on gender sensitization & prevention of sexual harassment (~500 employees covered across India in 2017). All employees have been provided access to creche facilities that ensures improved work life balance. In 2017, your company also started a Mentoring program for select senior women leaders by external CXO's.

Recognition of Winning behaviors is key to success and sustainability of the behavior. To address this, Premium Club Awards were hosted by your company. The awards were given out to amplify 'above and beyond' examples of winning behaviors displayed by employees. The Awards were re-defined to reflect winning behaviors in addition to business results.

Your Company's management takes efforts to connect with employees on a regular basis, communicate in an open and transparent manner by means of regular employee forums and other mediums of internal communication. Your Company is committed to ensuring a culture which is transparent, inclusive and healthy for its employees. In 2016, your company launched a 24X7 Employee Assistance Program. Your Company has a strong focus on employee engagement and people development.

Your Company is committed to provide a healthy and safe work environment free from accidents, injuries and occupational health hazards. A number of campaigns were run through the year on creating health awareness, periodical medical check-ups for employees, and sessions to increase awareness on safety at workplace. Your company ran a 'Care Fair' that provided awareness to employee benefits and wellness programs that cover every employees life cycle. We create an inclusive environment through employee friendly policies and programs.

Your Company firmly believes that Human Resource Development strategies and practices will continue to provide sustained competitive advantage. The management of your company deeply appreciates the spirit and commitment of it's dedicated nearly 1779 employees.

Cautionary Statement

Statements in this report on Management's Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied since the Company's operations are influenced by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events. Readers are cautioned that the risks outlined here are not exhaustive. Readers are requested to exercise their own judgment in assessing the risks associated with the Company.

For and on behalf of the Board
 SKF India Limited

Rakesh Makhija
 Chairman
 DIN: 117692

Pune
 May 8, 2018

ANNEXURE II – TO THE DIRECTOR'S REPORT

Corporate Governance Report

PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is the underlying Corporate philosophy that governs the way a corporation is managed – it is a mechanism by which principles, policies and procedures of a company are built on the foundation of fundamental ethical values. It refers to the entire system by which the company is managed and monitored in a transparent manner. The corporate governance norms involve a cohesive set of relationships among the Board of Directors, management and stakeholders of an organization.

Corporate Governance is an inclusive term that encompasses business ethics and awareness of the environmental and societal interest of the communities in which an organization operates. The Corporate Governance framework typically comprises elements of legislation, regulation, self-regulation and ethical business practices. There are various features of corporate governance like reporting, disclosure, risk management etc that are instrumental in upholding the basic values and tenets of corporate governance. Apart from such values, moral obligations of specific nature also need to be applied consistently. Good Corporate Governance requires that the organization should act on standards that are high in term of ethics so that the goodwill of the company will be safeguarded and the rights of the stakeholders are given due respect.

The Company's Philosophy on Corporate Governance envisages the adoption of best business policies and alignment of the highest levels of transparency, integrity, responsibility, accountability and equity in all facets of its operations and in all its interactions with its stakeholders. At SKF, Corporate Governance is concerned with holding the balance between economic and social goals as well as between individual and organization goals. The governance framework is to encourage the efficient use of resources and equally to require accountability for the stewardship of resources.

This Report contains the details of implementation of the Corporate Governance Code by the Company which is in line with the Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Regulations).

1. GROUP STRUCTURE

SKF India Limited is an affiliate of the Sweden based SKF Group, which was founded in 1907. The SKF Group is the leading global supplier of products, solutions and services within rolling bearings, seals, mechatronics, services and lubrication systems. The SKF business spans across 40 different industries with a myriad of customers and applications. SKF Group has around 108 manufacturing units and operates in 130 countries.

2. GOVERNANCE STRUCTURE

The Company's Governance structure broadly comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This layered structure brings a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable profitable growth.

3. GOVERNANCE POLICIES

The Company has adopted various codes and policies to ensure integrity, transparency, independence and accountability in dealing with stakeholders. Some of these codes and policies are:

- Code of Conduct for Directors / Senior Management
- Code of Conduct for Prevention of Insider Trading
- Health, Safety and Environment Policy
- Vigil Mechanism Policy
- Ethics Policy
- Prevention of Sexual harassment Policy
- Corporate Social Responsibility Policy
- Directors Policy
- Dividend Policy
- Related Party Transaction Policy
- Code of Practices and Procedures for fair Disclosure of unpublished price sensitive information
- Policy for preservation of documents
- Remuneration Policy for Directors, KMP's and Senior Management
- Policy for Determination of Materiality of events for disclosure to the stock exchanges

4. BOARD OF DIRECTORS

The Board of Directors, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board represents an optimal mix of professionalism, knowledge and experience.

4.1 Composition

The Board of Directors, as on March 31, 2018 comprises of six Directors, comprising (i) two non-executive Directors including the Chairman, (ii) Managing Director, and (iii) three Independent Directors, including a woman Director, as defined under the Companies Act, 2013 and the SEBI's (LODR) Regulations, 2015.

Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, all the independent Directors are independent in terms of the SEBI Regulations.

4.2. Disclosure regarding appointment / re-appointment of Directors

The Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013 ("Act") and formal letters of appointment have been issued to the Independent Directors and the terms and conditions of their appointment are disclosed on the Company's website "<http://www.skf.com/binary/83-166888/Letter-of-Appointment-of-IDs-website.pdf>"

The Directors of the Company are appointed by Members at the General Meetings pursuant to the provision of the Companies Act, 2013. The Executive Directors serve in accordance with the terms of their contract of service with the Company. One third of the Directors, shall retire every year by rotation and if eligible these directors qualify for re-appointment. Mr. Bernd Stephan retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment. Mr. Shishir Joshipura has resigned as the Managing Director of the Company effective from close of business hours on March 31, 2018. Mr. Carl Orstadius was appointed as an Additional Director effective from April 1, 2018 and Managing Director for a period of one year with effect from April 1, 2018. Brief profiles of Mr. Bernd Stephan and Mr. Carl Orstadius are available in the Notice of the annual general meeting to the shareholders.

4.3. Conduct of Board proceedings

The Board of Directors represents the interests of the stakeholders in optimizing long-term value by providing proper guidance and strategic vision on behalf of the stakeholders. The Board has unfettered and complete access to any information within your company. Members of the Board freely express their views on the meeting agenda and discuss pertinent issues at the meeting with the permission of the Chairman. The Board periodically reviews all the relevant information, which is required to be placed before it pursuant to Schedule II to Regulation 17 of SEBI Regulations such as:

- Annual operating plans budgets, Capital budgets including any updates.
- Contracts, if any, in which Director(s) are Interested.
- Quarterly results.
- Minutes of meetings of committees of the Board of Directors.
- The information on recruitment and remuneration of senior officers just below the level of Board of

Directors, including appointment or removal of Chief Financial Officer and the Company Secretary.

- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the company, or substantial non-payment for goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that may have negative implications on the company.
- Details of any joint venture or collaboration agreement, if any.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property, if any.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources / Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme, etc.
- Sale of investments, subsidiaries, assets which are material in nature and not in the normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risk of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer.

The Board / Committee meetings are pre-scheduled. a tentative annual calendar of meetings is circulated to the Directors well in advance and agenda papers are provided generally one week before the meeting within period stipulated in the Secretarial Standard. All material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting.

The Chief Financial Officer and Company Secretary / Compliance Officer attends all meetings of the Board and its Committees, advises / assures the Board on compliance and governance principles and ensures appropriate recording of minutes of the meetings.

4.4. Board Meetings

The Board met six times during the year – May 26, 2017, July 28, 2017, October 25, 2017, February 8, 2018, February 27, 2018 and March 20, 2018. The intervening

period between two meetings were within the maximum time gap prescribed under the law. During the year, the Independent Directors of the Company met separately on March 20, 2018, to review the performance of Non-Independent Directors, the Board and the Chairman of the Company and to assess the quality, quantity and timeliness of flow of information between the Management and the Board. All the Independent Directors attended the meeting.

4.5. Attendance & other Directorships

The details relating to composition and category of Directors, Directorship held by them in other companies and their membership and chairmanship on various committees of Board for other companies as on March 31, 2018 and attendance of directors at the Board meetings and at the Annual General Meeting held during the year under review are given below:

Name of Director	No. of Board Meetings attended	Attendance at the last Annual General Meeting	Directorship in other companies (other than SKF India) [Refer Note (a)]	No. of Committees in which Chairman/ Member (other than SKF India) (Refer Note c)	
				Member	Chairman
Non- Executive, Non- Independent: Mr. R. Makhija, Chairman	6	Yes	5	3	1
Non- Executive, Independent: Ms. H. A. Hattangady	5	Yes	3	1	-
Mr. P. R. Menon	5	Yes	2	-	-
Mr. P. M. Telang	6	Yes	8	2	5
Non- Executive, Non-Independent: Mr. Stephane Le Mounie (upto 28.4.2017)	-	N.A.	-	-	-
Mr. Bernd Stephan (from 8.6.2017)	2	No.	-	-	-
Executive Mr. S. Joshipura (upto 31.3.2018) Managing Director	6	Yes	-	-	-

Notes:

- This excludes alternate directorships / directorships of private limited companies and foreign companies wherever applicable.
- None of the Directors have received any loans and advances from the Company.
- Audit and Stakeholders Relationship Committee only.
- None of the directors are related to each other.

4.6. Familiarization Programs for Independent Directors

Independent Directors are periodically updated on the industry scenario, changes in regulatory framework and the impact thereof on the working of your Company. A separate strategic meet is specifically planned wherein economic and market environment along with organization preparedness to respond is presented to them. Normally in each meeting specific agenda items are included wherein operational issues / changes in statute are discussed. Details on familiarization programs imparted to Directors of the Company is available on the website of the Company "<http://www.skf.com/in/investors/shareholder-information/index.html>"

4.7. Performance Evaluation

The Board has carried out the annual performance evaluation of its own performance, the Directors, individually as well as the committees of the Board.

Structured questionnaire were prepared after taking into consideration inputs received from the members which includes among others, attendance and preparedness for the meetings, contribution at meetings, effective decision making ability and role of the Committees.

Based on the inputs received from the Directors, an action plan is drawn up to encourage greater engagement of the Independent Directors with the Company.

4.8. Country Management Team (CMT)

The Country Management Team comprises of senior management members from the businesses and functions. The CMT meets as and when required but generally at least once in a month to develop and implement policies, procedures and practices that attempt to translate the Company's core purpose and mission into reality. The CMT is responsible and accountable for overall business deliverables. The performance targets, cross functional operational matters, business challenges, regular review of business performance and implementation of the decisions taken are the usual agenda items which are considered in the meetings.

5. BOARD COMMITTEES

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/ activities which concern the Company and

need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles and minutes of the meetings of all the Committees are placed before the Board for review. The Board of Directors have constituted four Board Committees with specific terms of reference and scope. a) Audit Committee b) Nomination and Remuneration Committee c) Corporate Social Responsibility Committee and d) Stakeholders Relationship Committee. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided below.

5.1. Audit Committee (AC)

The Members of the Audit Committee have wide exposure and knowledge in areas of finance and accounting. The Audit Committee (AC) acts as a link between the statutory and internal auditors and the Board of Directors. It assists the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems & processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities.

The AC comprises of three non-executive directors among whom two are independent directors - Mr. P. R. Menon as Chairman, Mr. P. M. Telang and Mr. R. Makhija. The Managing Director, the Chief Financial Officer, the Statutory auditor and the internal auditor are permanent invitees to the meetings of the Audit Committee. The Company Secretary is the Secretary of the Committee. The Cost Auditor and Secretarial Auditor are invited to meetings whenever matters relating to cost audit / secretarial audit have to be considered. The Committee is empowered to seek any information it requires from any employee or to obtain legal or other independent professional advice when considered necessary. The previous AGM of the Company was held on July 28, 2017 and was attended by the Chairman of the Audit Committee.

The Company has an internal audit team of professionals. Apart from this, the Company's systems of internal controls covering financial, operational compliance and IT applications etc are reviewed by external experts and firms of Chartered Accountants from time to time. A report and presentations of its summary are made to the Audit Committee in each meeting on the findings of internal audits carried out.

Audit Committee meetings are generally preceded by pre-Audit Committee meeting with the Chairman of the Audit Committee wherein the CFO, the internal audit team and Company Secretary participate. The internal and statutory auditors of the Company discuss their audit observations and submit their views directly to the AC.

5.1a Scope of Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee are broadly as under:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommend to the Board, the remuneration and terms of appointment of the auditors of the company;
3. Review and monitor the auditor's independence and performance, and effectiveness of the audit process;
4. Review with the management the quarterly / annual financial statements before submission to the Board for approval with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Qualifications in the draft audit report, if any.
5. Review, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
6. Review the adequacy of the internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure and frequency of internal audit
7. To review the functioning of the whistle blower mechanism;
8. The scrutiny of inter-corporate loans and the investment policy of the Company;
9. Approval of transactions of the company with related parties;
10. Internal Audit Plan with a view to ensure adequate coverage;

11. To evaluate internal financial controls and risk management systems;
12. Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
13. Approval of appointment of the CFO;
14. To mandatorily review the following information:
 - a. Management discussion and analysis of financial conditions and results of operations;
 - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d. Internal audit reports relating to internal control weaknesses;

5.1b Meetings and attendance

During the year four Audit Committee Meetings were held on May 25, 2017, July 27, 2017, October 23, 2017 and February 8, 2018.

Details of attendance at the aforementioned meetings are as follows:

Name of Director	Category	No. of Meetings Attended
Mr. P. R. Menon	Chairman	4
Mr. P. M. Telang	Member	4
Mr. R. Makhija	Member	4

5.2. NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Nomination and Remuneration Committee entirely comprises of Independent Directors and is in line with provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013. Commission payable to non-executive directors is approved by the Board as per the mandate given by the shareholders in the General Meeting.

Nomination and Remuneration Committee has been entrusted with the following responsibilities:

1. To recommend appointment of a director and to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a remuneration policy for Directors, Key Managerial Personnel (KMP) and other employees.
2. To devise a policy on Board diversity.

3. To review goals and objectives relevant to the compensation of the Executive Director, evaluating Executive Director performance, determine and approve the compensation based on evaluation.
4. To formulate criteria for the evaluation of Board / Committee / Individual / independent member and support the Board in evaluation of the performance of the Board.

The performance evaluation criteria for independent directors includes participation and contribution by a director, commitment, integrity and maintenance of confidentiality and independence of behaviour and judgment.

The Head of Human Resources (HR) makes periodic presentations to the Committee on the organization structure, talent management, succession planning and various HR policies being followed by the Company. The Chairman, Managing Director and CFO participate as invitees and the Company Secretary acts as the Secretary of the Committee. The below table gives the composition and attendance record of the Nomination and Remuneration Committee:

Name of Director	Category	No. of Meetings Attended
Mr. P. M. Telang Chairman	Independent, Non-Executive	3
Mr. P. R. Menon	Independent, Non-Executive	3
Ms. H.A. Hattangady	Independent Non-Executive	3

The NRC met three times on May 26, 2017, October 25, 2017 and March 20, 2018 during the year under review.

5.2a Remuneration policy

The Company's remuneration policy is broadly guided by the principle that it should be so designed that the Company gains a competitive advantage in attracting, retaining and motivating talent. This can be ensured by providing a remuneration structure benchmarked with comparable companies so as to attract talent. At the same time the reward structure is linked to the overall company's performance and individual performance. The remuneration for the Executive Directors is recommended by the Nomination and Remuneration Committee to the Board for consideration. All Directors other than Executive Director or employed with the SKF Group are entitled to receive sitting fees and reimbursement of any expenses incurred for attending the Meetings of the Board and its Committees, as well as commission based on the net profits of the Company within the limits approved by the shareholders.

As per the policy framed, a person to be appointed as a director / senior management personnel should possess adequate and relevant qualification, positive attributes, expertise and experience for the position which is being considered for. The assessment and appointment of such person is based on a combination of criteria that includes ethics, personal and professional stature, domain expertise and specific qualifications required for the position.

All persons appointed as Directors on the Board of Directors of the Company shall ensure compliance with all the policies and regulations adopted by the Company, in particular the Code of Conduct for Directors and Senior Management Personnel, the Code of Conduct for Prevention of Insider Trading, Whistle Blower Policy or any other policy as may be framed from time to time. The potential Board member is also assessed on the basis of independence criteria defined in Section 149(6) of the Companies Act, 2013 as well as duties to be performed under section 166 of the Companies Act, 2013.

Directors

1. Remuneration to Executive Directors shall involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
2. An Independent Director may be paid remuneration by way of sitting fees for attending meetings of the Board of Directors or any Committee of the Board of Directors as may be decided by the Board. Such Sitting fees shall not be reckoned for the purposes of the percentage of remuneration.

The Directors shall be entitled to reimbursement of any expenses incurred in connection with participation at the meetings of the Board of Directors or any Committee thereof.
3. An Independent Director shall not be eligible for any Stock option Scheme of the Company if any such scheme exists.
4. The maximum remuneration payable to any one Managing Director or whole-time Director or maximum overall remuneration payable to all Directors including Managing Director and Executive Directors will be within overall limits as defined in the Companies Act, 2013.
5. The remuneration payable to the Non-executive Directors shall not exceed 1% of the Net Profits of the Company.

Other Employees

The compensation and remuneration for the Senior Management including KMP shall be as per the contract entered into by them with the Company and shall be decided according to the policies laid down by the Human Resources Department (HRD).

While laying down the policies for remuneration, the HRD

shall take into account the relevant skill sets and experience of the individual as well as the market conditions.

The premium paid by the Company for the Directors and Officers Liability Insurance Policy taken by the Company on behalf of its Directors, Chief Financial Officer or Company Secretary for indemnifying them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust shall not be treated as a part of the remuneration.

Details of remuneration to Mr. Shishir Joshipura, Managing Director for the year are as under:

Description	Amount MINR
Salary	22,198,802
Perquisites	-
Deferred Benefits (PF and Superannuation)	2,722,248
Stock Award*	-
Performance Linked Incentives	6,560,180
Total	31,481,231

* Managing Director is entitled for 'Stock Award' from the parent company being part of the long term variable salary. During the year value of share vested to him was ₹ 1.875 million which is included in the amount of performance linked incentives shown above.

5.2b The details of the remuneration paid/ payable to other Non-Executive Directors are as under:

Name of the Director	Sitting Fees	Commission*	Total
Mr. P. R. Menon	605,000	1,700,000	2,305,000
Mr. P. M. Telang	695,000	1,700,000	2,395,000
Ms. H. A. Hattangady	515,000	1,700,000	2,215,000
Mr. R. Makhija	640,000	2,100,000	2,740,000

*payable subject to approval of annual accounts by the Shareholders at the forthcoming Annual General Meeting to be held on July 25, 2018.

5.3 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

The Company has been taking care of the communities where it operates long before it became mandated by law. A formal Committee of the board as required under the Companies Act, 2013 was constituted in 2014. The composition and attendance record of the CSR Committee are mentioned below:

Name of the Director	Category	No. of meetings attended
Ms. H. A. Hattangady	Independent, Non-Executive	2
Mr. R. Makhija	Non-Executive	2
Mr. S. Joshipura	Non-Independent Executive	2

During the year, the Committee met twice on October 24, 2017 and February 7, 2018.

The terms of reference of the CSR Committee broadly comprises:

1. To formulate and recommend to the Board, a CSR Policy
2. To provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.
3. To recommend the amount of expenditure to be incurred on each of the activities carried out under the CSR Policy.
4. To review the existing CSR Policy and to make it more comprehensive keeping in mind the activities specified in Schedule VII of the Companies Act, 2013

The CSR Report forms part of the Board's Report to the Members of the Company.

5.4 STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee comprises of three members. The Company holds Stakeholders Relationship Committee meetings on a periodical basis, as may be required to approve the transfers/transmissions/ issue of duplicate share etc. The broad terms of reference of this Committee includes the following:

1. To approve transfer / transmission of shares, issue of duplicate shares;
2. Review of queries received from investors;
3. Review of work done by the share transfer agent;
4. Review of corporate actions related to shareholder issues, if any.

Each month a report is obtained from Registrar and Share Transfer Agent on correspondence / communication received from the shareholders. The Company follows the practice of inquiring from BSE/NSE regarding any pending shareholder's grievances.

The composition of the Stakeholder's Relationship Committee is as under:

Name of the Members	Category	No. of meetings attended
Mr. R. Makhija Chairman	Non- Executive	1*
Mr. P. M. Telang	Non-Executive Independent	6
Mr. S. Joshipura (upto 31.03.2018)	Executive	6

*from 20.03.2018

During the year under review six meetings were held on the following dates:

May 26, 2017, July 10, 2017, November 24, 2017, January 17, 2018, February 8, 2018 and March 16, 2018.

The Company has appointed TSR Darashaw Limited to act as Registrar and Share Transfer Agents of the Company. To expedite the process of physical transfer of shares, the Board has delegated the authority to the Registrar & Share Transfer Agent for physical transfer of shares. The physical transfers of

shares approved are ratified at the subsequent Stakeholders Relationship Committee meeting.

The Company Secretary officiates as the Secretary of the Committee and is also designated as Compliance Officer in terms of SEBI Regulations.

An analysis of investor queries and correspondence done during the year are given hereunder :

S. No.	Particulars	Total Received	Total Replied	Total Pending
1.	Payments			
a	Instruments found already paid / payment sent for Electronic Credit to Bank	5	5	0
b	Outdated, Duplicate warrants and changes on live warrants (where new instruments being issued)	499	491	8
c	Issue of new drafts against unencashed drafts / recovery drafts	19	18	1
d	Non-receipt of warrants	0	0	0
e	Non-receipt of payments (where new instruments already issued)	35	35	0
f	Unclaimed and unpaid amounts transferred to ROC / IEPF	7	7	0
g	Miscellaneous	60	60	0
2.	Annual Report	4	4	0
3.	Change in name / status	11	10	1
4.	Communication received through SEBI and other statutory / regulatory bodies	3	3	0
5.	Conversion / demerger – scheme of arrangement / exchange/ merger – amalgamation of companies / sub-division	125	124	1
6.	Demat / remat of Shares	0	0	0
7.	Document Registration	41	41	0
8.	Legal matters	1	1	0
9.	Loss of securities	324	316	8
10.	Nomination	5	5	0
11.	Transfer of Securities	9	9	0
12.	Transmission of Securities	95	95	0
13.	Other queries	198	189	9
14.	Change of address	78	78	0
15.	Change in Bank details	47	47	0
16.	Issue of new certificates on split / consolidation / renewal	14	14	0
17.	PAN updation	3	3	0
	Total	1583	1555	28

Other queries in serial no. 13 above mainly includes inquiries relating to, beneficiary details for securities held in electronic form, signature case, incomplete / incorrect details, mailing of certificates and split / consolidation / renewal queries.

1583 correspondences were received by the Company out of which 1555 correspondence were replied to the satisfaction of shareholders during the year under review. 28 Outstanding correspondences as on March 31, 2018 have been attended by April 10, 2018.

All the members of the Committee have attended the Annual General Meeting.

The Committee expresses satisfaction with the Company's performance in dealing with the shareholders' grievances and its share transfer system.

6. GENERAL BODY MEETINGS

Details of General Meetings:

Location, date and time of General Meetings held during the last three years:

Financial Year ended	Location of the meeting	AGM/ EGM	Date	Day	Time	Special Resolutions
31.12.14	M. C. Ghia 4th Floor, 18/20 K.Dubash Marg, Kala Ghoda, Mumbai 400001.	AGM	23.4.15	Thursday	3.30 p.m	Approval of transactions with SKF Asia Pacific Pvt Ltd, Singapore
31.03.16	M. C. Ghia 4th Floor, 18/20 K.Dubash Marg, Kala Ghoda, Mumbai 400001.	AGM	20.7.16	Wednesday	3.30 p.m	Commission payable to Directors
31.03.17	M. C. Ghia Hall Bhogilal Hargovindas Building 4th Floor, 18/20 K.Dubash Marg,Kala Ghoda Mumbai 400001	AGM	28.7.17	Friday	3.30 p.m	None

None of the businesses proposed to the transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

7. DISCLOSURES

7.1. Related Party Transactions

There were no materially significant related party transactions which had potential conflict with the interest of the Company. Prior omnibus approval of the Audit

Committee was obtained for the transactions which are foreseen and are repetitive in nature. The related party transactions are reviewed by statutory auditor, all transactions entered into with related parties during the year were carried out in the ordinary course of business and on arm's length basis. A statement of related party transactions is placed before the Audit Committee / Board on quarterly basis.

Transactions with the Related Parties as required under the Indian Accounting Standard (Ind AS) are disclosed in the financial statements forming part of this Annual Report. The Company has framed a Policy on Related Party transactions and the same can be accessed through "http://www.skf.com/binary/83-166889_Policy-on-Related-Party-Transactions-modified-highlighted-Sept-2014.pdf".

7.2 Risk Management

The Company has a comprehensive 'Risk Policy' and a Risk Register detailing the risks that the Company faces under various categories like strategic, financial, commercial, operation, IT, regulatory and people which are identified by the management and the mitigation measures for the same are than framed up. The AC / Board are authorized to review the risk management and its effectiveness. The AC has additional oversight in the area of financial risks and controls. The SKF Internal Control Standard (SICS) defines each process and control with clear responsibility and authority.. All high and medium risk controls defined in SICS are tested periodically. The progress on key risks is discussed at the Company's management level and thereafter, the same is presented to the Audit / Board.

7.3 Accounting Treatment

The Company adopted Indian Accounting Standards from April 1, 2016 and accordingly the financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.

7.4 Compliances

The Company has complied with the requirements of Stock Exchanges, Securities and Exchange Board of India and other statutory authorities on matters relating to capital markets during the last three years and consequently no penalties or strictures have been imposed on the Company by these authorities.

7.5 Prevention of Insider Trading

Your Company has adopted a Code of Conduct as per Securities and Exchange Board of India (Prohibition of Insider trading) Regulations, 2015. All Directors,

Designated Employees who could have access to the Unpublished price Sensitive Information of the Company are governed by the Code. During the year under review, there has been due compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The Insider Trading Code aims at preserving and preventing misuse of unpublished price sensitive information.

Shares held by the Directors and KMP as at March 31, 2018 is as under:

Name of Director / KMP	No. of shares held
Mr. R. Makhija	Nil
Ms. H. A. Hattangady	Nil
Mr. P. R. Menon	Nil
Mr. Stephane Le Mounier (upto 28.4.2017)	Nil
Mr. Bernd Stephan (from 8.6.2017)	Nil
Mr P. M. Telang	1,000
Mr. S. Joshipura	Nil
Mr. C. Srinivasan	Nil
Mr. P. Bhandari	Nil

7.6 Code of Conduct

Your Company has adopted a Code of Conduct for Members of the Board and Senior Management personnel which is placed on the Company's website. The Code aims at ensuring consistent standards of conduct and ethical business practices across the Company. All Board Members and senior management personnel have affirmed compliance with the code of conduct for the current year and no transactions have been entered into where Board / Senior management of the Company had any personal interest.

- 7.7 The Company has adopted vigil mechanism policy and has established a vigil mechanism for Directors and employees for reporting concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. No person has been denied access to the Chairman of the Audit Committee. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. The said policy has been put up on the website of the company "[http://www.skf.com/binary/83-166890/Vigil-Mechanism-Policy-](http://www.skf.com/binary/83-166890/Vigil-Mechanism-Policy-31.07.2014-FINAL.pdf)

31.07.2014-FINAL.pdf". During the year under review concerns reported under this policy were investigated and appropriately dealt with.

- 7.8 The Company has complied and disclosed all mandatory Corporate Governance requirements under Regulations 17 to 27 and sub-regulation (2) of Regulation 46 under SEBI (LODR) Regulations, 2015.

8. MEANS OF COMMUNICATION

- 8.1. The Company has 23,549 shareholders. The Company follows multiple channels of communications viz., through dissemination of information on the on-line portal of the Stock Exchanges, press releases, the Annual Reports and uploading relevant information on its website. The shareholders' meeting is the company's highest decision-making body. The Annual General Meeting is the principal forum for face-to-face communication with shareholders, where the Board provides answers to specific queries of the shareholders.

- 8.2. Results: The quarterly/half-yearly/annual results are regularly submitted to the Stock Exchanges in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are published in a English newspaper and a vernacular newspaper and are also posted on the Company's website.

- 8.3. News Releases : Official press releases are sent to the Stock Exchanges and the same is hosted on the website of the Company.

- 8.4. Website : The Company's website contains a dedicated section "Investors" which displays details / Information of interest to various stakeholders including unclaimed dividends.

- 8.5. Presentation to Institutional Investors / analyst : The compliance reports, details of analysts and institutional investor meetings and presentations, if any and other announcements are sent to the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited through NEAPS and BSE Listing respectively, which is a web based application designed for Corporates.

- 8.6 Securities and Exchange Board of India has commenced processing of investor complaints in a centralized web based complaints redress system 'SCORES'. Accordingly, all complaints are viewed & Action Taken Reports are electronically submitted by the Company through SCORES.

9. GENERAL SHAREHOLDER INFORMATION

9.1 Annual General Meeting

Day, Date and Time: Wednesday, July 25, 2018 at 3.00 p.m.

9.2. Venue

Rangaswar Hall, 4th Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Nariman Point, Mumbai 400 021

9.3. Financial Calendar

The Company follows April to March as a financial year. The results for every quarter are published within forty-five days following the quarter including the last quarter for which the annual audited results are also published as permitted under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

9.4. Date of Book Closure

Tuesday, July 17, 2018 to Wednesday, July 25, 2018 (both days inclusive)

9.5. Dividend payment date After July 25, 2018

9.6. Registered Office

Mahatma Gandhi Memorial Building, Netaji Subhash Road, Mumbai – 400 002.

9.7. Listing of Equity Shares on Stock Exchanges

The Company's shares were listed on May 7, 1962 on the Bombay Stock Exchange Limited and on December 28, 1998 at the National Stock Exchange of India. Equity Shares of the Company are presently listed on the following Stock Exchanges:

Bombay Stock Exchange Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.

National Stock Exchange of India Ltd.

Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

2,488 Shares kept in abeyance as per Bombay Stock Exchange directives at the time of rights issue in November 2001, shall be listed as and when allotted based on applications received from the shareholders.

The Company has paid the listing fees for the period April 1, 2017 to March 31, 2018 to both the Stock Exchanges and respective depositories where the shares of the Company are listed.

9.8. Stock Code

Bombay Stock Exchange Limited – BSE CODE 500472
National Stock Exchange – NSE Symbol – SKFINDIA
Securities ISIN nos. with NSDL and CDSL

Equity Shares : INE640A01023

9.9. Corporate Identity Number (CIN)

Corporate Identity Number (CIN), allotted by Ministry of Corporate Affairs, Government of India is 'L29130MH1961PLC011980', and our Company Registration Number is 011980.

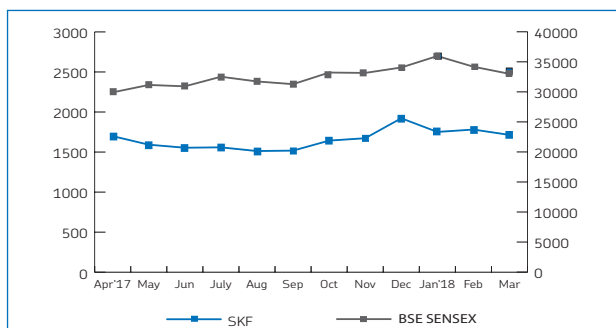
9.10. Stock Price Data

Month	Price at Bombay Stock Exchange		Price at National Stock Exchange		Indices: Sensex	
	High	Low	High	Low	High	Low
April 17	1,740.00	1,520.00	1748.50	1512.05	30,184.22	29,241.48
May 17	1,723.60	1,527.15	1723.95	1525.45	31,255.28	29,804.12
Jun 17	1,659.95	1,530.50	1650.00	1522.55	31,522.87	30,680.66
July 17	1,700.00	1,493.30	1698.00	1515.50	32,672.66	31,017.11
Aug 17	1,606.40	1,489.65	1611.00	1489.95	32,686.48	31,128.02
Sept 17	1,625.00	1,500.00	1620.00	1504.00	32,524.11	31,081.83
Oct 17	1,678.00	1,518.00	1680.00	1518.30	33,340.17	31,440.48
Nov 17	1,780.00	1,622.40	1793.00	1632.20	33,865.96	32,683.59
Dec 17	1,962.00	1,620.05	1969.95	1600.00	34,137.97	32,565.16
Jan 18	2,010.00	1,746.00	1910.95	1750.00	36,443.98	33,703.37
Feb 18	1,898.85	1,690.00	1908.95	1688.00	36,256.83	33,482.81
Mar 18	1,790.20	1,665.30	1,793.95	1,662.45	34,278.63	32,483.84

9.11 Performance in comparison with BSE SENSEX

Performance of the Company's Monthly Closing Share Price in comparison to the BSE SENSEX is given below:

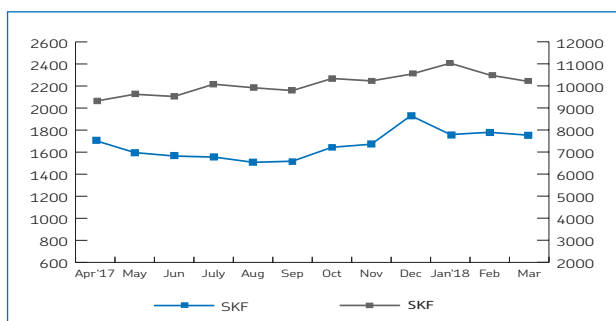
Relative Performance of SKF India Ltd.



9.12. Performance in comparison with NSE NIFTY

Performance of the Company's Monthly Closing Share Price in comparison to the NSE NIFTY is given below:

Relative Performance of SKF India Ltd.



9.13 Share Transfer System

Presently, the share transfers received in physical form are processed and the share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. As required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 a certificate on half yearly basis for transfer of equity shares and quarterly report on Reconciliation of Share Capital from a practicing Company Secretary has been submitted to Stock Exchanges within stipulated time.

Distribution of shareholding as on March 31, 2018

No. of Equity shares	No. of share-holders	% of share-holders	No. of shares	% of share-holding
1 to 500	21,469	91.17	1,974,197	3.85
501 to 1000	1,071	4.55	800,571	1.56
1001 to 2000	567	2.41	817,299	1.59

No. of Equity shares	No. of share-holders	% of share-holders	No. of shares	% of share-holding
2001 to 3000	141	0.60	339,664	0.66
3001 to 4000	65	0.28	234,875	0.46
4001 to 5000	37	0.16	168,309	0.33
5001 to 10000	76	0.32	549,002	1.07
10001 and above	123	0.51	46,454,046	90.48
Total	23,549	100.00	51,337,963	100.00

Category of shareholders	No. of share-holders	% of Voting strength	No. of shares held
Foreign Holding (FIIs, OCBs & NRIs)	655	10.18	5,227,322
FIIs, Insurance Companies & Banks	60	4.11	2,112,336
Other Corporate Bodies	470	2.64	1,356,778
Promoters	3	52.32	26,860,968
Directors	1	-	1,000
Mutual Funds	40	20.30	10,419,625
Others	22,320	10.44	5,359,934
Total	23,549	100.00	51,337,963

9.14 Top Ten Shareholders other than promoters

S. No.	Name of the Shareholder	Number of shares as on 01.04.2017	Number of shares as on 31.03.2018	Net Changes	% of total paid up change in Share Capital
1.	HDFC Mutual Fund (*)	2,719,409	4,282,883	1,563,474	2.96
2.	Franklin Templeton Mutual Fund (*)	2,749,830	2,839,351	89,521	0.17
3.	UTI Mutual Fund (*)	1,330,498	1,095,698	(234,800)	(0.45)
4.	SBI Magnum Mutual Fund (*)	1,057,545	1,057,545	0.00	0.00
5.	Franklin Templeton Investment Funds	1,050,000	816,400	(233,600)	(0.44)

S. No.	Name of the Shareholder	Number of shares as on 01.04.2017	Number of shares as on 31.03.2018	Net Changes	% of total paid up change in Share Capital
6.	First State Indian Subcontinent Fund	450,442	783,567	333,125	0.63
7.	Kotak Mutual Fund(*)	429,353	618,145	188,792	0.36
8.	Tata Aia Life Insurance Co. Ltd (*)	615,676	615,501	(175)	0.00
9.	The Scottish Oriental Smaller Companies Trustpic plc	488,660	603,129	114,469	0.22
10.	The New India Assurance Company Limited	581,827	576,745	(5,082)	(0.01)

(*) various sub-accounts

9.15 GDRs/ ADRs etc:

There are no outstanding GDRs / ADRs / Warrants or any other convertible instruments which are likely to impact the equity capital of the Company.

9.16 Dematerialization of Shares

The shares of the Company are in compulsory dematerialized segment and are available for trading system of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

	No. of Shares	% of total capital issued
Held in dematerialized form in NSDL	49,567,995	96.55
Held in dematerialized form in CDSL	1,055,035	2.06
Physical	714,933	1.39
Total	51,337,963	100.00

9.17 Plant Locations

- Chinchwad, Taluka Haveli, Pune - 411 033,
- Plot 2, Bommasandra Industrial Area, Hosur Road, Bengaluru - 560 099,

- Plot No 2, Industrial Park II, Salempur- Mehdood, Haridwar - 249402

Address for correspondence :
Compliance Officer

Registrars and Share
Transfer Agents:

Company Secretary
SKF India Limited
Mahatma Gandhi
Memorial Building
Netaji Subhash Road,
Mumbai 400 002
Ph: +91 22 66337777
Fax : +91 22 22042738
E-mail : investors@skf.com

TSR Darashaw Limited
6-10 Haji Moosa Patrawala
Industrial Estate, 20,
Dr. E. Moses Road,
Mahalaxmi,
Mumbai 400 011,
Tel. : + 91 22 66568484
Fax : + 91 22 66568496
E-mail :
csg-unit@tsrdarashaw.com

Dedicated email id for investors: The Company has designated an exclusive email id for investors i.e. investors@skf.com to enable investors to submit their queries if any.

All queries for shares held in physical form only should be forwarded to registrar & share transfer agents at the above mentioned address. For any assistance from the Company, members may contact Ms. Dilnavaz Gulestani, Deputy Manager - Legal & Secretarial at the registered office of the Company.

10. OTHER INFORMATION FOR SHAREHOLDERS

10.1 As required under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978, the Company has transferred all unclaimed equity dividends up to the financial year 1996 to the General Revenue Account of the Central Government. Members who have so far not claimed or collected their dividend for the said financial year(s), may claim the same from the Registrar of Companies, Maharashtra by submitting an application in the prescribed form.

In terms of the provisions of Section 125 of the Companies Act, 2013 as amended the Company is obliged to Transfer Dividends which remain unpaid or unclaimed for a period of seven years (from the date of the transfer into the Unpaid Dividend Account) to the credit of the Investor Education and Protection Fund (the Fund) established by the Central Government. Accordingly, the Company has transferred unpaid/unclaimed dividend up to the financial year 2010 to the Fund and no claim shall lie against the Company or the Fund in respect of dividends remaining unclaimed or unpaid and transferred to the Fund. Members who have not yet en-cashed their dividend warrants for the years 2011 to 2017 may approach the Company for revalidation / issue of duplicate dividend

warrants as the unpaid/unclaimed dividends for the aforesaid financial years are required to be transferred to the Investor Education & Protection Fund (IEPF) constituted by the Central Government under Section 125 of the Companies Act, 2013 after seven years from the date of declaration.

Reminders to encash the unclaimed dividend on shares are sent to the relevant shareholders, the unpaid dividend list is also available on the website of the Company.

Details of unclaimed dividend

Year ending	As on 31.03.2018
2011	2,053,408.00
2012	2,297,797.50
2013	2,410,912.50
2014	2,431,920.00
2014	2,498,445.00
2015	987,320.00
2016	4,907,985.00
2017	3,726,290.00

10.2 Transfer of Shares into Investor Education and Protection Fund (where dividends remain unclaimed for consecutive seven years)

In terms of Section 125(6) of the Companies Act, 2013 read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer the shares in respect of which dividends have remained unclaimed for a period of seven consecutive years to the IEPF Account established by the Central Government. As required under the said Rules, the Company has published a Notice in the newspapers inviting the Members attention to the aforesaid Rules. The Company has also sent out individual communication to the concerned Members whose shares are liable to be transferred to IEPF Account, pursuant to the said Rules to take immediate action in the matter. Accordingly the Company has transferred the shares in respect of which dividends had remained unpaid for a period of seven consecutive year – i.e in respect of unpaid dividends till Year 2010.

10.3. "Go Green" Initiative:

As a continuing endeavour towards the "Go Green" Initiative, the Company is sending intimation of annual report/ dividends by e-mail/ ECS to those shareholders

whose e-mail addresses/bank details were made available to the Depositories or Share Transfer Agents. The physical copy was also made available for the undelivered e-mail cases. Shareholders are requested to support this Green Initiative by providing e-mail addresses for receiving electronic communications.

11. COMPLIANCE UNDER NON-MANDATORY REQUIREMENT UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

The Company complied with all the mandatory requirements and has adopted non-mandatory requirement as per details given below:

- (a) The Board – The Company does not maintains a separate office for the Non-Executive Chairman. However, the Company from time to time, reimburses the expenses in relation to the Chairman's office in connection with performance of his duties as the Chairman of the Company.
- (b) Shareholders' Rights: The quarterly and half yearly results are published in the newspaper, displayed on the website of the Company and are sent to the Stock Exchanges where the shares of the Company are listed. The half-yearly results are not separately circulated to the shareholders.
- (c) Audit Qualifications: The auditors have not qualified the financial statements of the Company. The Company continues to adopt best practices in order to ensure unqualified financial statements.
- (d) Separate posts of Chairman and CEO: The positions of the Chairman and Managing Director are separate.
- (e) Reporting of internal auditor: The internal Auditors of the Company report to the Audit Committee and make detailed presentation at quarterly meetings.
- (f) The Company has no subsidiary and hence there is no need to frame any policy for determining 'material' subsidiary.

For SKF India Limited

Rakesh Makhija
Chairman
DIN: 117692

Pune
May 8, 2018

Declaration regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

To the Members of
SKF India Limited

Sub: Compliance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to confirm that the Company has adopted a Code of Conduct for all Board Members and senior management and the same has been placed on the Company's website. All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct in respect of the financial year ended March 31, 2018.

Pune
May 8, 2018

Carl Orstadius
Managing Director / CEO

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of SKF India Limited

We have examined the compliance of conditions of Corporate Governance by SKF India Limited, for the year ended March 31, 2018 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as SEBI Listing Regulations, 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Pune
May 8, 2018

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number 48125

ANNEXURE III - TO THE DIRECTORS' REPORT

Corporate Social Responsibility Report

1. Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link of the CSR policy and projects or programs.

1.1 SKF India: CSR Policy, Vision and mission

SKF India Ltd (SKF) operates with the values of Empowerment, High Ethics, Openness and Teamwork. The Drivers at the core of its working are "Grow with Profit, Quality, Innovation, Simplicity & Speed, and Sustainability"

At SKF, it is not only important that we make profits but also the way we make them. In accordance with this philosophy, SKF has put in a "SKF Care" model guiding all our operations. The Model has 4 components, namely, "Business care", "Employee care", "Environment care" and "Community care".

SKF CSR programs and policies are based on SKF's "Community care" principle embedded in the above philosophy which is structured in accordance with United Nations Global Compact principles and The Business Charter for Sustainable Development by International Chamber of Commerce.

The Vision: SKF India's vision guiding our entire community care program is *"To Create a Positive change in the life of the communities neighboring our operations, and create a meaningful difference from the recipient's perspective"*

The Mission: Based on the above vision, the SKF's community care program is initiated with a mission of working with underprivileged communities neighboring our operations. Three focus areas are so far identified as under:

- Empowerment
 - Skill and vocational skill training for youth and livelihood programs
- Education
 - Holistic education of underprivileged children through sports and other innovative educational initiatives
 - Enabling girls from underprivileged sections for higher education programs through sponsoring and mentoring
- Environment
 - Programs for Conservation of natural resources – water, solar energy and bio diversity through community initiatives

SKF India is running and monitoring the initiatives in the above areas through structured short and long term programs, encouraging employees to volunteer and partner selected community care professionals and organizations to enhance the effectiveness of the program.

1.2 SKF India Community Care programs

In accordance with the vision and mission above, SKF has identified following areas and programs.

Program 1: Youth Empowerment at SKF (YES) – Skill Development program for Youth

Program 2: SKF Sports Education Program– SSEP

Program 3: SKF Girls scholarship program – UDAAN

Program 4: SKF Environmental sustainability Program

Program 5: Other small support programs

1.2.1 Program 1: Youth Empowerment @ SKF – "YES"

Program Need: India is an emerging economy whose manufacturing sector growth is impressive but still has a lot of potential to grow. India is one of the youngest nations with over 65% of entire population below 25 years' age group. The need of the hour is to provide adequate skills to the youth to make them "employable" to meet the challenges and the requirements of industry.

Indian automobile industry has grown extensively over last decade, resulting in high demand for skilled garage mechanics. However, the present pool of untrained garage mechanics are generally school drop-outs who have informally learnt only the basic "on the job" skills. Thus, combining need of the population seeking employable skills for youth and need of the industry for skilled services, SKF decided to launch a program for skilling the youth in the field of automobile maintenance.

Program Goal: To equip 5000 Automotive Technicians over a period of five years at five locations across India with skills covering technical, entrepreneurial and lateral competencies like basic computer knowledge.

The Program details: "Youth Empowerment at SKF (YES)" program aims at empowering under-privileged youth with the know-how of modern automobile maintenance and servicing skills to help them gain employment at Automotive OEMs / Automobile service stations or become entrepreneurs by setting up own vehicle service stations.

The program started in 2015 has been expanded to run at 5 locations in 2017 – Pune 2 Centers (Chinchwad & Kiwale), Bangalore, Haridwar and Jorhat in specially constructed centers well equipped with modern automotive sub systems and vehicles, learning fixtures, computer consoles for e-learning, class rooms and other facilities.

The beneficiaries are 18 to 25-year-old men and women, from the neighboring community. The hostel facility and bus facility is available for candidates, who belong to low income families. All the program costs are fully sponsored by SKF. After successful completion of program, support for Job or entrepreneurship is provided.

Program Approach: The 6-month course contains a combination of theory and hands-on training on two and four-wheeler repairing and maintenance services. To help the students gain all round holistic development, the program includes sessions on communication skills, customer service, finance and business management skills as well.

The 1st center was established in 2015 at Pune in the premises of Don Bosco Private Industrial Training Institute in Chinchwad, followed by 2nd state of the art center that became fully operational in Bengaluru from March 1, 2016 at, Bommasandra Area, Bengaluru, Karnataka. The 3rd YES center started at Haridwar, Uttarakhand from January 23, 2017. Fourth center inaugurated at Symbiosis Skill & Open University at Kiwale, Pune in July 2017. The 5th YES Skill Development Centre is at Kaziranga University, Jorhat, Assam. This is currently under renovation & installation of Machines and equipment. The centers at Bangalore, Haridwar and Jorhat are run by implementation partner NGO Sambhav Foundation. Till date, 1079 students have been enrolled, 807 young beneficiaries have completed the courses. 729 students have so far received jobs at various OEM's, Multi brand garages, showrooms, authorized service stations.

This program also includes an Entrepreneur Development program for the beneficiary which provides training and mentoring for new budding entrepreneurs to start their own automotive related startup. We are associated with NGO I-CREATE INDIA, which delivers entrepreneurship training and support of returnable MAGIC fund for students for setting up the startup. We have provided Starting fund which is called as "Magic Fund" to one beneficiary who has started his own two-wheeler garage in Satara, Maharashtra.

Impact of the program: A Third-party impact assessment was done of the program. The report quotes:

- The alumni of both are very happy with the training program and course has given them good theory and practical knowledge about automobile services and repairing
- The opportunity to take up job in their field of interest excites many
- Being school dropouts and having no scope of access to formal technical education, YES training has given them employable skills that has helped to earn a livelihood and support their family
- The report also talks about very positive industrial and societal impacts.

1.2.2: Program 2: SKF Sports Education Program – "SSEP"

Program vision: SKF Sports Education program's vision is aligned with United Nations' Declaration of the Rights of the Child, which in Article 7 states, "The child shall have full opportunity to play and for recreation".

Play is not only a child's inalienable right – it also influences physical, socio-emotional and cognitive development. For these reasons and the many reasons below, SKF continues to champion this right as fundamental to the health and growth of children in the surrounding communities where SKF operates.

SKF felt the need of providing importance to play in child's life & the SKF Sports Education Program provides the perfect platform to these children by not only transforming them to be better players but also holistically develops them into better human beings.

The Goal: The objective of the SKF Sports Education Program is to provide children from underprivileged backgrounds an opportunity to both physically and mentally develop themselves.

Program Approach: The SKF Sports Education Program is functional at two locations: Pune and Ahmedabad. Every 5th year, a batch of 30 Boys and 30 girls are enrolled at each location for the 5 year SKF Sports Education Program.

SKF has provided a Football ground and recreation area at Pune & Ahmedabad which are well equipped with infrastructure and certified coaches for systematic sports coaching to Boys and Girls from municipal schools. The entire program is completely sponsored by SKF India, the added facilities like – state of art center with class rooms, activity hall, dressing rooms, and other facilities are attraction for the kids.

This sponsored program takes care of their physical, behavioral, nutritional and other necessary requirements, which also includes daily Breakfast and bus pickup and drop facility from home and school. The program works on child development and apart from Football training, helps them in improving their academic performance, provides them career guidance from time to time.

Certified Coaches of our implementation partners: FC Pune City Football Club at Pune and Kahaani Sports Academy at Ahmedabad, provide world class football training to the community kids.

The program also brings in opportunity of playing with external football teams, through participation in local, national and international tournaments. Every year, the best players from our academies are sent to Sweden, to represent SKF India at the World's largest Youth Football Tournament – Gothia Cup.

Impact of the program: A third party impact assessment is done to assess the impact of program being run since

2015. The regular students report, students & Coaches feedback and parent meeting are used as source of inputs to understand the improvements in the program.

Following are improvements:

- "Hirabai cowsji Jahangir medical research institute" at Pune has conducted baseline study of student for malnourishment, height weight, BMI, Hemogram, bone density, based on baseline, systematic improvement plan was made in their nutrient diet and the program was implemented. The midline and end line study was conducted to understand the impact of the program on beneficiary. Improvement in above checked parameters is observed. This has helped for their sports stamina.
- Through another agency which conducts "Winning attitude project" for the beneficiaries, we have conducted baseline study of beneficiaries of psychometric assessment, and beneficiary profiling done. Based on report special training and mentoring was provided to students. After end line study, it was observed that there is change in the attitude of beneficiary. This has helped in winning various matches.

The impact assessment report highlights:

- The positive changes in the kids are visible: improvement in sporting skills, level of confidence, sportsmanship and performing under pressure are a few of them.
- Positive impact on health with balanced and structured nutritional support has resulted in visible changes in their growth, weight and fitness level.
- Improvement in personality, social behavior, enhanced attendance and academic performance are noticeable and appreciated by the schools.

1.2.3 Program 3: Women Empowerment "UDAAN" Scholarship for Girls

The Need: Education of Girls in economically weaker sections in India is a matter of concern due to various factors that affect their opportunities and one of them is lack of economic support after their schooling. The Government of India has also initiated national program - "Beti Bachao Beti Padhao" to achieve this objective. Further in certain underdeveloped and draught prone remote areas like Marathwada region in Maharashtra, the daughters of farmers are deprived of post schooling education due to lack of disposable funds with their parents. Economic support for such needy girls to complete their higher education at opportune times can make their dreams come true and empower them in their life to stand on their own feet and contribute to society better. SKF conducted a need assessment in these regions and identified the need to launch a scholarship scheme which will support entire post matric education of these girls through a special scheme.

Program goal: To empower young girls with structured 100% educational support through scholarship program.

To make them capable of getting a meaningful career and employment opportunities.

Program Overview: At SKF, we believe that the empowerment of girls and women begins with quality education and access to information. SKF Initiated a full-fledged scholarship program to support the education of deserving girl students pursuing class XI and XII + professional course post SSC. The girls inducted are 100% supported from grade 11th till she completes her higher education, thus total support is for 6 years. 100% support means Tuition fees, Books, Educational material support, Hostel fees and other support expenses for the girls moving to cities for education. SKF strives to contribute to the development & empowerment of women in India, and encourage more women to step into the professional education domain by supporting through this program. SKF also imparts soft skills training and career counselling programs for the students. First batch of 40 girls from Marathwada region in Maharashtra were awarded with SKF UDAAN Scholarship 2017 - 18.

Program Approach: The Girls are selected from government aided schools through education department of that districts. The outreach program was conducted with the help of print, social media and mouth to mouth publicity in all the districts. The application was made available to the beneficiaries online as well as off line. The hard copy of application is distributed through local NGO. The selection is done after completion of three level screening such as Merit, written test and career aspiration and aptitude test and personal interview along with parents. Home visit is conducted before final names are declared. Disbursement of payment is done directly to the bank account of beneficiary and receipts were collected against it. Two residential training program were conducted for beneficiaries.

The Implementation partner selected was FUEL "Friends Union for energizing Lives" working from Pune, who managed the administration and disbursement process including progress tracking.

1.2.4. Program 4: Ensuring Environmental Sustainability

Two programs were undertaken in year 2017 -18 under this category.

1.2.4.1: Program 4.1: Water restoration and Tree Plantation project: Dam Desilting Project at Khadakwasala Dam Pune :

Program Overview: Environmental sustainability program by de-silting of Khadakwasala Lake at Pune, increase capacity of water withholding, Tree plantation

The need: Khadakwasla Dam is very important dam for Pune being only source of drinking water. It is a balancing dam for the other three feeder dams in catchment area. The storage capacity of dam has reduced approximately by 40% due to siltation rate This is due to deforestation in the catchment

area, the top soil of that area has been washed off into the dam over the years. This silt needs to be removed to increase the storage capacity of the dam.

The program: For environmental sustainability, NGO – Green Thumb has undertaken Catchment Area Treatment by dam de-silting, project of removal of soil from the dam, thereby increasing its capacity to hold and store water, pitching of slit on the periphery of the lake, tree plantation, water saving, soil restoration and creation of biodiversity with recreational value.

The beneficiary of the programs is community alongside Mula and Mutha river, who is using water for Domestic, Agriculture and industrial purpose.

Program approach: As the water recedes in month of March, April, May, primitive methods are being adopted by using Backhoe loaders, dozer, grader, excavators and dumper truck and tippers to remove the silt. The silt is then pitched and banded on the periphery of the lake, excess silt is distributed off free to locals & farmers to gain their goodwill and participation. Even Pune Municipal Public Gardens are supplied with this silt which is rich in nutrients.

Large scale tree (approx. 25000 trees) and grass plantation is carried out to avoid soil erosion.

The water bodies and the trees have become the resting, roosting and nesting sites for a wide varieties of resident and migratory birds. The aim is to plant approx. 50 lakh trees in the stretch of land all along the 22 kms.

A proper landscaping to beautify the area is being undertaken. Fencing of the entire stretch is undertaken to protect the water from stray cattle's and people.

Impact of program: Water management and necessary engineering, support is being implemented. Propagation of endemic flora including rare and endangered species by mostly planting indigenous trees and grasses.

Thus, to provide relief as a "green lung" amidst concrete jungle of Pune city, the area around the streams leading to the lake and the lake itself is being developed into biodiversity niche by careful propagation of endemic flora, by nurturing natural regeneration and scientific management entailing minimum human interface.

1.2.4.2 "Program 4.2: Watershed Development Project at Akole Ahmednagar"

Program overview and Need: The Agriculture and farmers in parts of Maharashtra face severe draught and lack of irrigation and water table going down affecting the crops time to time. The main objective of the project is promoting techniques. Soil and water conservation, educate local farmers the techniques of treating the sloping areas of land to check the run off water and the soil therewith. The project is executed by an expert agency WOTR in Akole,

near Ahmednagar, Maharashtra under global sponsorship of Rotary club Pune and Rotary International, supported by many corporates.

The goal of project: To Stabilize and enhance the productive capacity of the local ecosystem, the agricultural and livelihood base of the project villages. To involve Mainstream women and marginal groups in the institutional life of the village, improve the quality of their lives and strengthen the capacities of village institutions to effectively and acceptably mandate the projects as well as access locally available resources.

The program: Rotary Club of Poona is implementing project with focus on building the capacity of small holder, by addressing 3 key themes-

- Integrated water resources management,
- Sustainable agricultural,
- Food Security in an integrated and holistic manner.

Program approach: Undertaking soil conservation, water conservation and rainwater harvesting measures.

- Developing climate resilient strategies for agriculture and food security with inbuilt extension service system, that focus on integrated farming system approach where sustainable mixed crop and livestock production systems is encouraged.
- Improving the irrigation potential and coverage in project villages and well as enduring efficient and effective distribution and application of water.
- Organizing women in self-help groups centered on savings and credit operations, ensuring adequate representation on villages bodies and empowering them to effectively represents and secure their persona, social and developmental interests.
- Organizing representative and inclusive villages development committees, building their capacity to implement and maintain the project, onsite and networking them into the local development framework. (govt. agencies, civil society and private enterprises etc.)

Impact of program sought: The Project will be completed in Dec 2020, expected impact is to help to store water for 668 hectares' land, and positively impact on 3000 Habitat.

1.2.5 Small Program support for Promotion of Education

Based on specific proposals from different NGOs, SKF has supported few programs with limited support which are aimed at providing educational support to primary education. The programs supported are -

1.2.5.1: "Pratham" Project for school children at Assam

Program Overview and Need: India is close to universal enrollment for children in the age group 6 to 14. Recent

figures for rural India indicate that 96.9% of children in this age group are enrolled in a nearby school (ASER2016). Reaching universal enrollment in a country as big and diverse as India is an impressive achievement. But now that children are in school, the critical question facing the country is are children learning? Over ten years of data from ASER Point to three key facts; First, at every grade level, basic learning levels are unacceptably low. Second over time learning levels seem to have stagnated. If anything, there are some indications of a declining trend, implying that later cohorts are doing worse than earlier counterparts. Third - learning trajectories over time are relatively flat, which means that children do not acquire fundamental reading and arithmetic skills in primary school years and hence have a struggle to follow the curricula throughout the school years.

The goal: Main Project Objective is to ensure that 30,000 children have improved foundational learning in reading and arithmetic by 2020.

Specific Project Objectives

- I. Visibly and substantially improve basic learning among children in the targeted villages in Assam.
- II. Increase awareness of the value of education among parents and local people in the targeted villages in Assam.
- III. Influence government, through competence transfer to improve functions all the way from school teachers to officers at sub-districts, district, state and national level.

Program Approach: To bridge the gap between current and expected learning levels, using resources that are currently available in the system, NGO's CAML (Combined Activities for Maximized Learning) approach to teaching combines reading, speaking, doing and writing, in a variety of ways, to enhance and accelerate learning. Over the last decade, the effectiveness of Pratham's approach (also known as teaching at the right level or TaRL) has been evaluated by J-PAL at MIT using randomized control trials which showed significant improvement of children's learning levels in the treatment group over their counterparts in the control areas.

Key elements of our approach include:

- Focus of children in Grades III, IV and V who have already had some schooling but do not have basic reading and arithmetic skills.
- Simple assessment of children's ability to read simple texts and to do basic arithmetic.
- Grouping of children by level (of learning) rather than by age or grade.
- Use of appropriate methods and materials for each group.
- Periodic review and tracking of children's progress.

Pratham approaches the overall problem from two directions. The first approach is "direct" work, where Pratham team members lead teaching - learning activities (more information about this approach is presented below). The second approach is collaboration with the government regarding the development of the school system of a national level. Here Pratham acts as a "catalyst" by introducing, incorporating and integrating Pratham's teaching-learning and assessment methods and materials into government school teacher's work.

The impact sought: The combination of direct intervention and partnerships with the government on teacher-led models, has led to a significant scale-up of the approach across Pratham's project areas. Through partnerships with the government, programs reached over 4.5 million children in 14 states across the country during the year. Established in 1995 to provide education to children, Pratham has grown both in scope and geographical coverage. The CSR Project is with the objective of improving the reading, writing and basic arithmetic skills of children in the 6-14 age group. The program has evolved over time in response to internal learnings and external evaluations. In the current phase of Read India, the objective is to ensure basic learning outcomes in language and mathematics. The geographical region of project is Assam.

SKF India has been participating in this global project along with many other corporates with a limited contribution for year 2017.

Other small projects supported by SKF during year 2017 are

- 1.2.5.2 : Computer Shiksha: Support to NGO computer Shiksha in their project to provide computer literacy to Underprivileged municipal school children at Delhi
- 1.2.5.3 : Akanksha Foundation - Educating Municipal School Children - Provide training infrastructure at SKF Campus for training of Municipal school teachers under their initiative.
- 1.2.5.4 : Jeevitnadi Foundation - supporting to school children Story telling program at Pune
- 1.2.5.5 : Rotary club of Nigdi - Support to Village sanitation near Pune

1.3 The Composition of the CSR Board Committee:

- Hema Hattangady, Independent Director and Chairperson CSR board committee
- Rakesh Makhija, Chairman - SKF India Ltd.
- Shishir Joshipura, Managing Director - SKF India Ltd. (upto 31st March, 2018).
- Carl Orstadius, Managing Director -SKF India Ltd. (from 1st April, 2018).

2 The average net profit of the company for the last three financial years, computed in accordance with Sec 198 of the Companies Act, 2013 is 3587.6 MINR.

3 CSR Expenditure required to be spent as per Sec 135 of the companies Act, 2013 (two per cent of the amount as in item 2 above) – 71.8 MINR.

4 Details of CSR spent during the financial year:

All figures MINR:

a) Total amount spent during the financial year = 72.19 MINR.

(b) Amount spent during the financial year is detailed below:

S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where project or programs was undertaken	Amount outlay (budget) project or programs-wise	Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
1.	SKF Sports Education Program, (SSEP)	Training to Promote Nationally recognize Sports	1) Pune, Maharashtra.	10.51	10.51 (Direct)	10.51	9.34(Direct) 1.17(Imp Agency)
			2) Ahmedabad Gujarat	4.69	4.69 (Direct)	4.69	1.86(Dir) 2.83(Imp agency)
2	Scholarship Program (UDAAN)	Empowering Women	1) Pune, Maharashtra	6.39	6.39 (Direct)	6.39	1.90(Dir) 4.49(Imp agency)
3	Youth Empowerment at SKF (YES)	Employment Enhancing Vocational Skills	1) Chinchwad Pune Maharashtra (DBVPK)	2.86	2.86(Direct)	2.86	0.34(Direct) 2.52(Imp agency)
			2) Kiwale, Pune Maharashtra (SSOU)	12.58	12.58(Direct)	12.58	11.96(Dir) 0.62(Imp agency)
			3) Bangalore, Karnataka	9.13	9.13(Direct)	9.13	2.93(Dir) 6.20(Imp agency)
			4) Haridwar, Uttarakhand	6.34	6.34(Direct)	6.34	2.71(Dir) 3.63(Imp agency)
			5) Jorhat, Assam	5.43	5.43(Direct)	5.43	5.43(Dir)
			6) Nagpur Maharashtra	0.70	0.70	0.70	0.70(Imp agency)
4	Entrepreneur Development (I Create)	Livelihood Enhancement	1) Bangalore Karnataka	0.19	0.19(Direct)	0.19	0.09(Dir) 0.11(Imp agency)
			2) PuneMaharashtra	2.22	2.22(Direct)	2.22	0.06(Dir) 2.17(Imp agency)
			3) Jaipur, Rajasthan	0.30	0.30	0.30	0.30(Imp agency)
5	Village Sanitation - Rotary Club Nigdi	Ensuring Environmental Sustainability	1) Pune, Maharashtra	0.03	0.30	0.30	0.30(Imp agency)
	Watershed Development Project - Rotary Club Poona		2) Akole, Ahmednagar Maharashtra	1.0	1.0	1.0	1.0(Imp agency)
	Water Saving & Tree Plantation (Green Thumb)		3) Pune, Maharashtra	5.09	5.09	5.09	5.09(Imp agency)

S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where project or programs was undertaken	Amount outlay (budget) project or programs-wise	Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
6	Pratham Foundation – Educating Children	Promotion of Education	1) Assam		3.28	3.28	3.28(Imp agency)
	Akanksha Foundation – Educating Municipal School Children		2) Pune, Maharashtra		0.36	0.36	0.36(Imp agency)
	Jeevitnadi Foundation – Story telling event support		3) Pune, Maharashtra		0.30	0.30	0.30(Imp agency)
	Computer Shiksha – IT Education for underprivileged Children		4) Gurgaon, Delhi		0.50	0.50	0.50(Imp agency)
Total CSR Projects Expenses					72.19		72.19

5. GIVE DETAILS OF IMPLEMENTING AGENCY :

5.1 FC Pune City Football Club: Service provider for SKF Sports Education Program, Pune

Promoting football coaching with dedicated team of professional coaches to students of SKF Sports Education Program.

FC Pune City Football Club, is a company incorporated under the provisions of Companies Act, 1956 having its office at Mumbai and Pune.

5.2 Kahaani Sports Academy: Service provider for SKF Sports Education Program, Ahmedabad

Promoting football coaching with dedicated team of professional coaches to students of SKF Sports Education Program.

Kahaani Football academy, Ahmedabad established in 2006 promotes football, fitness and sportsmanship through certified coaches.

5.3 Friends Union for Energising Lives (FUEL) : Partner in SKF UDAAN scholarship schemes

Friends Union for Energizing Lives (FUEL) is a non-profit organization registered under society act in 2007. FUEL focused on assisting students with education and career opportunities. The NGOs unleash the potential in India's youth by offering career guidance and assistance with counselling system to bridges the information gap.

5.4 Lila Poonawalla Foundation: Partner in Women empowerment program

Lila Poonawalla Foundation (LPF) provides scholarships to the girls from Pune District for School Education, Graduation and Post-Graduation programs in Pune District. LPF scholarships are merit-cum-need based scholarships.

Lila Poonawalla Foundation is a Charitable Trust registered in India, on September 9, 1995, with Bombay Charitable Trust Act, 1950.

5.5 Don Bosco Pune: Partner for YES project at Pune

Don Bosco Vyavasayik Prashikshan Kendra, (DBVPK) caters to community youths from economically weaker sections. DBVPK presently conducts many non-formal teaching training courses, spread over a year.

DBVPK is a registered trust and has been taking keen interest in skill training as demanded by various industries, and is a member of Don Bosco Tech India. The Chinchwad centre in Pune, Maharashtra is functional since August 15, 1999.

5.6 Sambhav Foundation: Partner for YES project at Bangalore & Haridwar

Sambhav Foundation is a non-governmental organization based in Bangalore. It began largely as an effort to provide a one-stop platform for unorganized sector workers to obtain services which are currently available and accessible by formal sector workers.

Sambhav Foundation is a charitable trust having registered office at Basaveshwar Nagar, Bengaluru - 560079.

5.7 Symbiosis Open Education Society, Kiwale: Partner for YES project at Pune

Symbiosis Open Education Society, registered under the societies registration in 2008, having its campus at Symbiosis Skills open university, Village - Kiwale, Adjoining Pune Mumbai Expressway Pune - 412101, is a self-financed university offering courses at various levels including certificates, diploma and degree programs in high growth sectors with the aim of creating industry ready human resource. Symbiosis Open Education Society has established Skill Development University at Kiwale, Pune, to create 'industry ready' youth who can be gainfully employed upon completion of their courses.

5.8 I-CREATE INDIA. Partner in YES entrepreneurship development project

ICREATE INDIA is a trust registered under Karnataka Societies Registration in 2009, having its registered office at Humpinagar, Vijay Nagar, Bangalore Karnataka - 560104, I Create is a not-for-profit organization and pioneer in the field of Grassroots Practical Entrepreneurship Development, provides Entrepreneurship Education and Training to promote a culture of entrepreneurship across the country and provide end-to-end handholding support to potential entrepreneurs for setting up enterprises & provide necessary mentoring support to them afterwards if so desired.

5.9 Green Thumb, Environmental Protection Group : Partner for Environment program at Pune

GREEN THUMB - India is an NGO established by Environment Protection Group in 1993. GREEN THUMB had been involved in and around Pune, Ahmednagar, Kolhapur, Navi Mumbai and Mumbai in various projects. The NGO working in the area of tree plantation and Dam de silting.

5.10 Rotary club of Pune: Partner of Watershed development program at Akole Ahmednagar

Rotary club of Poona charity trust is a NGO registered under trust act in 2011 working in Water Sanitation & Hygiene, Watershed Management, Breast Cancer detection, WASH in Schools

5.11 Pratham: Partner for School children program at Assam

Pratham is an NGO working for improving the quality of education in India. As one of the largest non-governmental organizations in the country established in 1995, Pratham focuses on high-quality, low-cost, and replicable interventions to address gaps in the education system.

- 6 In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Not applicable

- 7 A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

We hereby declare that implementation and monitoring of the CSR Policy follow CSR objectives and policy of the Company.

Carl Orstadius
Managing Director

H. Hattangady
Chairperson, CSR Committee

Pune
May 8, 2018

ANNEXURE IV - TO THE DIRECTORS' REPORT

Form No. AOC -2

[Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

1. Details of contracts or arrangements or transactions not at Arm's length basis.

The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during the previous financial year.

2. Details of material contracts or arrangements or transactions at Arm's length basis.

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Aktiebolaget SKF and its Group Companies
b)	Nature of contracts/arrangements/ transaction	Sale / Purchase of Goods, Services rendered, Commission earned, Purchase / Sale of equipment, Rental, Interest expense/ income, reimbursement of expenses
c)	Duration of the contracts/arrangements/ transaction	Ongoing basis, normal and incidental to Company's business operations
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	The information forms part of the notes to financial statement for the year 2017-18
e)	Date of approval by the Board	All the transactions are approved by the Audit Committee and Board in line with the regulations and related party transactions policy framed by the Company. The approval of the members was taken in the previous shareholders meeting held on July 20, 2016 in case of 'Material' related party transactions for a period 2015-16 to 2017-18. The Notice of the Annual General Meeting for 2018 includes approval from the Members for 'Material' related Party Transaction for a period 2017-18 till 2019-20.
f)	Amount paid as advances, if any	-

For and on behalf of the Board
SKF India Limited

Rakesh Makhija
Chairman
DIN : 0117692

Pune, May 8, 2018

ANNEXURE V TO THE DIRECTORS' REPORT

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule no.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,

The Members,

SKF India Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SKF India Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company, the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Other laws applicable specifically to the Company namely:
 - a. Factories Act, 1948
 - b. Contract Labour (Regulation & Abolition) Act, 1970
 - c. Industrial Laws
 - d. Environmental and Prevention of Pollution Laws
 - e. Legal Metrology Act, 2009

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the following events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc:

The Company has completed buyback of its equity shares in June 2017.

For Parikh & Associates
Company Secretaries

P. N. Parikh
Partner
FCS No: 327 CP No: 1228

Mumbai
May 8, 2018

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

'Annexure A'

To,

The Members

SKF India Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Company Secretaries

P. N. Parikh
Partner
FCS No: 327 CP No: 1228

Mumbai
May 8, 2018

ANNEXURE VI - TO THE DIRECTORS' REPORT

STATEMENT OF DISCLOSURE OF REMUNERATION

[Pursuant to Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- (A) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year; the percentage increase in remuneration of each Director.

Name of Director / KMP Designation Ratio of remuneration of each director to the median remuneration Percentage increase in remuneration.

Name of Director	Designation	Ratio of remuneration of each director to the median remuneration	Percentage increase in remuneration (%)*
R. Makhija	Non- Executive Chairman	2.62	17.10
S. Joshipura	Managing Director	23.78	28.52
P. R. Menon	Independent Director	2.20	14.11
P M Telang	Independent Director	2.29	18.86
H. A. Hattangady	Independent Director	2.11	17.82
S. Le Mounier	Non-Executive	N.A.	N.A.
B. Stephan	Non-Executive	N.A.	N.A.

- (B) The percentage increase in remuneration of Chief Financial officer was 9% and Company Secretary was 9%.
- (C) The percentage increase in the median remuneration of employees for the financial year was 9.13%
- (D) The number of permanent employees on the rolls of company was 1779.
- (E) Relationship between average increase in remuneration and company performance;

The profit after tax for the year increased by 21.32% as compared to an average increase in remuneration per employee of 10.33 %. The increase in remuneration is linked to mainly the individual performance and partly also to business performance through a variable compensation component

- (F) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:

The compensation for the KMP is guided by the individual performance, and competitiveness with market compensation through bench marking surveys. The key performance parameters are considered for the variable component; the increase is in line with normal pay revisions and variable component forming integral part of remuneration which is linked to individual performance and company performance.

- (G) Variation in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

The market capitalization as on March 31, 2018 was ₹ 90006.03.million (₹ 84361.51 million as on March 31, 2017). The price earnings ratio of the Company was 30.60 as at March 31, 2018 and was 34.55 as at March 31 2017.

- (H) The average annual increase was around 10.07%. However, during the course of the year, the total increase is approximately 10.47%, after accounting for promotions and other event based compensation revisions. Increase in managerial remuneration for the year was 11.01%.

- (I) Key parameters for any variable component of remuneration availed by the directors:

The key parameters for the variable component for directors are as per the remuneration policy approved by the NRC and are within overall limit defined under the Companies Act, 2013.

- (J) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;

No Employee has been paid salary in excess of any executive director of the Company.

- (K) We affirm that remuneration paid to the Employees & Directors is as per the Remuneration Policy of the Company.

For and on behalf of the Board
 SKF India Limited

Rakesh Makhija
 Chairman

Pune
 May 8, 2018

ANNEXURE VII – TO THE DIRECTOR'S REPORT

Information as per section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2018

Disclosures

A. CONSERVATION OF ENERGY :

SKF Care focuses on continuously reducing the environmental impact from the operations as well as the actions to significantly improve customers environmental performance through the products, solutions and services that SKF supplies. SKF Beyond Zero is the overall strategy for addressing environmental and business performance over the value chain. It includes actions to reduce the impact resulting from SKF's operations and those of its suppliers, while at the same time providing customer with solutions to reduce the environmental impact of their products or operations.

SKF has identified significant and material environmental impact areas along the value chain, these include energy and climate, recycling and waste management, resource efficiency and water consumption.

Ambient air monitoring system, workplace monitoring as per Environmental laws and waste water management system such as STPs, ETPs are in place at all manufacturing locations. SKF follows code of conduct for its suppliers and contractors wherein environmental and social governance for having green supply chain is ensured. The Company's systems and processes are in compliance with ISO 14001 / OHSAS 18001 Environment Management and ISO 50001 Energy management system.

Susten a project for conservation of energy which was launched in 2013 has yielded splendid results in the area of reduction in power consumption, reduction in Co2 emission and monetary savings. As part of Susten, during the fiscal year 2017-18, following projects were undertaken at various locations.

1.1 Pune Plant

- Under SustEn4 projects in areas pertaining to grinding channels, compressed air and heat treatment were successfully completed resulting in saving of 1.24 GWH.
- Various projects to optimize electrical power of spindle motors, pumps and conveyor motors were completed and achieved saving of 0.36 GWH.
- Rooftop Solar Power plant generated 1.55 GWH of electrical units, which is 4.48% of the total energy consumption.
- Leak Seek project initiated for on-line identification and elimination of compressed air leakages. More than 650 leakages identified and eliminated resulting in 4% saving in air consumption.

- Major planned maintenance of all 7 furnaces carried out during the year to eliminate heat loss through furnace walls and jackets reducing specific electrical energy in Heat treatment.
- The investment of 1.4 MINR was done as a part of installation of LED light fittings to improve illumination level and to save energy.
- Specific energy consumption reduced from 14.9 to 14.1 MWH/MINR value added.
- The total Co2 emission reduction achieved through usage of renewable energy sources is 1230 Tons per year.
- Maintained unity power factor (0.996) which resulted into 16.5 MINR savings annually in the electricity bill.

1.2 Bengaluru Plant :

- Commissioning of free cooling system for single packaging area reducing HVAC consumption.
- Replacement of defective cooling tower with energy efficient cooling tower using energy efficiency IE2 class motors in 1B area.
- Installation of 110 CFM, 45KW compressor to address peak load demand.
- As a part of Green Energy LED initiative, 30% of conventional light fittings replaced with LEDs. The investment for Purchasing energy saving equipment such as compressor and LEDs is 1.2 MINR.
- The specific energy consumption reduced from 17.2 to 16.7 MWH/MINR value added.
- Total renewable energy (Green Energy) consumption is 41% of the total energy consumption. It includes hydel, wind and roof top solar energy.

1.3 Haridwar Plant :

- Activation and fine tuning of sigma air controller for compressed air generation of 5 bar.
- Installation of compressed air booster in utility area.
- Completion of energy Kaizens across plants to reduce and optimize electrical motor energy usage.
- LED green initiative project started to replace conventional light fixture to energy efficient LEDs.
- Specific electrical energy consumption reduced from 14.6 to 11.7 MWH/MINR value added.(19.8% reduction) equivalent savings of 0.95 GWH electrical energy.

B. TECHNOLOGY ABSORPTION :

The Company has been consistently supported by AB SKF in keeping updated on technology developments. The Company receives technical know-how from AB SKF on continuous

basis. This has been used extensively in all the areas of manufacturing, which includes product designing, product engineering, application engineering, testing, advanced engineering simulations, new technologies in manufacturing, advances in material selection for specific applications related technologies and technical training giving competitive edge in the market.

Pune Plant

Center of Excellence is regularly supporting in transferring and implementation of upgraded technology for Process & Quality Improvement, Quality Checks and Energy Saving such as -

- In-process Controls on TRB Channel machines to arrest defect generation and quality improvement
- Development of Noise & Vibration Checking M/c for Tapered Roller Bearing with Laser Vibrometer and BVR+ Software
- Technical Specifications for New Machines
- Development of Grinding Machines from Local Suppliers
- Improvement in Bearing Washing Process
- Energy Saving through reduction in Air & Electricity Consumption
- Intelligent Grinding on bottle-neck machines to improve productivity
- Super Precision Pinion Units with controlled Torque for Pinion Application
- Sharing of Technology for special processes such as Induction Hardening, Hard Turning for Run-out Control, Orbital Rolling

Bengaluru Plant

- To Prevent Grease missing defects; Greasing Machine Imported from Italy
- To prevent Ball Mix up Defects, Ball Mix up detection system Imported from QTC Austria
- Obsolete Electronics System Upgraded with New Mitsubishi Control System, Bore Grinders and, Face Grinder in channels.
- New Drive System Oriental make installed in Pairing Machine to improve reliability
- Auto cage loading System installed to improve Efficiency.

- Obsolete Electronics System Upgraded with New Siemens Control System for Packing machines. Technical team received training in Advanced abrasive Machining.

Haridwar Plant :

- Validation of alternate material of seals for new projects
- Upgraded 3 laucage machine with Auto Camera inspection to improve the quality defect detection and short time in machine setting and trouble shooting
- MZU machine developed with Indian source on 2 channels
- Online control installed on channels to detect the seal/shield missing defect
- CMS implementation on channels for real time manufacturing control; also training to users for effective utilization of CMS
- Measuring machine MVM upgraded with CMME software and supported by QT Austria

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- The Company continues to explore new product range to the overseas customers. Exports are mainly to automotive customers wherein the products are delivered mainly to four wheeler OEM's. and also to aftermarket in Asia and USA Exports is 2628 MINR which is 10 percent of the total sales and represents an increase of 37 per cent over previous year.
- The information on foreign exchange earnings and outgo is as below:

Earnings in foreign exchange is 2954 MINR, comprising of Exports of 2682 MINR and reimbursement of expenses 272 MINR.

Outgo in foreign currency-purchase of finished products 6693 MINR; purchase of components, stores, capital goods 1600 MINR; royalty 477 MINR, trademark fee 310 MINR, IT services 191 MINR, professional fees, travel and other expenses 101 MINR, dividend remitted 269 MINR.

For and on behalf of the Board
 SKF India Limited

Rakesh Makhija
 Chairman

Pune
 May 8, 2018

ANNEXURE VIII TO DIRECTORS' REPORT

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31st March 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I REGISTRATION AND OTHER DETAILS

(i)	CIN	L29130MH1961PLC011980
(ii)	Registration Date	12th April, 1961
(iii)	Name of the Company	SKF India Limited
(iv)	Category /Sub-Category of the Company	Public Company / Limited by Shares
(v)	Address of the Registered office and Contact Details	Mahatma Gandhi Memorial Building, Netaji Subash Road, Charni Road (W), Mumbai - 400002
		Tel No. +91 22 66337777
		Fax No. +91 22 22819074
		Email: investors@skf.com
(vi)	Whether Listed Company	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agents, if any.	TSR Darashaw Limited
		6-10 Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400011
		Tel No. +91 22 66568484
		Fax No. +91 22 66568494
		Email: csg_unit@tsrdarashaw.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated -

Sl. No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1	Bearing and its Components	2814	98%

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	AB SKF Aktiebolaget SKF Se 415 50 Goteborg Sweden	NA	Holding	45.63	2(46)
2	SKF U.K. Ltd. SKF (U.K) Ltd Sundon Park Road Luton Lu3 3BL England	NA	Subsidiary	6.30	2(46)
3	SKF Forvaltning AB 415 50 Goteborg Sweden	NA	Subsidiary	0.39	2(46)

(I) Category-wise Shareholding

Category of Shareholders	Number of shares held at the beginning of the year 1st April, 2017				Number of shares held at the end of the year 31st March, 2018				% Change during the year
	1st April, 2017	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
(a) Individuals / Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b) Cental Government	0	0	0	0.00	0	0	0	0.00	0.00
(c) State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(e) Banks / Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(f) Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
- Trust	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A) (1)	0	0	0	0.00	0	0	0	0.00	0.00
(2) Foreign									
(a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corporate	282,54,568	0	282,54,568	53.58	268,60,968	0	268,60,968	52.32	-1.26
(d) Banks / Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(e) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(f) Any Other (specify)									
Sub-Total (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	282,54,568	0	282,54,568	53.58	268,60,968	0	268,60,968	52.32	-1.26
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	88,40,591	2,090	88,42,681	16.77	104,19,335	290	104,19,625	20.30	3.53
(b) Banks / Financial Institutions	25,216	18,720	43,936	0.08	18,933	18,620	37,553	0.07	-0.01
(c) Cental Government	0	0	0	0.00	0	0	0	0.00	0.00
(d) State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f) Insurance Companies	21,02,298	240	21,02,538	3.99	20,74,543	240	20,74,783	4.04	0.05
(g) Foreign Institutional Investors	62,55,772	50	62,55,822	11.86	49,49,102	0	49,49,102	9.64	-2.22
(h) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(i) Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
- OCBs / Foreign Companies	0	4,600	4,600	0.01	0	4,350	4,350	0.01	0.00
Sub-Total (B) (1)	172,23,877	25,700	172,49,577	32.71	174,61,913	23,500	174,85,413	34.06	1.35

(I) Category-wise Shareholding (Contd.)

Category of Shareholders	Number of shares held at the beginning of the year 1st April, 2017				Number of shares held at the end of the year 31st March, 2018				% Change during the year
	1st April, 2017	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non-Institutions									
(a) Bodies Corporate									
i Indian	17,93,200	10,356	18,03,556	3.42	16,97,217	8,076	17,05,293	3.32	-0.10
ii Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b) Individuals -									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	38,70,267	8,81,087	47,51,354	9.01	37,42,639	6,83,357	44,25,996	8.62	-0.39
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	6,56,466	0	6,56,466	1.24	6,71,975	0	6,71,975	1.31	0.06
(c) Any Other (specify)									
- Trust	1,322	0	1,322	0.00	830	0	830	0.00	0.00
- Bodies Corp - NBFC	15,695	0	15,695	0.03	1,876	0	1,876	0.00	-0.03
IEPF A/C	0	0	0	0.00	1,75,790	0	1,75,790	0.34	0.34
Alternate Invest Fund	0	0	0	0.00	9,822	0	9,822	0.02	0.02
Sub-total (B) (2)	63,36,950	8,91,443	72,28,393	13.71	63,00,149	6,91,433	69,91,582	13.62	-0.09
Total Public Shareholding (B) = (B)(1)+(B)(2)	235,60,827	9,17,143	244,77,970	46.42	237,62,062	7,14,933	244,76,995	47.68	1.26
Total (A)+(B)	518,15,395	9,17,143	527,32,538	100.00	506,23,030	7,14,933	513,37,963	100.00	0.00
(c) Shares held by Custodians for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
1 Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
2 Public	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A)+(B)+(C)	518,15,395	9,17,143	527,32,538	100.00	506,23,030	7,14,933	513,37,963	100.00	0.00

(II) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 1st April, 2017			Shareholding at the end of the year 31st March, 2018			% Change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	AB SKF	246,39,048	46.72	0.00	234,23,776	45.63	0.00	-1.10
2.	SKF U.K.Ltd.	34,02,000	6.45	0.00	32,34,203	6.30	0.00	-0.15
3.	SKF FORVALTNING AB	2,13,520	0.41	0.00	2,02,989	0.39	0.00	-0.01
	Total	282,54,568	53.58	0.00	268,60,968	52.32	0.00	-1.26

(III) Change in Promoters' Shareholding (please specify, if there is no change)

S.No	Name of the Share holder	Date	Reason	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
1.1	AB SKF	01-Apr-2017	At the beginning of the year	246,39,048	46.72	246,39,048	46.72
1.1		16-Jun-2017	Tendered in Buyback shares	-12,15,272	-2.30	234,23,776	45.63
1.1		31-Mar-2018	At the end of the year	-	-	234,23,776	45.63
2.1	SKF U.K. Ltd.	01-Apr-2017	At the beginning of the year	34,02,000	6.45	34,02,000	6.45
2.1		16-Jun-2017	Tendered in Buyback shares	-1,67,797	-0.32	32,34,203	6.30
2.1		31-Mar-2018	At the end of the year	-	-	32,34,203	6.30
3.1	SKF Forvaltning AB	01-Apr-2017	At the beginning of the year	2,13,520	0.41	2,13,520	0.41
3.1		16-Jun-2017	Tendered in Buyback shares	-10,531	-0.02	2,02,989	0.39
3.1		31-Mar-2018	At the end of the year	-	-	2,02,989	0.39

(IV) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Serial no	Name of the Share holder	Date	Reason	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
1.1	Hdfc Small Cap Fund	01-Apr-2017	At the beginning of the year	90,000	0.18	90,000	0.18
1.1		24-Nov-2017	Increase	400	0.00	90,400	0.18
1.1		15-Dec-2017	Increase	22,500	0.04	1,12,900	0.22
1.1		22-Dec-2017	Increase	2,700	0.01	1,15,600	0.23
1.1		05-Jan-2018	Increase	16,100	0.03	1,31,700	0.26
1.1		23-Feb-2018	Increase	1,54,200	0.30	2,85,900	0.56
1.1		23-Mar-2018	Increase	2,25,700	0.44	5,11,600	1.00
1.1		31-Mar-2018	At the end of the year	0	0.00	5,11,600	1.00
1.2	Hdfc Trustee Company Limited A/C Hdfc Balanced Fund	01-Apr-2017	At the beginning of the year	7,92,687	1.54	7,92,687	1.54
1.2		08-Sep-2017	Increase	2,32,731	0.45	10,25,418	2.00
1.2		15-Sep-2017	Increase	40,000	0.08	10,65,418	2.08

(IV) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) (Contd.)

Serial no	Name of the Share holder	Date	Reason	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
1.2		22-Sep-2017	Increase	1,15,000	0.22	11,80,418	2.30
1.2		17-Nov-2017	Increase	19,100	0.04	11,99,518	2.34
1.2		24-Nov-2017	Increase	50,000	0.10	12,49,518	2.43
1.2		02-Mar-2018	Increase	1,35,000	0.26	13,84,518	2.70
1.2		23-Mar-2018	Increase	1,50,000	0.29	15,34,518	2.99
1.2		31-Mar-2018	At the end of the year	0	0.00	15,34,518	2.99
1.3	Hdfc Trustee Company Ltd A/C- Hdfc Children'Sgift Fund- Savings Plan	01-Apr-2017	At the beginning of the year	3,035	0.01	3,035	0.01
1.3		27-Oct-2017	Decrease	-3,035	-0.01	0	0.00
1.3		31-Mar-2018	At the end of the year	0	0.00	0	0.00
1.4	Hdfc Trustee Company Ltd A/C - Hdfc Children'S Gift Fund - Investment Plan	01-Apr-2017	At the beginning of the year	83,000	0.16	83,000	0.16
1.4		27-Oct-2017	Increase	3,035	0.01	86,035	0.17
1.4		31-Mar-2018	At the end of the year	0	0.00	86,035	0.17
1.5	Hdfc Trustee Company Ltd - Hdfc Long Term Advantage Fund	01-Apr-2017	At the beginning of the year	0	0.00	0	0.00
1.5		23-Feb-2018	Increase	50,000	0.10	50,000	0.10
1.5		31-Mar-2018	At the end of the year	0	0.00	50,000	0.10
1.6	Hdfc Trustee Company Ltd - A/C Hdfc Mid - Cap opportunities Fund	01-Apr-2017	At the beginning of the year	17,27,792	3.37	17,27,792	3.37
1.6		14-Apr-2017	Increase	93,100	0.18	18,20,892	3.55
1.6		28-Apr-2017	Increase	3,000	0.01	18,23,892	3.55
1.6		31-Oct-2017	Increase	50,320	0.10	18,74,212	3.65
1.6		03-Nov-2017	Increase	33,273	0.06	19,07,485	3.72
1.6		10-Nov-2017	Increase	1,35,000	0.26	20,42,485	3.98
1.6		24-Nov-2017	Increase	25,350	0.05	20,67,835	4.03
1.6		31-Mar-2018	At the end of the year	0	0.00	20,67,835	4.03
1.7	Hdfc Trustee Co Ltd A/C Hdfc Retirement Savings Fund-Hybrid-Equity Plan	01-Apr-2017	At the beginning of the year	7,500	0.01	7,500	0.01

(IV) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) (Contd.)

Serial no	Name of the Share holder	Date	Reason	Shareholding at the beginning of the year 01.04.2017		Cummulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
1.7		31-Mar-2018	At the end of the year	0	0.00	7,500	0.01
1.8	Hdfc Trustee Co Ltd A/C Hdfc Retirement Savings Fund-Hybrid-Debt Plan	01-Apr-2017	At the beginning of the year	1,300	0.00	1,300	0.00
1.8		31-Mar-2018	At the end of the year	0	0.00	1,300	0.00
1.9	Hdfc Trustee Co Ltd A/C Hdfc Retirement Savings Fund-Equity Plan	01-Apr-2017	At the beginning of the year	14,095	0.03	14,095	0.03
1.9		15-Sep-2017	Increase	10,000	0.02	24,095	0.05
1.9		31-Mar-2018	At the end of the year	0	0.00	24,095	0.05
1	Pan Total :			27,19,409	5.30	42,82,883	8.34
2.1	Franklin Templeton Mutual Fund A/C Franklin India Taxshield	01-Apr-2017	At the beginning of the year	1,63,295	0.32	1,63,295	0.32
2.1		31-Mar-2018	At the end of the year	0	0.00	1,63,295	0.32
2.2	Franklin Templeton Mutual Fund A/C Franklin India Prima Fund	01-Apr-2017	At the beginning of the year	4,61,841	0.90	4,61,841	0.90
2.2		20-Oct-2017	Increase	2,25,233	0.44	6,87,074	1.34
2.2		27-Oct-2017	Increase	1,63,994	0.32	8,51,068	1.66
2.2		02-Feb-2018	Decrease	-8,349	-0.02	8,42,719	1.64
2.2		31-Mar-2018	At the end of the year	0	0.00	8,42,719	1.64
2.3	Franklin Templeton Mutual Fund A/C Franklin India Prima Plus	01-Apr-2017	At the beginning of the year	6,40,000	1.25	6,40,000	1.25
2.3		31-Mar-2018	At the end of the year	0	0.00	6,40,000	1.25
2.4	Franklin Templeton Mutual Fund A/C Franklin India Flexi Cap Fund	01-Apr-2017	At the beginning of the year	2,51,012	0.49	2,51,012	0.49
2.4		31-Mar-2018	At the end of the year	0	0.00	2,51,012	0.49
2.5	Franklin India Smaller Companies Fund	01-Apr-2017	At the beginning of the year	4,08,682	0.80	4,08,682	0.80
2.5		20-Oct-2017	Decrease	-3,00,110	-0.58	1,08,572	0.21
2.5		27-Oct-2017	Decrease	-1,08,572	-0.21	0	0.00

(IV) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) (Contd.)

Serial no	Name of the Share holder	Date	Reason	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
2.5		31-Mar-2018	At the end of the year	0	0.00	0	0.00
2.6	Franklin Templeton Mutual Fund A/C Franklin India High Growth Companies Fund	01-Apr-2017	At the beginning of the year	7,25,000	1.41	7,25,000	1.41
2.6		07-Apr-2017	Decrease	-25,893	-0.05	6,99,107	1.36
2.6		14-Apr-2017	Decrease	-24,107	-0.05	6,75,000	1.31
2.6		01-Sep-2017	Increase	1,06,249	0.21	7,81,249	1.52
2.6		29-Sep-2017	Increase	22,894	0.04	8,04,143	1.57
2.6		06-Oct-2017	Increase	18,906	0.04	8,23,049	1.60
2.6		10-Nov-2017	Decrease	-26	0.00	8,23,023	1.60
2.6		29-Dec-2017	Decrease	-3,023	-0.01	8,20,000	1.60
2.6		31-Mar-2018	At the end of the year	0	0.00	8,20,000	1.60
2.7	Franklin Templeton Mutual Fund A/C Franklin Build India Fund (Fbif)	01-Apr-2017	At the beginning of the year	1,00,000	0.19	1,00,000	0.19
2.7		01-Sep-2017	Increase	18,751	0.04	1,18,751	0.23
2.7		06-Oct-2017	Increase	3,594	0.01	1,22,345	0.24
2.7		10-Nov-2017	Decrease	-20	0.00	1,22,325	0.24
2.7		31-Mar-2018	At the end of the year	0	0.00	1,22,325	0.24
2	Pan Total :			27,49,830	5.36	28,39,351	5.53
3.1	Uti-Mnc Fund	01-Apr-2017	At the beginning of the year	2,30,498	0.45	2,30,498	0.45
3.1		31-Mar-2018	At the end of the year	0	0.00	2,30,498	0.45
3.2	Uti - Top 100 Fund	01-Apr-2017	At the beginning of the year	1,80,000	0.35	1,80,000	0.35
3.2		19-May-2017	Decrease	-27,707	-0.05	1,52,293	0.30
3.2		26-May-2017	Decrease	-15,000	-0.03	1,37,293	0.27
3.2		28-Jul-2017	Decrease	-17,872	-0.03	1,19,421	0.23
3.2		04-Aug-2017	Decrease	-25,000	-0.05	94,421	0.18
3.2		11-Aug-2017	Decrease	-5,572	-0.01	88,849	0.17
3.2		29-Sep-2017	Decrease	-25,000	-0.05	63,849	0.12
3.2		06-Oct-2017	Decrease	-63,849	-0.12	0	0.00
3.2		31-Mar-2018	At the end of the year	0	0.00	0	0.00
3.3	Uti-Mastershare Unit Scheme	01-Apr-2017	At the beginning of the year	7,20,000	1.40	7,20,000	1.40

(IV) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) (Contd.)

Serial no	Name of the Share holder	Date	Reason	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
3.3		16-Jun-2017	Decrease	-18,000	-0.04	7,02,000	1.37
3.3		30-Jun-2017	Decrease	-13,500	-0.03	6,88,500	1.34
3.3		07-Jul-2017	Decrease	-2,027	0.00	6,86,473	1.34
3.3		27-Oct-2017	Decrease	-11,473	-0.02	6,75,000	1.31
3.3		01-Dec-2017	Decrease	-7	0.00	6,74,993	1.31
3.3		16-Mar-2018	Decrease	-9,793	-0.02	6,65,200	1.30
3.3		31-Mar-2018	At the end of the year	0	0.00	6,65,200	1.30
3.4	Uti-Master Equity Plan Unit Scheme	01-Apr-2017	At the beginning of the year	1,00,000	0.19	1,00,000	0.19
3.4		31-Mar-2018	At the end of the year	0	0.00	1,00,000	0.19
3.5	Uti- Infrastructure Fund	01-Apr-2017	At the beginning of the year	1,00,000	0.19	1,00,000	0.19
3.5		31-Mar-2018	At the end of the year	0	0.00	1,00,000	0.19
3		Pan Total :		13,30,498	2.59	10,95,698	2.13
4.1	Sbi Magnum Global Fund	01-Apr-2017	At the beginning of the year	4,10,000	0.80	4,10,000	0.80
4.1		31-Mar-2018	At the end of the year	0	0.00	4,10,000	0.80
4.2	Sbi Magnum Midcap Fund	01-Apr-2017	At the beginning of the year	3,26,198	0.64	3,26,198	0.64
4.2		31-Mar-2018	At the end of the year	0	0.00	3,26,198	0.64
4.3	Sbi Blue Chip Fund	01-Apr-2017	At the beginning of the year	3,21,347	0.63	3,21,347	0.63
4.3		31-Mar-2018	At the end of the year	0	0.00	3,21,347	0.63
4		Pan Total :		10,57,545	2.06	10,57,545	2.06
5.1	Franklin Templeton Investment Funds	01-Apr-2017	At the beginning of the year	10,50,000	2.05	10,50,000	2.05
5.1		23-Mar-2018	Decrease	-2,33,600	-0.46	8,16,400	1.59
5.1		31-Mar-2018	At the end of the year	0	0.00	8,16,400	1.59
5		Pan Total :		10,50,000	2.05	8,16,400	1.59
6.1	First State Indian Subcontinent Fund	01-Apr-2017	At the beginning of the year	4,50,442	0.88	4,50,442	0.88
6.1		25-Aug-2017	Increase	1,02,645	0.20	5,53,087	1.08
6.1		01-Sep-2017	Increase	1,03,144	0.20	6,56,231	1.28
6.1		08-Sep-2017	Increase	51,409	0.10	7,07,640	1.38
6.1		29-Sep-2017	Increase	21,490	0.04	7,29,130	1.42
6.1		06-Oct-2017	Increase	40,500	0.08	7,69,630	1.50
6.1		27-Oct-2017	Increase	5,737	0.01	7,75,367	1.51

(IV) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) (Contd.)

Serial no	Name of the Share holder	Date	Reason	Shareholding at the beginning of the year 01.04.2017		Cummulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
6.1		31-Oct-2017	Increase	8,200	0.02	7,83,567	1.53
6.1		31-Mar-2018	At the end of the year	0	0.00	7,83,567	1.53
6		Pan Total :		4,50,442	0.88	7,83,567	1.53
7.1	Kotak Opportunities	01-Apr-2017	At the beginning of the year	30,000	0.06	30,000	0.06
7.1		28-Jul-2017	Decrease	-30,000	-0.06	0	0.00
7.1		31-Mar-2018	At the end of the year	0	0.00	0	0.00
7.2	Kotak Midcap	01-Apr-2017	At the beginning of the year	55,812	0.11	55,812	0.11
7.2		19-May-2017	Increase	3,473	0.01	59,285	0.12
7.2		23-Jun-2017	Increase	2,405	0.00	61,690	0.12
7.2		19-Jul-2017	Increase	2,269	0.00	63,959	0.12
7.2		04-Aug-2017	Increase	7,000	0.01	70,959	0.14
7.2		31-Oct-2017	Increase	2,756	0.01	73,715	0.14
7.2		10-Nov-2017	Increase	62	0.00	73,777	0.14
7.2		16-Feb-2018	Increase	4,734	0.01	78,511	0.15
7.2		30-Mar-2018	Increase	1,118	0.00	79,629	0.16
7.2		31-Mar-2018	At the end of the year	0	0.00	79,629	0.16
7.3	Kotak Tax Saver Scheme	01-Apr-2017	At the beginning of the year	70,129	0.14	70,129	0.14
7.3		28-Jul-2017	Increase	30,000	0.06	1,00,129	0.20
7.3		31-Mar-2018	At the end of the year	0	0.00	1,00,129	0.20
7.4	Kotak Emerging Equity Scheme	01-Apr-2017	At the beginning of the year	1,95,912	0.38	1,95,912	0.38
7.4		19-May-2017	Increase	2,182	0.00	1,98,094	0.39
7.4		26-May-2017	Increase	13,048	0.03	2,11,142	0.41
7.4		02-Jun-2017	Increase	7,715	0.02	2,18,857	0.43
7.4		09-Jun-2017	Increase	813	0.00	2,19,670	0.43
7.4		23-Jun-2017	Increase	2,002	0.00	2,21,672	0.43
7.4		30-Jun-2017	Increase	2,754	0.01	2,24,426	0.44
7.4		07-Jul-2017	Increase	3,538	0.01	2,27,964	0.44
7.4		14-Jul-2017	Increase	3,780	0.01	2,31,744	0.45
7.4		19-Jul-2017	Increase	4,454	0.01	2,36,198	0.46
7.4		21-Jul-2017	Increase	4,656	0.01	2,40,854	0.47
7.4		28-Jul-2017	Increase	3,785	0.01	2,44,639	0.48
7.4		04-Aug-2017	Increase	11,428	0.02	2,56,067	0.50
7.4		11-Aug-2017	Increase	5,245	0.01	2,61,312	0.51

(IV) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) (Contd.)

Serial no	Name of the Share holder	Date	Reason	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
7.4		18-Aug-2017	Increase	7,142	0.01	2,68,454	0.52
7.4		25-Aug-2017	Increase	1,193	0.00	2,69,647	0.53
7.4		01-Sep-2017	Increase	1,083	0.00	2,70,730	0.53
7.4		08-Sep-2017	Increase	3,813	0.01	2,74,543	0.53
7.4		29-Sep-2017	Increase	384	0.00	2,74,927	0.54
7.4		31-Oct-2017	Increase	3,739	0.01	2,78,666	0.54
7.4		03-Nov-2017	Increase	928	0.00	2,79,594	0.54
7.4		17-Nov-2017	Increase	2,164	0.00	2,81,758	0.55
7.4		24-Nov-2017	Increase	1,799	0.00	2,83,557	0.55
7.4		01-Dec-2017	Increase	1,313	0.00	2,84,870	0.55
7.4		08-Dec-2017	Increase	17,644	0.03	3,02,514	0.59
7.4		22-Dec-2017	Increase	5,360	0.01	3,07,874	0.60
7.4		29-Dec-2017	Increase	469	0.00	3,08,343	0.60
7.4		19-Jan-2018	Increase	17,675	0.03	3,26,018	0.64
7.4		26-Jan-2018	Increase	12,820	0.02	3,38,838	0.66
7.4		09-Feb-2018	Increase	7,436	0.01	3,46,274	0.67
7.4		16-Feb-2018	Increase	7,020	0.01	3,53,294	0.69
7.4		23-Feb-2018	Increase	4,625	0.01	3,57,919	0.70
7.4		02-Mar-2018	Increase	5,000	0.01	3,62,919	0.71
7.4		31-Mar-2018	At the end of the year	0	0.00	3,62,919	0.71
7.5	Kotak Infrastructure & Economic Reform Fund	01-Apr-2017	At the beginning of the year	77,500	0.15	77,500	0.15
7.5		12-May-2017	Increase	2,500	0.00	80,000	0.16
7.5		24-Nov-2017	Decrease	-2,006	0.00	77,994	0.15
7.5		01-Dec-2017	Decrease	-302	0.00	77,692	0.15
7.5		05-Jan-2018	Decrease	-2,224	0.00	75,468	0.15
7.5		31-Mar-2018	At the end of the year	0	0.00	75,468	0.15
7		Pan Total :		4,29,353	0.84	6,18,145	1.20
8.1	Tata Aia Life Insurance Co Limited-Life Fund	01-Apr-2017	At the beginning of the year	4,990	0.01	4,990	0.01
8.1		31-Mar-2018	At the end of the year	0	0.00	4,990	0.01
8.2	Tata Aia Life Insurance Co Ltd- Life Equity Fund-Ulif 001 04/02/04 Tel 110	01-Apr-2017	At the beginning of the year	1,00,000	0.19	1,00,000	0.19

(IV) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) (Contd.)

Serial no	Name of the Share holder	Date	Reason	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
8.2		31-Mar-2018	At the end of the year	0	0.00	1,00,000	0.19
8.3	Tata Aia Life Insurance Co Ltd-Pension Equity Fund-Ulhf 001 02/03/04 E1 110	01-Apr-2017	At the beginning of the year	5,000	0.01	5,000	0.01
8.3		31-Mar-2018	At the end of the year	0	0.00	5,000	0.01
8.4	Tata Aia Life Insurance Co Ltd-Aggressive Growth Fund-Ulhf 006 01/07/06 Tal 110	01-Apr-2017	At the beginning of the year	7,000	0.01	7,000	0.01
8.4		31-Mar-2018	At the end of the year	0	0.00	7,000	0.01
8.5	Tata Aia Life Insurance Co Ltd-Whole Life Mid Cap Equity Fund-Ulhf 009 04/01/07 Wle 110	01-Apr-2017	At the beginning of the year	2,20,000	0.43	2,20,000	0.43
8.5		31-Mar-2018	At the end of the year	0	0.00	2,20,000	0.43
8.6	Tata Aia Life Insurance Co Ltd-Whole Life Aggressive Growth Fund-Ulhf 010 04/01/07 Wla 110	01-Apr-2017	At the beginning of the year	15,000	0.03	15,000	0.03
8.6		31-Mar-2018	At the end of the year	0	0.00	15,000	0.03
8.7	Tata Aia Life Insurance Co Ltd-Life Whole Life Stable Growth Fund-Ulhf 011 04/01/07 Wls 110	01-Apr-2017	At the beginning of the year	2,000	0.00	2,000	0.00
8.7		31-Mar-2018	At the end of the year	0	0.00	2,000	0.00
8.8	Tata Aia Life Insurance Co Ltd-Large Cap Equity Fund-Ulhf 017 07/01/08 Tlc 110	01-Apr-2017	At the beginning of the year	55,000	0.11	55,000	0.11
8.8		31-Mar-2018	At the end of the year	0	0.00	55,000	0.11
8.9	Tata Aia Life Insurance Co Ltd-Future Equity Pension Fund-Ulhf 020 04/02/08 Fep 110	01-Apr-2017	At the beginning of the year	10,000	0.02	10,000	0.02
8.9		31-Mar-2018	At the end of the year	0	0.00	10,000	0.02
8.10	Tata Aia Life Insurance Co Ltd-Select Equity Fund-Ulhf 024 06/10/08 Tse 110	01-Apr-2017	At the beginning of the year	8,500	0.02	8,500	0.02

(IV) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) (Contd.)

Serial no	Name of the Share holder	Date	Reason	Shareholding at the beginning of the year 01.04.2017		Cummulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
8.10		02-Feb-2018	Decrease	-2,692	-0.01	5,808	0.01
8.10		31-Mar-2018	At the end of the year	0	0.00	5,808	0.01
8.11	Tata Aia Life Insurance Co Ltd-Future Select Equity Fund-Ulif 023 06/10/08 Fse 110	01-Apr-2017	At the beginning of the year	1,500	0.00	1,500	0.00
8.11		26-Jan-2018	Decrease	-825	0.00	675	0.00
8.11		31-Mar-2018	At the end of the year	0	0.00	675	0.00
8.12	Tata Aia Life Insurance Co Ltd-Top 200 Fund-Ulif 027 12/01/09 Itt 110	01-Apr-2017	At the beginning of the year	15,000	0.03	15,000	0.03
8.12		31-Mar-2018	At the end of the year	0	0.00	15,000	0.03
8.13	Tata Aia Life Insurance Co Ltd-Infrastructure Fund-Ulif 034 16/10/09 Tis 110	01-Apr-2017	At the beginning of the year	5,000	0.01	5,000	0.01
8.13		31-Mar-2018	At the end of the year	0	0.00	5,000	0.01
8.14	Tata Aia Life Insurance Co Ltd-Super Select Equity Fund-Ulif 035 16/10/09 Tss 110	01-Apr-2017	At the beginning of the year	35,000	0.07	35,000	0.07
8.14		31-Mar-2018	At the end of the year	0	0.00	35,000	0.07
8.15	Tata Aia Life Insurance Co Ltd-Super Select Equity Pension Fund-Ulif 037 04/01/10 Fss 110	01-Apr-2017	At the beginning of the year	1,500	0.00	1,500	0.00
8.15		26-Jan-2018	Decrease	-900	0.00	600	0.00
8.15		31-Mar-2018	At the end of the year	0	0.00	600	0.00
8.16	Tata Aia Life Insurance Co Ltd-Life Growth Fund Ulif 004 04/02/04 Tgl 110	01-Apr-2017	At the beginning of the year	6,000	0.01	6,000	0.01
8.16		31-Mar-2018	At the end of the year	0	0.00	6,000	0.01
8.17	Tata Aia Life Insurance Company Ltd - Non Unit Linked Life Policy Holders Fund Participating	01-Apr-2017	At the beginning of the year	1,19,000	0.23	1,19,000	0.23
8.17		21-Apr-2017	Increase	4,242	0.01	1,23,242	0.24

Serial no	Name of the Share holder	Date	Reason	Shareholding at the beginning of the year 01.04.2017		Cummulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
8.17		31-Mar-2018	At the end of the year	0	0.00	1,23,242	0.24
8.18	Tata Aia Life Insurance Co Ltd Unit Linked Multi Cap Fund	01-Apr-2017	At the beginning of the year	0	0.00	0	0.00
8.18		04-Aug-2017	Increase	40	0.00	40	0.00
8.18		08-Sep-2017	Increase	30	0.00	70	0.00
8.18		26-Jan-2018	Decrease	-70	0.00	0	0.00
8.18		31-Mar-2018	At the end of the year	0	0.00	0	0.00
8.19	Tata Aia Life Insurance Company Limited Non Unit Linked Life Non Participating Funds	01-Apr-2017	At the beginning of the year	4,989	0.01	4,989	0.01
8.19		16-Mar-2018	Decrease	-1,838	0.00	3,151	0.01
8.19		31-Mar-2018	At the end of the year	0	0.00	3,151	0.01
8.20	Tata Aia Life Insurance Company Limited Non Unit Linked Pension Non Participating Funds	01-Apr-2017	At the beginning of the year	197	0.00	197	0.00
8.20		16-Mar-2018	Decrease	-197	0.00	0	0.00
8.20		31-Mar-2018	At the end of the year	0	0.00	0	0.00
8.21	Tata Aia Life Insurance Company Limited Ac Unit Reserve Fund	01-Apr-2017	At the beginning of the year	0	0.00	0	0.00
8.21		16-Mar-2018	Increase	1,838	0.00	1,838	0.00
8.21		31-Mar-2018	At the end of the year	0	0.00	1,838	0.00
8.22	Tata Aia Life Insurance Company Limited Ac Reserve Fund Pension Individual	01-Apr-2017	At the beginning of the year	0	0.00	0	0.00
8.22		16-Mar-2018	Increase	197	0.00	197	0.00
8.22		31-Mar-2018	At the end of the year	0	0.00	197	0.00
8	Pan Total :			6,15,676	1.20	6,15,501	1.20
9.1	The Scottish Oriental Smaller Companies Trustplc	01-Apr-2017	At the beginning of the year	4,88,660	0.95	4,88,660	0.95
9.1		25-Aug-2017	Increase	37,585	0.07	5,26,245	1.03
9.1		01-Sep-2017	Increase	2,146	0.00	5,28,391	1.03
9.1		08-Sep-2017	Increase	74,738	0.15	6,03,129	1.17

Serial no	Name of the Share holder	Date	Reason	Shareholding at the beginning of the year 01.04.2017		Cummulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
9.1		31-Mar-2018	At the end of the year	0	0.00	6,03,129	1.17
9		Pan Total :		4,88,660	0.95	6,03,129	1.17
10.1	The New India Assurance Company Limited	01-Apr-2017	At the beginning of the year	5,81,827	1.13	5,81,827	1.13
10.1		19-Jan-2018	Decrease	-5,005	-0.01	5,76,822	1.12
10.1		26-Jan-2018	Decrease	-77	0.00	5,76,745	1.12
10.1		31-Mar-2018	At the end of the year	0	0.00	5,76,745	1.12
10		Pan Total :		5,81,827	1.13	5,76,745	1.12

(V) Shareholding of Directors and Key Managerial Personnel

Sr. No	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.04.2017		Cummulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
1.1	Prakash Manjanath Telang	01-Apr-2017	At the beginning of the year	1,000	0.00	1,000	0.00
1.1		31-Mar-2018	At the end of the year	0	0.00	1,000	0.00
1	Total		Total :	1,000	0.00	1,000	0.00

None of other Directors and Key Management Personnel of the Company hold equity shares of the Company during the financial year 2017-2018.

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

The Company had no indebtedness with respect to Secured or Unsecured Loans of Deposits as on 31st March 2018

VI Remuneration of Directors and Key Managerial Personnel

(₹ in million)

A. Remuneration to KMPs						
S.N.	Pariculars of Remuneration	Shishir Joshipura MD	Chandramowli S. CFO	P. Bhandari CS	Total	
1	Gross Salary					
a	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	22.20	10.78	3.30	36.28	
b	Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-	-	
c	Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-	
2	Stock Option	-	-	-	-	
3	Sweat Equity	-	-	-	-	
4	Commission					
	% of Profit	-	-	-	-	
5	Others (Performance Share Plan & Dividend)					
	Deferred Benefits (PF & Superannuation)	2.72	0.61	0.23	3.56	
	Long Term Incentives Scheme	1.87	1.25	-	3.12	
	Performance Linked incentives	4.69	2.69	0.88	8.26	
	Total (A)	31.48	15.33	4.41	51.22	
	Ceiling as per the Act	229.8				
B. Remuneration to Other Directors						
		Name of Directors				
	Particulars of Remuneration	R. Makhija	P R Menon	P M Telang	H. Hattangady	Total
1	Independent Directors					
	Fee for attending Board / Committee Meetings	-	0.61	0.70	0.52	
	Commission	-	1.70	1.70	1.70	
	Others, please specify	-	-	-	-	
	Total (a)	-	2.31	2.40	2.22	
2	Other Non-Executive Directors					
	Fee for attending Board / Committee Meetings	0.64	-	-	-	
	Commission	2.10	-	-	-	
	Others, please specify	-	-	-	-	
	Total (b)	2.74	-	-	-	
	Total (a+b)	2.74	2.31	2.40	2.22	
	Total Managerial Remuneration					9.67
	Overall Ceiling as per the Act					45.96

VII. Penalties / Punishment / Compounding of Offences

During the year under review, no penalties were levied against the Company or its Directors or any of its officers under the Companies Act, 2013 nor was there any punishment or compounding of offences against the Company or its Directors.

For and on behalf of the Board
SKF India Limited

Pune
May 8, 2018

R. Makhija
Chairman

BUSINESS RESPONSIBILITY REPORT

[As per Regulations 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

INTRODUCTION

Sustainability is on the agenda of the Group's functioning and we strive towards imbuing the same into our daily operations. We have embarked on the journey of developing this business responsibility report based on the suggested framework of SEBI. Sustainability is one of the key strategic drivers of business at SKF. Sustainability is one of the key strategic drivers of business at SKF and we align sustainability with SKF care. Business, Environment, Employees and Communities are four dimensions of SKF care and we aspire to create shared value among these dimensions through our operations.

We consider this as an opportunity to communicate our performance and progress across environmental, social and governance aspects. This report for Financial Year 2017-18 is our second year of publishing the business responsibility (BR) report. Through this report, we are committed to monitoring and reporting on the non-financial parameters and thereby maintain confidence and trust of all our stakeholders elemental for our continued growth.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company : L29130MH1961PLC011980
- Name of the Company : SKF INDIA LIMITED
- Registered address : Mahatma Gandhi Memorial Building, N. S. Road, Charni Road (w), Mumbai - 400 002
- Website : www.skfindia.com
- E-mail id : investors@skf.com
- Financial Year reported : April 2017 to March 2018
- Sector(s) that the Company is engaged in (industrial activity code- wise) : class sector

Class	Sector
2814	Bearings and its component

- List three key products/services that the Company manufactures /provides (as in balance sheet)

Following are the Key products provided by SKF India Limited as in the balance sheet:

- Ball Bearing
- Hub Bearing
- Taper Roller Bearing

- Total number of locations where business activity is undertaken by the Company

(a) Number of International Locations (Provide details of major 5) - None

(b) Number of National Locations - 3 manufacturing locations (Pune, Bengaluru and Haridwar).

- Markets served by the Company - SKF India Limited is present across the country and serves the national markets

Section B: Financial details of the company (all values in Million INR)

- Paid up Capital - 513.4
- Revenue from operations - 28048
- Total profit after taxes - 2959
- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 2% of average profit before tax for previous 3 years
- List of activities in which expenditure in 4 above has been incurred.

The above expenditure has been incurred in the following activities:

- Training to Promote Nationally recognize Sports
- Employment Enhancing Vocational Skills
- Livelihood Enhancement
- Empowering Women
- Ensuring Environmental Sustainability
- Promotion of Education

Section C: Other Details

- Does the Company have any Subsidiary Company/ Companies?
No, we do not have any subsidiaries.
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) - Not Applicable
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] - Not Applicable

Section D: BR Information

1. Details of Director/Directors responsible for BR

- Details of the Director/Directors responsible for implementation of the BR policy/policies

- Name - Mr. Carl Orstadius
- DIN Number - 08080144
- Designation - Managing Director

b) Details of the BR head

Sr.No	Particulars	Details
1.	Name	Mr. Shrikant Savangikar
2.	DIN Number (if applicable)	06484696

3.	Designation	Director, Business Excellence, Quality and Sustainability
4.	Telephone number	912066112255
5.	e-mail id	shrikant.savangikar@skf.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

S. No	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for..	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? Is yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	<p>The links for the policy to be viewed online are provided below:</p> <p>P1, P3 – The links for the policy to be viewed online are provided below:</p> <ul style="list-style-type: none"> P1 to P9 common for all –http://www.skf.com/in/our-company/organization/skf-commitment/code-of-conduct/index.html P1 : http://www.skf.com/in/our-company/organization/skf-commitment/vision-mission-drivers-values/index.html P1- http://www.skf.com/binary/83-166890/Vigil-Mechanism-Policy-31.07.2014-FINAL.pdf P2, P6 – http://www.skf.com/in/our-company/organization/skf-commitment/environment-health-safety-policy/index.html P2 – http://www.skf.com/binary/21-45396/SKF-Code-of-Conduct-for-suppliers-and-sub-contractors_English-version-1.pdf P7 – http://www.skf.com/in/our-company/organization/skf-commitment/principles-and-charters/index.html P8 – http://www.skf.com/binary/89-295636/SKF-India-CSR-Policy.pdf P9 – http://www.skf.com/in/our-company/organization/skf-commitment/skf-group-quality-policy/index.html 								

S. No	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. (Within 3 months, 3-6 months, Annually, More than 1 year.)

A strategic meet is conducted every year and a report on the BR performance of the company is presented annually. In addition to this, Managing Director, covers a report on Environmental, Health and Safety (EHS) and other factors contributing to the BR performance in every meeting of the Board of Directors.

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Company has published its first BR Report for Financial Year 2016-17

Please find page of BR Report link

<http://www.skf.com/in/investors/shareholder-information/index.html>

Please find link of BR Report.

<http://www.skf.com/binary/83-301225/SKF-India-BRR-Report-2017.pdf>

Section E: Principle-wise performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

We believe that ethical behaviour and good governance help an organization in building stakeholder confidence. Our business ethics require us to drive high ethical standards in our business, increase our accountability by performing our duties with honesty and integrity and, acting in a responsible and professional manner to follow the practice of fair competition and treat everyone with respect.

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers/Contractors / NGOs /Others?

We have a well-defined Code of Conduct that requires full compliance with all applicable laws and regulations and exhibits our approach towards implementation of our core values - High ethics, Empowerment, Openness and Teamwork - across our four areas of responsibility mentioned below.

- To our customers, distributors and suppliers
- To our employees
- To society
- To our shareholders

Our Code of Conduct has been approved by our Board of Directors and its provisions are applicable to all the employees across the Company. We have also formulated a comprehensive Code of Conduct for our suppliers and sub-contractors which is extended to NGOs as well. Additionally, we have also implemented Whistle Blower Policy, Prevention of Insider Trading Policy and various other policies on conflict of interest including SKF Conflict Minerals Policy, SKF EHS policy, SKF Group Social Policy to further strengthen our governance mechanism.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

At SKF, we have an effective grievance redressal mechanism. Our Whistle Blower policy aims at investigating any breach related to ethics which is governed by our Code of Conduct while protecting the person(s) who has disclosed the breach. Apart from the opportunity for any employee or other stakeholder to approach the HR Manager, Director HR or even the Managing Director, there is a phone line and email ID through which grievances can be reported. Employees or other stakeholders can send direct mails to the MD or even to the Group CEO. There have been instances wherein disciplinary action has been taken against employees for violation of Code of Conduct based on, among others, whistle blower complaints received.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 products or services whose design has incorporated social or environmental concerns, risks, and/or opportunities.

The Company does not design products. Designing is done by the SKF Group which endorses both the Global Compact and the Universal declaration of Human Rights. Furthermore, SKF also adheres to ILO's Declaration considering multinational companies, and works to adhere to the OECD Guidelines for Multinational Enterprises.

Some of the examples of our group products designed in accordance to the above principles are and sold in India:

a. Sealed Spherical roller bearing(SRB):

SKF supplied sealed Spherical roller bearings to many customers in India. Comparative to traditional open bearings, these sealed SRB's are having improved performance such as 50% less seal friction, lower operating temperature etc. The key environmental benefits are reduction in grease consumption and increase in service life.



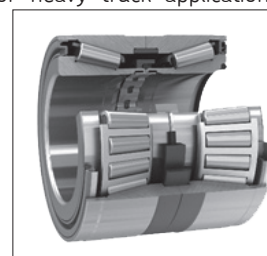
b. Sealed Self Aligning Bearing System,

(Sealed SRB + Sealed CARB) SKF is supplying sealed Self aligning bearings in slab casters of customer. Compared to open bearings, these sealed self-aligning bearing system are helping customer to reduce annual grease consumption by 47 tonne per caster. This is also helping customer for reducing annual bearing consumption by an average of 40%.



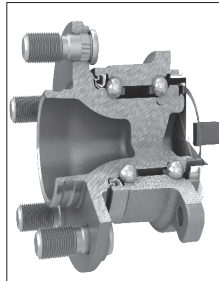
c. Taper Hub units for Euro6 norms:

SKF has developed THU for heavy truck application. These bearings reduce friction by 15%. They are lower in weight by 20%. This reduces fuel consumption of vehicle by 100 lts per year. These bearings use less grease lubricant. Grease consumption is reduced by more than 60% and have direct impact on environment protection.



d. HUB 3 generation wheel end bearings.

These are specially developed bearings for passenger and utility vehicles in India. These Wheel end bearings are lower in weight and have optimized friction. This together reduces fuel consumption of the vehicles. These are greased for life and do not need re-greasing, hence less grease is required for the vehicle and reduces the disposal to environment.



2. For each product, provide the following details in respect of resources (energy, water, raw material etc.) per unit of product.

We are aware of the impacts our operations are going to have on our environment. We continue to adopt energy conservation initiatives and constantly strive to provide products, services and solutions which are environment friendly and socially viable. We take concerted efforts to minimize the impact on environment and support our innovation and R&D team to deliver energy efficient solutions thereby enhancing our EHS performance.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

Our SKF Group purchasing EHS policy outlines guidelines for conservation and safeguarding of energy, water and natural resources for the entire supply chain and also promotes green procurement. All the raw materials for our manufacturing purpose are sourced through steel mills. In India, the steel mills are actively participating in sustainability initiatives and developments. Two of the steel mills are certified for ISO 50001:2011 (Energy Management System) and further two more will be added in future for the process of getting certified. This has resulted in 80% of our steel procurement through sustainable sourcing. Moreover, 80% of our capital expenditure procurement is conducted through sustainable sourcing.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes. Localization is of vital importance in our strategy. We encourage our local (within India) suppliers to improve their capability. We conduct various audits like:

- ☐ QT3 (Quality techniques) audit for new supplier quality approval
- ☐ Zero defect audit for improving supplier capability on quality

- ☐ Supply chain audit to improve supplier capacity
- ☐ Code of conduct for supplier & Subcontractor audit to care of all legal, social, environmental and safety aspects at supplier site

TPM Cluster is also a supplier improvement activity run by us along with third party consultant. Vikas Sath Sath, Unnati, Sathi are few initiatives which assist suppliers to improve their capability and capacity. All the activities are focused on direct material supplier as they contribute maximum in purchasing procurement. However, for IDM (Indirect Material) commodity also we promote local & small producers which include packaging & tooling suppliers. Local & small producers contribute 50% of IDM buying value & 75% as Localization value (within India buying).

5. Does the company have mechanism to recycle products and waste? If yes, what is the percentage of recycling waste and products?

Yes, we have a bearing re-manufacturing concept that contributes in a big way to life cycle optimization through up surging the service life of machines and thereby reducing costs. Bearing re-manufacturing also reduces our environmental impact due to the reduced material and energy requirement. This ultimately helps us achieve our aim of using knowledge engineering to deliver high quality solutions and ensures increased customer satisfaction. We recycle 100% of our returned bearings and processed raw materials by sending them to steel plants where they are being used as raw materials. We recycle 85% of our total waste.

Principle 3: Businesses should promote the wellbeing of all employees

We recognize that our success is the outcome of the competence and commitment exhibited by our employees to drive business. We are committed to providing an environment that is conducive for continuous development and wellbeing of all our employees. All our policies and practices promote this commitment. Our policies on leave, higher education, health care, career progression, flexible work hours, maternity / paternity benefits, multi-skill development, grievance redressal, human rights and employee relations are focused on ensuring overall well-being of our employees.

Our policies are reviewed annually to keep up with the aspirations of our employees as well as the changes in the external environment. We conduct several activities such as sports competitions, long service awards, celebration of festivals, kaizen competitions etc. to boost employee engagement. Our leave provisions are a benchmark in the industry. For the management staff the sick leave is unlimited . We provide paternity leave and have initiated the 26 week maternity leave even before the 'Maternity Act' was amended. We pitch in concerted efforts for ensuring that our employees strike a perfect balance between their professional and personal commitments.

We have sponsored "Employee Assistance Program" which is designed for personal or family problems, including mental health, substance abuse, various addictions, marital problems, parenting problems, emotional problems, or financial or legal concerns. This is an independent counselling and resource service available 24/7 to employees via phone, e-mail or live chat. The service assists with personal issues that could interfere with health, happiness, & work. It provides counselling and family support, including legal and financial information. The personal information is kept confidential.

We have initiated campaign #sheisback# for deserving women candidate who are on a break and want to re-enter in the corporate world. This is helping as a safe bridge for women candidate who is seeking job opportunities to return to work after a career break due to maternity, location move etc.

1. Please indicate the Total number of employees. 1779.
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.
Temporary employees - 747;
Contractual employees - 1400
3. Please indicate the Number of permanent women employees. - 77
4. Please indicate the Number of permanent employees with disabilities - 1

Benefits for employees:

The permanent employees in management cadre can avail benefits related to leave, health insurance, higher education, flexi working time, superannuation scheme, travel, health checks etc. The unionized employees are governed by agreements reached in wage settlements for various benefits. For the temporary employees we ensure that leave, PF, gratuity, holidays, ESIC are compliant to the provisions of the law. We provide canteen and transport facility to our temporary and permanent employees likewise. 42 employees have received parental leave (Maternal/Paternal) benefits

5. Do you have an employee association that is recognized by management?

Yes. We have employee associations that are recognized by the management at Pune, Bangalore and Haridwar factories. All our factories are having unions. The Unions at all locations are internal. Bangalore union though internal takes support of an External Leader as their President. Haridwar Union is affiliated to Bhartiya Majdoor Sangh.

There is no multiplicity of unions in the factories and all unions follow a democratic way of functioning, with periodic election of office bearers, committee and general body meetings. Management supports the unions in conducting the elections peacefully during working hours. SKF believes in nurturing the union and organizes various programs for the development of the union leaders and its members. Two

members of the leadership team from Pune union attend the 'World Council of Unions' meetings in Europe every year. Union and Management collaboration workshops are organized for strengthening the partnership in running the business.

6. What percentage of your permanent employees is members of this recognized employee association?

58% of our permanent employees are members of the recognized employee associations.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No.	Category	No of Complaints filed during the financial year	No of complaints pending as on end of this financial year
1	Child labour/forced labour/involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

At SKF, we strongly believe in the core values of the Group on Openness and nurture a culture of free and transparent communication at all levels. We believe in Gender neutrality and a policy has been framed accordingly. Every factory has an Internal Complaints Committee framed under the Prevention of Sexual Harassment Act. Further details on mechanisms for prevention of child labour and discriminatory employment are provided under Principle 5 of this report.

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

We consider our employees to be our most important assets and undertake initiatives to foster a culture of continuous growth. It is our constant endeavor to empower them with safety and skill-upgradation trainings to motivate professional and personal development

Category	Skill-upgradation Training	Safety Training
Permanent Employees	516	1770
Permanent Women Employees	32	77
Temporary Employees	705	705
Contractual Employees	175	1400
Employees with disabilities	1	1

We believe in training our employees on a variety of behavioral competencies. To facilitate skill development and training, all

three factories have dedicated training centres named as “Kushal”. These centres ensure continuous skill upgradation and technical knowledge enhancement among employees. Multi-skill development is an initiative to tap the potential of employees and enhance flexibility. Our factories at Pune and Haridwar have structured policies for promoting multi-skill development among employees and improve flexibility in operations. All permanent and temporary employees undergo structured ‘class room’ and ‘on the job’ induction programs. Our contractual employees also receive training from their contractors on the specific areas of their job.

SKF College Campus: At Pune, we have a Management Development Center (one of five such centres worldwide). Training programs are conducted locally and by SKF Globally on a wide range of topics to ensure that the various Functional and Professional competencies are ingrained in the management staff.

External opportunities for learning: Apart from the in-house programs, we encourage employees to attend external programs even at international levels. Even the operators are sent to organisations like Asia Plateau for self development. Many of our managers attend programs run by premier

institutes apart from seminars and workshops which provide them with unique learning experiences. Our Managers and operators even participate in International Competitions, which give them huge learning opportunities. Managers are also sent for programs conducted at SKF Globally, like the International Management Program, Global Leadership Programme. Learning through participation in Global projects is also encouraged.

Performance and Career Development: We have a structured online process for Performance Management of the staff. Impetus is placed not only on the goal achievement by the employees but also on the behavior exhibited. Structured programs are conducted for critical talent development and succession planning. We have created Skill Matrices for workmen. This is used for skill assessment for workers every year through which we identify the training needs. For management staff, we have Individual Development Plan in place. The Circle Leader model in the Pune factory gives the capable operators an opportunity to exhibit their leadership capabilities in leading teams. We are having various leadership development programs, Manage lead and coach program in place

Average hours of training on:	Total Employees		Employees at Management level		Employees at Non-Management level		Temporary Employees		Contractual Employees		Permanent Employees with Disabilities	
	M	F	M	F	M	F	M	F	M	F	M	F
a) Safety	21717	228	2101	48	4496	0	9984	164	5136	16	6	0
b) Skill Upgradation	54919	1630	7998	850	1900	0	42792	780	2229	0	16	0
c) Others	1642	82	1450	82	192	0	0	0	0	0	16	0

Principle 4: Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantage vulnerable, and marginalized.

We are actively involved in developing and sustaining relationships with our key stakeholders. Our stakeholder engagement strategies have been designed in line with the needs of respective communities. Our engagement process with stakeholders serves a dual purpose of improved risk management and addressing stakeholder concerns to ensure better outcomes.

1. Has the company mapped its internal and external stakeholders?

Yes. We have mapped our internal and external stakeholders. Our internal stakeholders are our employees (contractual and temporary employees). Whereas our external stakeholders are our shareholders, customers, distributors, suppliers and community. We engage with our stakeholders on a regular basis to understand and address their concerns.

List the Stakeholder Engagements in the reporting period	Major topics covered in the Stakeholder Engagement	Frequency of the Stakeholder Engagement
Customers	Distributors exhibitions for Segments Cement, Power, Textile, Metals, F&B, Paper, Sugar, Small OEMs, Mining	31 (Annually)
Customers	Anti-counterfeit meets	62 (Annually)
Customers	Customer Dossiers	15 (Annually)
Customers	Customer Meets Across all key segments- Cement, Power, Textile, Metals, F&B, Paper, Ceramic, Automotive, Pharmaceuticals, Sugar, Machine tools, Chemical	31 (Annually)
Suppliers	“Vikas Sath Sath” supplier productivity development program	Quarterly

2. Has the company identified the disadvantaged, vulnerable, and marginalized stakeholders?

Yes. Through our CSR policy we have identified the disadvantaged, vulnerable and marginalized stakeholders as children in the surrounding communities, girl child, women and unemployed youth.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Our CSR policy guides us on various initiatives that can be undertaken to engage with the disadvantaged, vulnerable and marginalized stakeholders. The key initiatives undertaken for the well-being of these stakeholders are

- Providing Employment Enhancing Vocational Skills
- Providing Training to Promote Nationally recognize Sports
- Providing Livelihood Enhancement
- Empowering Women
- Ensuring Environmental Sustainability
- Promotion of Education

Further details on these initiatives have been discussed under Principle 8 of this report.

Principle 5: Businesses should respect and promote human rights

We regard human rights as a top priority. We are tenacious to uphold and report transparently on human rights within our organization and our value chain. We ensure employee rights by requiring that all employees respect the human rights and forbid discrimination against or harassment of others based on race, caste, religion, nationality, gender, physical capability, marital status, sexual orientation, age, ancestry or other reasons.

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

We believe that it is our obligation to respect our employees and their rights as stated in our code of conduct. Our commitment to human and labour rights requires us to provide a safe and healthy workplace, offer a non-discriminatory environment, bring diversity across the organization, work actively against the use of child and forced labour, act against any form of harassment, ensure that we meet the minimum standards on wages and working hours and provide opportunities to employees for individual development.

Our Code of Conduct applies to all the company employees, contractors and NGOs. We have a separate code of conduct for suppliers and sub-suppliers which covers all major aspects of human rights and requires our 100% direct material suppliers to undergo an COC4S (Code of Conduct for suppliers and sub-suppliers) audit evaluation. We have success stories which reflect the effectiveness of our Code of Conduct in terms of human rights.

Our Responsible sourcing team visit and audit suppliers for observing issues such as missing employment contract, Wage disparity for women, not paying overtime wages and other benefits of employment, like leave payment. Even it can be about chemical handling, environmental pollution due to waste handling, or employee health and safety This helps supplier to develop self for social and environmental compliance and adhere human rights.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

We believe in gender neutrality and our policy has been framed accordingly. We conduct gender sensitization programs for all employees to provide a non-threatening work environment. Recruitments, promotions and internal job postings are done through a transparent process which involves multiple levels to eliminate any possibility of discrimination. In case of any grievance related to discrimination employees are free to approach either individually or through the union to the HR Manager, Factory Manager or Director HR.

All our factories comply with the provisions of the Indian Factories Act 1948, with regards to Child Labour. We do not allow any person below the age of 18 to work in the factories, be it directly or indirectly. The HR officials verify the date of birth of all direct employees while the contractors do the same for contractual employees. We also adhere to the UN Convention on Human Rights and ensure that the human rights of all employees are protected.

We did not receive any stakeholder complaints related to violation of human Rights during the FY 2017-18.

Principle 6: Businesses should respect, protect, and make efforts to restore the environment

At SKF, we have a firm commitment towards protection of environment. We ensure that our processes and production units are energy-efficient and safe and our life-cycle analysis of products evaluate environmental aspects across the entire value chain.

1. Does the policy related to Principle 6 cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

We are committed to minimize environmental impacts from our operations, services and products. Our environmental policy covers the company and extends to our suppliers, contractors and NGOs. It has been developed to encourage the value chain to reduce its environmental impact.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? If yes, give hyperlink for the webpage etc.

We at SKF, are determined to perform in a manner that not only ensures strong financial performance but also supports environmental sustainability. Under SKF care, environmental care is one of the most important principles. We undertake various steps to address environmental impacts at different

stages of our product 'life cycles and our entire value chain' on a periodic basis.

The 'SKF BeyondZero' is our strategy for actively reducing the environmental impacts of our manufacturing operations, products and supplier actions. 'SKF Beyond Zero' also focuses on offering customers with new technologies, products and services with enhanced environmental performance characteristics through innovation.

We also work towards sustainable sourcing and transparency and have a dedicated supplier development organization. All our and major indirect material suppliers are mandated to undergo the SKF COC4S audit to ensure compliance with respect to emerging issues such as environmental management, REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals), ROHS and prohibited substances like 3TG (Tungsten, Tantalum, Tin, and Gold) by having policy for conflict Minerals.

Our global environmental targets are available on below link and applicable to SKF India.
<http://www.skf.com/in/our-company/organization/skf-care/environment-care/climate-change/climate-strategy/index.html>

3. Does the company identify and assess potential environmental risks?

Yes, we have a mechanism to identify and assess potential environmental risks across our operations and in our value chain. We have adopted guidelines of SKF care principles which focus on the environmental aspects like energy, water, soil and air. The risks are identified in co-ordination with business heads and location teams and steps are taken to mitigate risks.

All forging and major suppliers are certified to ISO 14001 Environmental Management Systems (EMS) standard. As a part of EMS implementation, potential environmental risks are identified and appropriate mitigation strategies are implemented. For all energy intensive suppliers, we have mandated the ISO 50001 EnMS certificate to optimize energy consumption across our value chain.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if Yes, whether any environmental compliance report is filed?

We currently do not have any projects related to Clean Development Mechanism.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.

Yes, in line with the environmental care principle of the SKF Group, we have initiated "SustEn". "SustEN" (Sustainable Energy) focuses on the demand and supply side projects along with use of bilateral power trading of renewable and non-renewable energy sources and roof top solar installations. This has led to multiple benefits such as

- Reduction in specific energy consumption
- Reduction in GHG emissions
- Improved renewable energy mix

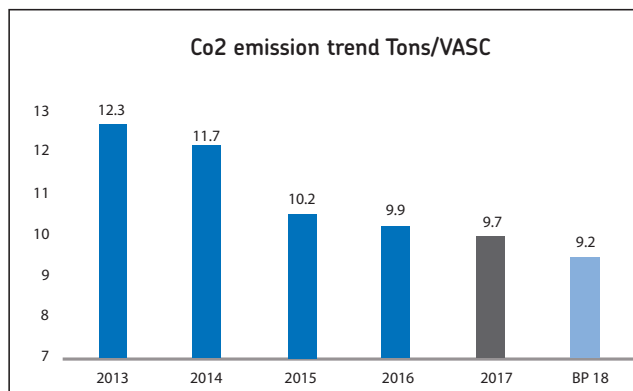
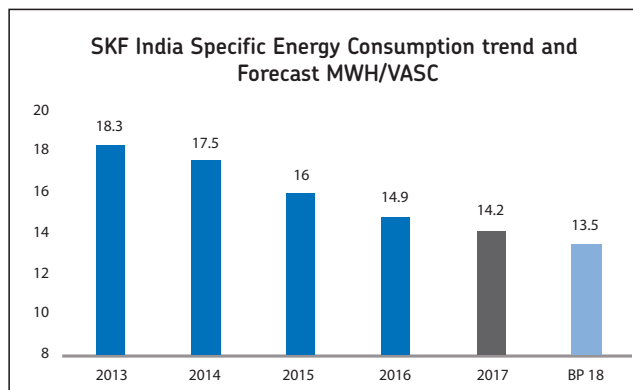
At SKF India Limited, we have adopted a Three Pronged Approach which include the following

- Reduction in energy consumption through six sigma projects at all 3 locations
- Bilateral and trading models of sourcing
- Solar installations.

We have initiated 79 energy saving projects (supply and demand side) at all locations with potential saving of 62 MINR. Till Dec 2017, we have completed 64 projects with a saving of 57 MINR. In 2018 we plan to save 75 MINR through various projects through electrical energy reduction projects, electrical energy supply side projects and roof top solar projects. From January 2018, total 68 Energy conservation projects were launched and 12 are completed resulting in savings of 11 MINR till March 2018.

Our energy mix has improved over the years. Prior to 2014, our energy requirements were sourced 100% from thermal (State grid). In 2017, our energy mix includes 13% green and 4% of solar energy.

Our energy consumption has reduced year over year. The CO2 emission in Tonnes per Million Indian Rupees value added is reduced by 12.8% in 2015 , 13.6 % in 2016 & 17.1% in 2017 compared to 2014.



The SKF India Vision 2020 is as follows:

- Reduce our specific energy consumption by 20% over 2016.
- Reduce our CO₂ emission by 25% over 2016.
- Increase share of green renewable power to 35% in our overall energy consumption.

For more information, kindly visit: <http://www.skf.com/in/our-company/organization/skf-care/environmental>

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, all our manufacturing plants comply with the permissible limits of air emissions/ waste generation given by CPCB/ SPCB for the financial year. In the financial year, our direct GHG emissions were 41488 MT CO₂e.

Type of Waste Generated	Quantity of Waste Generated in the reporting period (MT/day) 2017-18
Grinding Dust	6.75
ETP Sludge	0.21
Filter Papers	0.51
Waste / Spend Oil	0.41
Scrap Bearing components	1.95
Garbage / Factory rubbish	1.39
Corrugated boxes	0.27
Waste Wooden Material	0.98
Metal Scrap	0.55
Aluminium Scrap	0.01
Plastic Scrap	0.003
Gr. Wheel	0.15

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

We put in concerted efforts to minimize the impacts of our operations and have been consistent in complying with the regulatory standards of effluents, waste and emissions. In the financial year, there were no pending show cause/ legal notice received from CPCB/ SPCB.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

We recognize our responsibility and the magnitude of influence our inputs can have on vital topics of our interest. Our active participation in important national level initiatives and associations are a testimony to our commitment towards responsible development. Through our memberships in the following associations, we seek to maintain a healthy dialogue with our stakeholders. We consider these forums as a platform to express our views to policymakers and other stakeholders on matters relevant to our business.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

We are a member of the following associations:

1. The Council of EU Chambers of Commerce in India
2. Confederation for Indian industries
3. Quality circle forum India
4. AEEE (Alliance for an Energy Efficient Economy)
5. National Safety Council
6. Indian National Suggestion Scheme
7. Ball and Roller Bearing Manufacturers Association
8. World Bearing Association
9. Endorsement of Universal Declaration of Human Rights, Global Compact

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

As a member of the above associations, we contribute in the development and prosperity of the industry. Following are the topics we support our associations with these bodies:

Sr. No	Associations, Trades and Chambers to which we are a Member	Topics for which we have Lobbied in these Associations for Public Good
1	The Council of EU Chambers of Commerce in India	Commerce
2	Confederation for Indian industries	TPM, Quality, Sustainability
3	Quality Circle forum of India	Quality
4	AEEE (Alliance for an Energy Efficient Economy)	Energy Savings
5	National Safety Council	Safety
6	Indian National Suggestion Scheme	Continuous improvement
7	Ball and Roller Bearings Manufacturers Association	Promote, assist and represent the interests of Member ball and roller bearing manufacturers & facilitate technical co-operation at an international level
8	World Bearing Association	Anti-counterfeit bearings
9	Endorsement of Universal Declaration of Human Rights. Global Compact	Sustainable and inclusive global economy

Principle 8: Businesses should support inclusive growth and equitable development.

Community care and community development is of paramount importance to us. At SKF India Limited, we believe the communities we operate in represent our future market and workforce; when a society grows, SKF grows with it. Our vision is "To create a positive change in communities neighbouring our operations, and create a meaningful difference from the recipients' perspective."

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

We have a community care model in which the program is structured in accordance with United Nations Global compact principles and The Business Charter for Sustainable Development by International Chamber of Commerce. We are guided by the SKF Group's, SKF Social Policy which delineates a framework to undertake activities with an intent of holistic development of the society and its citizens. During the reporting period, we centred our attention primarily towards education, health, sports and social well-being. We shouldered the following initiatives which catered the society with socio-economic and inclusive development:

- Employment Enhancing Vocational Skills
- Empowering Women
- Livelihood enhancement
- Promotion of Education
- Environmental Sustainability

Through a medium of sports, our objective is to provide opportunities for children from neighbouring municipal schools at Pune and Ahmedabad. We have a dedicated structure initiative for football coaching which facilitates physical and mental development.

Through "Youth empowerment At SKF (YES)" program, we aspire to empower the under-privileged youth by creating employment opportunities at automotive OEMs or becoming entrepreneurs by setting up vehicle service stations with the know-how of modern automobile maintenance and servicing skills.

Through "Udaan" program, we aspire to empower the talented and deserving girl candidate for higher education by providing 100 % scholarship for education and related expenditure.

We also carry out other miscellaneous welfare activities by simply extending a helping hand to the less fortunate in times of need.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

The programmes are undertaken by our in-house team in collaboration with different clubs, foundations and NGOs.

Activity/ Initiative	Undertaken through:
Employment Enhancing Vocational Skills	Don Bosco Vyavasaik Prashikshan Kendra, Sambhav Foundation, Symbiosis Open Education Society (all NGOs')
Empowering Women	FUEL NGO
Ensuring Environmental Sustainability	Green Thumb NGO
Livelihood Enhancement	I-CREATE NGO
Promotion of Education	Pratham NGO
Training To Promote Nationally recognized Sports	Pune Football Club, Kahaani Professional football clubs

3. Have you done any impact assessment of your initiative?
Impact assessment is conducted for two main flagship CSR initiatives named 'Education through Sports' and 'Education through Skill Development'. This assessment is done by External agency, learnings from the same are taken ahead.
4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

Our contribution towards community development for the current financial year was allocated as follows:

Initiatives undertaken by SKF India Limited for Supporting Inclusive Development	Amount contributed directly in the initiative by SKF India Limited in Million INR
Employment Enhancing Vocational Skills	37.0
Empowering Women	6.4
Ensuring Environmental Sustainability	6.4
Livelihood Enhancement	2.7
Promotion Of Education	4.4
Training To Promote Nationally recognize Sports	15.2
Total	72.1

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Equip 5000 youth with Automotive Technicians skills over a span of 5 years

Provide holistic education for 1000 children in 5 years

Based on our vision, we embark our community care program with a mission which emphasizes on three broad focus areas

– ‘Education, Empowerment, Environment.’

We ensure that the initiatives and the developmental activities are successfully implemented in the communities through advertisement, community mobilization and connection through education officers in municipal corporations. We are doing this community development project with various NGOs and Universities.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

We, at SKF India Limited put concerted efforts to ensure customer satisfaction through marketing products, services and solutions by:

- ❖ Operating capable, reliable and efficient business processes.
- ❖ Applying continuous improvement throughout the organization, with the objective of zero defect.

1 What percentage of customer complaints/consumer cases are pending as on the end of financial year?

In order to address our customers' grievances, we have different channels such as Complaint Handling system (administrative and technical), Customer care and website. During the year, we received 615 admin complaints, 297 technical complaints and 2811 customer care calls. Out of these, 39 (3%) admin complaints, 84 (28%) technical complaints and 5 (0.2%) customer care calls are pending to be resolved as of 31st March 2018.

2 Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

Yes, we provide information adhering to the Legal Metrology Regulations. We print the mandatory declarations on the cartons of the Products which are intended for retail sale in the market. SKF complies with the mandatory declarations under the provisions of the Legal Metrology (Packaged Commodities Rules) 2011.

Our products are equipped with a special anti-counterfeit marking. We have taken a no tolerance approach towards counterfeiting. We continuously strive to increase awareness about the existence of counterfeits. We developed an app which enables customers to share photographs of bearings to identify genuineness. Moreover, we also conduct awareness seminars about anticounterfeit for our customer, Distributors, distributor's partner, Employees. We do stock verifications for customer's stock based on requests. Focusing on genuine products to customers, we have conducted raids in market and have sent notices to sellers selling counterfeit SKF products.

In 2017, we connected 10000+ customers through various means like Customer meet, exhibitions, E-mailer campaigns, Wall Painting etc.

Efforts taken	Type of communication channel	Frequency of such communication	Geographical extent of such communication	Number of such efforts taken in the reporting period	Total number of participants in the reporting period
Customer meets	Meetings	On-going activity	India	31	3000+
E-mailers	Mail	On-going activity	India	285	1500
Distributor development college course	Workshops/ Trainings	On-going activity	Pan India	2227	2227
Awareness campaigns	Campaigns	On-going activity	India	7	486
Stock Verification	Checking counterfeit bearings	On-going activity	India	82	82 customers
sessions conducted for Distributor partners	Awareness session	On-going activity	India	62	62
Verification Requests received and responded	Email	On-going activity	India	1257	1257

3 Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

There has been no case filed against us either for unfair trade practices, irresponsible advertising, or anti-competitive behaviour during the reporting period. We use a systematic and disciplined way to achieve excellence and enhance our business through sound advertising and marketing.

No case has been filed by any stakeholder during the FY 2017-18.

4 Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes, consumer surveys are performed at regular intervals to get insights from the consumers and drive continuous improvement. In addition to the consumer surveys, consumer satisfaction trend is monitored on a monthly basis.

INDEPENDENT AUDITORS' REPORT

To The Members of SKF India Limited

Report on the Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying financial statements of SKF India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

- (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its Ind AS financial statements - Refer Note [39];
 - ii. The Company has long-term contracts as at March 31, 2018 for which there were no material foreseeable losses.

The Company did not have any derivative contracts as at March 31, 2018.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.
- iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse & Co Bangalore LLP

Firm Registration Number: 007567S/S-200012

Chartered Accountants

Pune
May 8, 2018

Jeetendra Mirchandani
Partner
Membership Number 48125

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of **SKF India Limited** on the financial statements for the year ended March 31, 2018.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of SKF India Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants

Pune
May 8, 2018

Jeetendra Mirchandani
Partner
Membership Number 48125

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of SKF India Limited on the financial statements as of and for the year ended March 31, 2018

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory have been conducted at reasonable intervals by the management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186.

v.

Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi.

Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a)

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.

(b)

According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duties of customs and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, duty of excise duty, and value added tax as at March 31, 2018 which have not been deposited on account of a dispute, are as follows:

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of SKF India Limited on the financial statements for the year ended March 31, 2018

Name of the statute	Nature of dues	Amount (INR in Million)	Amount Paid under protest (INR in million)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty (including interest and penalty if applicable)	199.5	9.3	Various Years	CESTAT
		28.1	1.3	Various Years	Commissioner (Appeals)
Finance Act, 1994	Service Tax (including interest and penalty if applicable)	6.6	0.7	Various Years	CESTAT
Income Tax Act, 1961	Income Tax (including interest and penalty if applicable)	11.3	9.1	Various Years	High Court
		18.3	NIL	Various Years	CIT Appeals
		4.4	NIL	FY 2007-2008	Assessing Officer
		320.5	88.5	FY 2010-2011	Assessing Officer/Transfer Pricing Officer

Name of the statute	Nature of dues	Amount (INR in Million)	Amount Paid under protest (INR in million)	Period to which the amount relates	Forum where the dispute is pending
		699.5	178.7	Various Years	Income Tax Appellate Tribunal (ITAT)
Central and Local Sales Tax Acts	Sales Tax (including interest and penalty if applicable)	26.9	1.0	FY 2011-12 to FY 2014-15	Appellate Deputy Commissioner (CT) Appeal
		43.0	3.7	FY 2007-08 to FY 2011-12	Appellate Revision Board
		1.9	1.3	FY 2007-08 to FY 2013-14	Appellate Deputy Commissioner
		19.9	NIL	FY 2011-12 & FY 2012-13	Deputy Commissioner Appeal
		3.9	1.5	FY 2010-11 & FY 2012-13	Joint Commissioner (Appeal)
		9.7	0.9	FY 2013-14 & FY 2014-15	Joint / Additional Commissioner Appeal
		20	0.3	FY 2005-06 to FY 2012-13	Objection Authority Department of Trade & Taxes, New Delhi
		45.7	20	FY 2006-07 to FY 2013-14	Tribunal

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government as at the balance sheet date. The Company has not issued debentures as at balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and

188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under India Accounting Standard (IND AS) 24, Related Party Disclosures specified under Section 133 of the Act, Companies (Indian Accounting Standard) Rules 2015.

- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co Bangalore LLP
 Firm Registration Number: 007567S/S-200012
 Chartered Accountants

Pune
 May 8, 2018

Jeetendra Mirchandani
 Partner
 Membership Number 48125

Balance Sheet

(₹ in Million)

	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non Current assets			
Property Plant & Equipment	3	2,751.6	2,804.4
Capital Work in Progress	3	370.6	352.1
Investment properties	4	176.4	182.8
Intangible assets	5	1.7	1.5
Financial Assets:			
Loans	6	1,450.0	900.0
Other Financial Assets	7	149.6	135.6
Deferred tax assets (net)	8	175.1	115.2
Non-Current Tax Asset (net)	9	338.1	263.1
Other non-current assets	10	94.7	88.5
Total non-current assets		5,507.8	4,843.2
Current assets			
Inventories	11	4,028.8	4,166.4
Financial Assets			
Investments	12	1,535.2	1,488.4
Trade receivables	13	4,907.6	5,143.2
Cash and cash equivalents	14	1,075.1	2,304.9
Bank balance other than above	15	6,351.3	3,609.6
Loans	6	127.0	727.5
Other financial assets	7	290.0	273.1
Other current assets	10	615.6	484.0
Total current assets		18,930.6	18,197.1
Total assets		24,438.4	23,040.3
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	513.4	527.3
Other Equity			
Reserves & Surplus	17	17,859.7	17,584.8
Total equity		18,373.1	18,112.1
LIABILITIES			
Non-current liabilities			
Employee Benefit Obligations	18	218.8	233.1
Provisions	19	62.1	60.1
Total non-current liabilities		280.9	293.2
Current Liabilities			
Financial Liabilities			
Borrowings	20	850.0	340.3
Trade payables	21	3,897.0	3,040.1
Other financial liabilities	22	566.7	582.3
Employee Benefit Obligations	18	59.9	108.8
Provisions	19	158.8	150.4
Current Tax Liabilities (net)	9	78.1	65.8
Other current liabilities	23	173.9	347.3
Total current liabilities		5,784.4	4,635.0
Total Liabilities		6,065.3	4,928.2
Total Equity & Liabilities		24,438.4	23,040.3

Significant accounting policies

Critical accounting estimates and judgements

The accompanying notes are an integral part of these financial statements
In terms of our report of even date

For **Price Waterhouse & Co Bangalore LLP**
Firm Regn. No. 007567S/S-200012
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership No. 48125

Pune
May 8, 2018

For and on behalf of the Board of Directors of SKF India Limited

Rakesh Makhija
Chairman

Carl Orstadius
Managing Director

P. R. Menon P. M. Telang H. Hattangady Bernd Stephan
Directors

Chandramowli S.
Finance Director

P. Bhandari
Company Secretary
May 8, 2018, Pune

Statement of Profit and Loss

(₹ in Million)

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations	24	28,048.2	28,355.4
Other income	25	713.6	873.3
Total income		28,761.8	29,228.7
Expenses			
Cost of materials consumed	26	6,563.9	6,032.8
Purchase of stock-in-trade	27	9,233.9	10,892.7
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	270.5	(673.1)
Excise Duty		544.1	2,041.3
Employee benefits	29	2,367.9	2,221.8
Depreciation and amortization	30	457.4	478.8
Finance Cost	31	49.7	-
Other expenses	32	4,719.5	4,478.4
Total expenses		24,206.9	25,472.7
Profit before tax		4,554.9	3,756.0
Income tax expense :	33		
Current tax		1,667.2	1,338.6
Deferred tax charge / (credit)		(67.8)	(18.2)
Short / (excess) tax provision for earlier years		(3.4)	(3.3)
Total tax expense		1,596.0	1,317.1
Profit for the year		2,958.9	2,438.9
Other Comprehensive Income			
Items that will not be re-classified to profit and loss			
Remeasurement of post employment benefits obligation		22.7	(31.6)
Income tax (charge) / credit relating to these items		(7.9)	10.9
Other comprehensive income for the year (net of tax)		14.8	(20.7)
Total comprehensive income for the year		2,973.7	2,418.2
Earnings per equity share [nominal value of share ₹ 10 (previous year : ₹ 10)]			
Basic and Diluted	37	57.3	46.3

Significant accounting policies

1

Critical accounting estimates and judgements

2

The accompanying notes are an integral part of these financial statements
In terms of our report of even date

For **Price Waterhouse & Co Bangalore LLP**
Firm Regn. No. 007567S/S-200012
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership No. 48125

Pune
May 8, 2018

For and on behalf of the Board of Directors of SKF India Limited

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Directors

Chandramowli S.
Finance Director

P. Bhandari
Company Secretary

May 8, 2018, Pune

Statement of changes in Equity

(₹ in Million)

A) Equity Share Capital

	Notes	MINR
As at March 31, 2016		527.3
Changes in equity share capital	16	-
Balance as of March 31, 2017		527.3
Changes in equity share capital	16	(13.9)
Balance as of March 31, 2018		513.4

B) Other Equity

	Securities premium reserve	Retained earnings	Capital redemption reserve	General reserve	Total Other Equity
Balance as of March 31, 2016	705.1	8,988.8	-	6,424.7	16,118.6
Profit for the year ended March 31, 2017	-	2,438.9	-	-	2,438.9
Other comprehensive income for the year ended March 31, 2017	-	(20.7)	-	-	(20.7)
Total comprehensive income for the year ended March 31, 2017	-	2,418.2	-	-	2,418.2
Transactions with owners in their capacity as owners					
Dividend paid (Rs 15 per share)	-	(791.0)	-	-	(791.0)
Tax on dividend as above	-	(161.0)	-	-	(161.0)
Transfer to General Reserve	-	(800.0)	-	800.0	-
Balance as of March 31, 2017	705.1	9,655.0	-	7,224.7	17,584.8
Profit for the year ended March 31, 2018	-	2,958.9	-	-	2,958.9
Other comprehensive income for the year ended March 31, 2018	-	14.8	-	-	14.8
Total comprehensive income for the year ended March 31, 2018	-	2,973.7	-	-	2,973.7
Transactions with owners in their capacity as owners					
Dividend paid (₹ 10 per share)	-	(513.4)	-	-	(513.4)
Tax on dividend as above	-	(104.5)	-	-	(104.5)
Transfer to General Reserve	-	(1,000.0)	-	1,000.0	-
Buy Back of shares	(705.1)	-	13.9	(1,389.7)	(2,080.9)
Balance as of March 31, 2018	-	11,010.8	13.9	6,835.0	17,859.7

The above statement of changes in equity should be read in conjunction with the accompanying notes.

For **Price Waterhouse & Co Bangalore LLP**
Firm Regn. No. 007567S/S-200012
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership No. 48125

Pune
May 8, 2018

For and on behalf of the Board of Directors of SKF India Limited

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Directors

Chandramowli S.
Finance Director

P. Bhandari
Company Secretary

May 8, 2018, Pune

Statement of Cash Flow

(₹ in Million)

	For the year ended March 31, 2018	For the year ended March 31, 2017
A. Cash flow from Operating Activities		
Profit before tax	4,554.9	3,756.0
Adjusted for :		
Depreciation / Amortisation	457.4	478.8
Net Profit on sale of Fixed Assets	(2.0)	(3.6)
Finance cost	49.7	-
Interest income classified as Investing cashflows	(598.1)	(619.2)
	(93.0)	(144.0)
Operating Profit before working capital changes	4,461.9	3,612.0
Adjusted for :		
Decrease / (increase) in inventories	137.6	(816.0)
Decrease / (increase) in trade receivables	235.6	(314.6)
Increase in current & non-current assets	(149.5)	(152.7)
Increase in trade payables	857.8	110.9
(Decrease) / increase in other liabilities and provisions	(144.8)	124.3
	936.7	(1,048.1)
Cash generated from operations	5,398.6	2,563.9
Direct taxes paid (net of refunds)	(1,726.5)	(1,414.2)
Net cash flow from Operating Activities (A)	3,672.1	1,149.7
B. Cash flow from Investing Activities		
Purchase of investments	(46.8)	(1,488.4)
Purchase of Property Plant & Equipment	(504.0)	(416.3)
Sale of Property Plant & Equipment	9.6	11.3
Deposits placed during the year	(8,930.0)	(5,668.7)
Deposits matured during the year	6,190.0	8,090.1
Interest Earned	458.0	505.5
Interest Earned on loan to related party	124.0	147.6
Repayment of loan by related party	50.0	290.0
Net cash used in Investing Activities (B)	(2,649.2)	1,471.1
C. Cash flow from Financing Activities		
Buy Back of shares	(2,094.8)	-
Proceeds / (Repayment) of Borrowings (net)	509.7	(309.7)
Dividend paid (including tax on distributed profits)	(617.9)	(952.0)
Finance cost	(49.7)	-
Net cash used in Financing Activities (C)	(2,252.7)	(1,261.7)
Net changes in Cash and Cash Equivalents (A+B+C)	(1,229.8)	1,359.1
Cash and Cash Equivalents at beginning of the year	2,304.9	945.8
Cash and Cash Equivalents at the end of the year	1,075.1	2,304.9
Net changes in Cash and Cash Equivalents	(1,229.8)	1,359.1

For **Price Waterhouse & Co Bangalore LLP**
Firm Regn. No. 007567S/S-200012
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership No. 48125

Pune
May 8, 2018

For and on behalf of the Board of Directors of SKF India Limited

Rakesh Makhija
Chairman

Carl Orstadius
Managing Director

P. R. Menon P. M. Telang H. Hattangady Bernd Stephan
Directors

Chandramowli S.
Finance Director

P. Bhandari
Company Secretary

May 8, 2018, Pune

Notes to financial statements

Background

SKF India Limited is a Company, listed in India on recognised stock exchange, limited by shares, incorporated and domiciled in India . The Company is leading supplier of products, solutions & services within rolling bearing, seals, mechatronics, and lubrication system. The Company's manufacturing facility is located at Pune, Bangalore & Haridwar.

1 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- a) certain financial assets and liabilities that are measured at fair value;
- b) assets held for sale – measured at fair value less cost to sell;
- c) defined benefit plans – plan assets measured at fair value;

1.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of segments, has been identified as the Board of Directors .

1.3 Foreign currency translation

i) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Financial statements are presented in Indian Rupee (INR) which is the company's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income.

1.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty upto June 30, 2017 and exclusive of Goods and Service Tax and net of returns, trade allowances, rebates.

Revenue consists of sales of products and services in the normal course of business. Service revenues are defined as business activities, billed to a customer, that do not include physical products or where the supply of any product is subsidiary to the fulfillment of the contract. Sales are recorded net of allowances for volume rebates and sales returns. Accruals for such allowances are recorded at the time of revenue recognition.

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from the sale of goods and services is generally recognized when:

Notes to financial statements

- a) the revenue can be measured reliably,
- b) the collection of the amounts due is reasonably assured
- c) any costs in respect of the sale are identifiable and can be measured reliably.

Collectability is assessed based primarily on the credit worthiness of the customer as determined by credit limit control and approval procedures, as well as the customer's payment history.

Revenues from service and/or maintenance contracts where the service is delivered to the customer over time is accounted for on a straight-line basis over the duration of the contract or as per the actual level of completion. Any anticipated losses on contracts are recognized in full in the period in which losses become probable and estimable.

1.5 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

1.6 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are assumed to continue to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

1.7 Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

1.8 Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Notes to financial statements

1.9 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

1.10 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.11 Inventories

"Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of first-in first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts."

1.12 Financial assets and financial liabilities

Financial assets and financial liabilities are recognized in the balance sheets when the Company becomes a party to the contractual provisions of a financial instrument. Financial instruments are initially recorded at fair value, which is normally equal to transaction price. Transaction costs are included in the initial measurement of financial assets and liabilities that are not subsequently measured at fair value through the income statement.

Financial assets categorized as loans and receivables are measured at amortized cost using the effective interest method. Impairment losses (primarily allowance for doubtful accounts) are recognized if management believes that sufficient objective evidence exists indicating that the asset may not be recovered. For disclosure purposes, fair values have been calculated using valuation techniques, mainly discounted cash flow analyses based on observable market data. For current receivables and liabilities (such as trade receivables and payables) the carrying amount is considered to correspond to fair value.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Where discounted cash flow techniques are used, the future cash flows are determined (if not stated explicit in the contract) based on the best assessment by management and discounted using the market interest rate for similar instruments. Financial liabilities are measured at amortized cost using the effective interest method.

Financial assets are derecognized when the contractual rights to the cash flow have expired or been transferred together with substantially all risks and rewards. Financial liabilities are derecognized when they are extinguished.

Investment in government securities that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment extension, call and similar options) but does not consider the expected credit losses.

1.13 Property, plant and equipment (PPE), Investment Properties and Intangible assets

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Notes to financial statements

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The Company has adopted deemed cost of Property, plant and equipment (PPE) as its carrying value as per earlier GAAP.

The useful lives are:

Particulars	Useful Life (in years)
Buildings	33
Plant and equipments	5/10/14/16/20
Furniture and fixtures	4
Office equipments	3/4
Vehicles	5

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income.

The useful lives are reviewed by the management at each Balance Sheet date and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the revised remaining useful life.

Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 33 years. The useful life has been determined based on technical evaluation performed by the management's expert.

Intangible assets

Intangible assets are stated at initial cost less any accumulated amortization and any impairment. Amortization is made on a straight line basis over the estimated useful lives and begins once the asset is ready for its intended use. The useful lives are based to a large extent on historical experience, the expected application, as well as other individual characteristics of the asset. The useful lives are:

- Software in use - 3 years

1.14 Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are paid as per the terms of payments. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Notes to financial statements

1.15 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income.

1.16 Provisions

Provisions for legal claims, service warranties, volume discounts and returns are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

1.17 Post employment benefits

Employee benefits

i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

iii) Post-employment obligations

The company operates the following post-employment schemes:

- a) defined benefit plans such as gratuity and provident fund (for employees who are members of SKF India Limited Provident Fund Scheme)
- b) defined contribution plans such as superannuation and provident fund (for other employees who are not members of SKF India Limited Provident Fund Scheme)

Defined Benefit Plans

The liability or asset recognised in the balance sheet in respect of gratuity and provident fund is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

With respect to employees who are members of SKF India Limited Provident Fund Scheme ('the Trust') contribution for provident fund to the Trust is a defined benefit plan as the Company has an obligation to make good the shortfall, if any, between the return from investments made by the Trust and notified interest rate. Both the employee and the Company make monthly contributions

Notes to financial statements

to the provident fund plan equal to a specified percentage of the employee's salary. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

Contributions to the Provident Fund and Superannuation Fund which are defined contribution schemes, are recognised as an expense in the Statement of Profit and Loss in the period in which the contribution is due. For employees other than members of SKF India Limited Provident Fund Scheme, both the Company's and employees' contribution is paid to Regional Provident Fund Commissioner (RPFC) on a monthly basis. The Company has no further payment obligations once the contributions have been paid.

iv) Bonus Plans

The Company recognises a liability and an expense for bonuses. The company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

v) Termination benefits

Voluntary Retirement Scheme costs are charged off to the Statement of Profit and Loss in the year in which they are incurred.

1.18 Contributed Equity

Equity shares are classified as equity

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.19 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and not paid as at the end of the reporting period.

1.20 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and equivalent diluted equity shares outstanding during the year, except where the result would be anti dilutive.

1.21 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III, unless otherwise stated.

Notes to financial statements

2 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. This note provide an overview of the areas that involve a higher degree of judgement or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is mentioned below.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

2(A) Significant Judgement

a) Legal Contingency

The Company has received orders and notices from tax authorities in respect of direct taxes and indirect taxes. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyzes current information about these matters and provides provisions for probable contingent losses including the estimate of legal expense to resolve the matters. In making the decision regarding the need for loss provisions, management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the Company or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

2(B) Significant estimate

a) Impairment of financial assets

The impairment provisions for financial assets disclosed under note 35C are based on assumptions about risk of default and expected loss rates and timing of the cash flows. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

b) Fair valuation of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 34 for further disclosures.

c) Defined benefit plan

The cost of the defined benefit gratuity plan, other retirement benefits, the present value of the gratuity obligation and other retirement benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on Indian Assured Lives Mortality (2006-08) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note 38(II).

d) Fair Valuation of Investment Property

The Company obtains independent valuations for its investment properties at least annually. The Valuation is performed using Income approach-Rent capitalisation method as per Ind AS 113- Fair value measurement.

Notes to financial statements

3 Property Plant & Equipment

(₹ in Million)

Description	Freehold Land	Freehold Building	Furniture & Fixtures *	Office Equipment	Plant & Machinery *	Vehicles	Total	Capital work in progress
Year ended March 31, 2017								
Gross carrying amount as at April 1, 2016	269.3	512.3	88.4	38.3	2,751.1	116.7	3,776.1	119.2
Additions	-	16.2	31.5	11.8	210.6	35.5	305.6	538.5
Disposals	-	-	(2.5)	-	-	(23.0)	(25.5)	-
Transfers	-	-	-	-	-	-	-	(305.6)
Closing gross carrying amount	269.3	528.5	117.4	50.1	2,961.7	129.2	4,056.2	352.1
Accumulated Depreciation as at April 1, 2016	-	25.7	78.0	11.4	643.5	38.8	797.4	-
Depreciation charged during the year	-	19.2	17.2	8.3	398.5	29.0	472.2	-
Disposal	-	-	(2.5)	-	-	(15.3)	(17.8)	-
Closing accumulated depreciation	-	44.9	92.7	19.7	1,042.0	52.5	1,251.8	-
Net carrying amount as at March 31, 2017	269.3	483.6	24.7	30.4	1,919.7	76.7	2,804.4	352.1
Year ended March 31, 2018								
Gross carrying amount as at April 1, 2017	269.3	528.5	117.4	50.1	2,961.7	129.2	4,056.2	352.1
Additions	-	11.2	20.4	4.5	331.5	37.4	405.0	423.5
Disposals	-	-	(10.6)	(0.5)	(1.5)	(29.8)	(42.4)	-
Transfers	-	-	-	-	-	-	-	(405.0)
Closing gross carrying amount	269.3	539.7	127.2	54.1	3,291.7	136.8	4,418.8	370.6
Accumulated Depreciation as at April 1, 2017	-	44.9	92.7	19.7	1,042.0	52.5	1,251.8	-
Depreciation charged during the year	-	19.7	26.4	1.9	376.1	26.1	450.2	-
Disposal	-	-	(10.5)	(0.5)	(0.8)	(23.0)	(34.8)	-
Closing accumulated depreciation	-	64.6	108.6	21.1	1,417.3	55.6	1,667.2	-
Net carrying amount as at March 31, 2018	269.3	475.1	18.6	33.0	1,874.4	81.2	2,751.6	370.6

* The Company has leased following assets to SKF Technologies India Private Limited (related party) under operating lease. The carrying amount of the assets given on operating lease and depreciation thereon for the period are:

Notes to financial statements

(₹ in Million)

Description	Plant & Machinery	Furniture & Fixtures
Year ended March 31, 2017		
Gross carrying amount as at April 1, 2016	53.0	6.4
Closing gross carrying amount	53.0	6.4
Accumulated Depreciation as at April 1, 2016	7.6	1.5
Depreciation charged during the year	7.4	1.2
Closing accumulated depreciation	15.0	2.7
Net carrying amount as at March 31, 2017	38.0	3.7
Year ended March 31, 2018		
Gross carrying amount as at April 1, 2017	53.0	6.4
Closing gross carrying amount	53.0	6.4
Accumulated Depreciation as at April 1, 2017	15.0	2.7
Depreciation charged during the year	7.4	1.2
Closing accumulated depreciation	22.4	3.9
Net carrying amount as at March 31, 2018	30.6	2.5

4 Investment properties

Description	March 31, 2018	March 31, 2017
Gross carrying amount		
Opening gross carrying amount	197.3	197.3
Addition	-	-
Closing gross carrying amount	197.3	197.3
Accumulated depreciation		
Opening accumulated depreciation	14.5	8.1
Depreciation	6.4	6.4
Closing accumulated depreciation	20.9	14.5
Net carrying amount	176.4	182.8

Amount recognised in profit & loss for investment properties given on operating lease to related party

Description		
Rental Income	31.9	35.5
Depreciation	6.4	6.4
Profit from Investment properties	25.5	29.1

Leasing arrangements

Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:

Description		
Within one year	31.2	31.2
Later than one year but less than 5 year	85.8	117.0

Fair Value

Description		
Investment properties	393.0	286.2

The company obtains independent valuations for its investment properties. Fair value of investment property is arrived using Income Approach – Rent Capitalisation method. It is determined by capitalizing the market lease rent at an appropriate rate (yield) as on date of valuation.

Notes to financial statements

5 Intangible assets

(₹ in Million)	
Description	Computer Software
Year ended March 31, 2017	
Gross carrying amount as at April 1 , 2016	0.5
Addition	1.4
Closing gross carrying amount	1.9
Accumulated amortization as at April 1 , 2016	0.2
Amortised during the year	0.2
Closing accumulated amortization	0.4
Net carrying amount as at March 31, 2017	1.5
Year ended March 31, 2018	
Gross carrying amount as at April 1 , 2017	1.9
Addition	1.0
Closing gross carrying amount	2.9
Accumulated amortization as at April 1 , 2017	0.4
Amortised during the year	0.8
Closing accumulated amortization	1.2
Net carrying amount as on March 31, 2018	1.7

	March 31, 2018		March 31, 2017	
	Current	Non-Current	Current	Non-Current
6 Financial Assets				
Loans				
Secured, considered good				
Loan to related party *	127.0	1,450.0	727.5	900.0
	127.0	1,450.0	727.5	900.0

(*)Loan given to SKF Technologies India Private Limited (a fellow subsidiary) with original repayment starting from financial year 2014 onwards, as amended during the current year. The said loan together with interest is secured by first charge by way of hypothecation on all the fixed assets of the borrower.

	March 31, 2018		March 31, 2017	
	Current	Non-Current	Current	Non-Current
7 Other Financial assets				
Security Deposits	-	88.3	-	89.3
EMD & other deposits	-	60.7	-	45.7
Other receivables :-				
Related party (refer note :- 45 (iii))	112.0	-	108.7	-
Other than related party	11.2	0.6	14.2	0.6
Interest accrued on fixed deposits with banks	166.8	-	150.2	-
	290.0	149.6	273.1	135.6

Notes to financial statements

(₹ in Million)

	March 31, 2018	March 31, 2017
8 Deferred tax (asset) / liability (net)		
Deferred tax assets		
Provision for employee benefits	1.2	92.8
Provision for doubtful trade receivables	62.8	37.0
Other timing differences	191.5	72.4
	255.5	202.2
Deferred tax liabilities		
Depreciation	80.4	87.0
	80.4	87.0
Net deferred tax asset	175.1	115.2

Movements in deferred tax (asset)/liabilities net

	Provision for employee benefits	Provision for doubtful trade receivables	Other timing differences	Depreciation	Total
As at April 1, 2016	91.7	31.7	68.9	(106.3)	86.0
(Charged)/credited :					
- to profit and loss a/c	(9.8)	5.3	3.5	19.3	18.3
- to other comprehensive income	10.9	-	-	-	10.9
As at March 31, 2017	92.8	37.0	72.4	(87.0)	115.2
(Charged)/credited :					
- to profit and loss a/c	6.2	25.8	29.1	6.6	67.8
- to other comprehensive income	(7.9)	-	-	-	(7.9)
As at March 31, 2018	91.1	62.8	101.5	(80.4)	175.1

	March 31, 2018		March 31, 2017	
	Current	Non-Current	Current	Non-Current
9 Current Tax Asset /(Liability) (Net)				
Tax Assets/(Liabilities) (net of provision)	(78.1)	338.1	(65.8)	263.1
	(78.1)	338.1	(65.8)	263.1

Movement of Tax

	March 31, 2018	March 31, 2017
Opening Balance (Tax Asset /(Liability) (Net))	197.3	118.5
Add: Taxes paid	1,726.5	1,414.1
Less: Current tax payable	(1,663.8)	(1,335.3)
Closing Balance	260.0	197.3

Notes to financial statements

(₹ in Million)

	March 31, 2018		March 31, 2017	
	Current	Non-Current	Current	Non-Current
10 Other assets				
Capital Advance	-	25.0	-	22.4
Prepaid Expenses	42.0	-	26.4	-
Advances for supply of goods and rendering of services	262.8	-	164.8	-
Export benefits / duty entitlements	93.8	-	54.4	-
Balances with Sales tax / Excise authorities	174.7	-	135.5	-
Other receivables *	42.3	69.7	102.9	66.1
	615.6	94.7	484.0	88.5

* includes amount paid under protest to various Government authorities and MEIS/DEPB licenses on hand.

	March 31, 2018	March 31, 2017
Current Assets		
11 Inventories		
Raw Materials and Bought-Out Components	730.6	584.2
including material in transit ₹ 140.6 million (As on March 31, 2017 ₹ 79.2 million)		
Stores and Spares	450.7	464.2
including material in transit ₹ 15.5 million (As on March 31, 2017 ₹ 19.3 million)		
Work-in-progress	122.5	145.8
Finished Products	2,725.0	2,972.2
Including material in transit ₹ 805 million (As on March 31, 2017 ₹ 503.7 million)		
	4,028.8	4,166.4
12 Current Investment		
Quoted		
Investment in Government of India treasury bills	1,535.2	1,488.4
	1,535.2	1,488.4

Notes to financial statements

		(₹ in Million)	
		March 31, 2018	March 31, 2017
13 Trade receivables			
Current			
Trade receivables other than related party		4,607.1	4,707.6
Receivables from related party (Refer note 45 (iii))		481.8	542.5
Less : Allowance for doubtful receivables		(181.3)	(106.9)
Total Receivables		4,907.6	5,143.2
		4,907.6	5,143.2
Break up of security details			
Unsecured, considered good		4,907.6	5,143.2
Doubtful		181.3	106.9
Total		5,088.9	5,250.1
Allowance for doubtful debts		(181.3)	(106.9)
Total Trade receivables		4,907.6	5,143.2
Transferred receivables			
The carrying amount in March 31, 2017 of Trade receivable include balances due from the customers who have accepted bill of exchange drawn by the company. The Company has discounted these bills of exchange and transferred the receivables balances to the bank in exchange of cash. However the credit risk lies with the company till the bill of exchange are honored by the customer. The amount of bill of exchange discounted is presented as secured borrowings.			
The relevant carrying amount is as follows :			
Total Transferred receivables		-	340.3
Associated borrowing disclosed in note no - 20		-	340.3
14 Cash and cash equivalents			
Cash on hand		0.5	0.4
Balances with Banks			
- On EEFC Account		19.5	1.8
- On Deposit Account (with original maturity of 3 months or less)		1,055.1	2,302.7
Cash & Bank Balances		1,075.1	2,304.9

Notes to financial statements

		(₹ in Million)
	March 31, 2018	March 31, 2017
15 Bank balances other than the above		
Bank deposits with original maturity of more than 3 months and remaining maturity of less than 12 months.	6,330.0	3,589.9
Unclaimed Dividend Account*	21.3	19.7
	6,351.3	3,609.6

*Unclaimed dividend account represents held for dividend remittance and hence are not available for use.

16 Equity Share Capital		
	No of shares (in MINR)	Amount
Authorised Equity share capital		
As at April 1, 2016	100.0	1,000.0
Increase / (Decrease) during the year	-	-
As at March 31, 2017	100.0	1,000.0
Increase / (Decrease) during the year	-	-
As at March 31, 2018	100.0	1,000.0
Movement in Equity share capital		
As at April 1, 2016	52.7	527.3
Increase / (Decrease) during the year	-	-
As at March 31, 2017	52.7	527.3
Increase / (Decrease) during the year	(1.4)	(13.9)
As at March 31, 2018	51.3	513.4

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the equity shareholders are eligible to receive remaining assets of the Company, after distribution of all preferential amounts, in the proportion to their shareholding.

Notes to financial statements

Shares held by holding company and their subsidiaries

(₹ in Million)

	March 31, 2018		March 31, 2017	
	Number (Million)	Amount	Number (Million)	Amount
Equity shares of ₹ 10 each fully paid up held by				
(a) Holding company				
Aktiebolaget SKF (AB SKF)	23.4	234.2	24.6	246.4
(b) Subsidiaries of holding company				
SKF U.K. Limited	3.2	32.3	3.4	34.0
SKF Forvaltning AB	0.2	1.9	0.2	2.1
	26.8	268.4	28.2	282.5

Particulars of shareholders holding more than 5% shares of a class of shares

	March 31, 2018		March 31, 2017	
	Number (Million)	% of total shares in the class	Number (Million)	% of total shares in the class
Equity shares of ₹ 10 each fully paid up held by				
Aktiebolaget SKF, holding company	23.4	45.6%	24.6	46.8%
SKF U.K. Limited, fellow subsidiary company	3.2	6.3%	3.4	6.5%

Buy Back of shares

Pursuant to the Regulations 29(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and approval of the Board of Directors for buy-back of up to 2,600,000 equity shares of the Company for an aggregate amount not exceeding ₹ 3900 million, the Company bought back 1,394,575 equity shares which were tendered by eligible shareholders and extinguished the equity shares bought on June 21, 2017.

The Company has not allotted any bonus shares during 5 years immediately preceding March 31, 2018.

	March 31, 2018	March 31, 2017
17 Reserves and surplus		
Securities premium account	-	705.1
General reserve	6,835.0	7,224.7
Capital redemption reserve	13.9	-
Retained earnings	11,010.8	9,655.0
	17,859.7	17,584.8
Securities premium account		
At the commencement of the year	705.1	705.1
(Premium on issue of Equity Shares)		
Utilised for Buy Back of shares	(705.1)	-
Closing Balance	-	705.1

Notes to financial statements

	March 31, 2018	March 31, 2017
General reserve		
At the commencement of the year	7,224.7	6,424.7
Amount transferred from Profit and Loss Balance	1,000.0	800.0
Amount used for Buy back of shares	(1,389.7)	-
Closing Balance	6,835.0	7,224.7
Capital redemption reserve		
At the commencement of the year	-	-
Addition during buy back	13.9	-
Closing Balance	13.9	-
Surplus (Profit and loss balance)		
At the commencement of the year	9,655.0	8,988.8
Profit for the year	2,958.9	2,438.9
Other comprehensive income recognised directly in retained earning :-		
Remeasurements of post-employment benefit obligation, net of tax	14.8	(20.7)
Dividend on Equity shares [₹ 10 per share (previous year ₹ 15 per share)]	(513.4)	(791.0)
Tax on dividend as above	(104.5)	(161.0)
Transfer to General Reserve	(1,000.0)	(800.0)
Closing Balance	11,010.8	9,655.0

	March 31, 2018		March 31, 2017	
	Current	Non-Current	Current	Non-Current
18 Employee benefit obligation				
(Refer note 38)				
Compensated absences	41.0	218.8	31.1	233.1
Provision for Gratuity	18.9	-	77.7	-
	59.9	218.8	108.8	233.1
19 Provisions				
Disputed statutory and other matters	-	41.5	-	41.8
Warranty	2.9	3.7	3.3	3.9
Coupons & Incentives	155.9	16.9	147.1	14.4
	158.8	62.1	150.4	60.1

Notes to financial statements

Movements in provisions

Movements in each class of provision during the financial year

	(₹ in Million)			
	Disputed statutory and other matters	Warranty	Coupons & Incentives	Total
As on April 1, 2016	43.6	10.3	187.5	241.4
Provision made during the year	-	-	565.8	565.8
Provision utilised during the year	(1.8)	(3.1)	(591.8)	(596.7)
Reversal of provision during the year	-	-	-	-
As on March 31, 2017	41.8	7.2	161.5	210.5
Provision made during the year	-	3.0	359.0	362.0
Provision utilised during the year	-	(3.6)	(347.7)	(351.3)
Reversal of provision during the year	(0.3)	-	-	(0.3)
As on March 31, 2018	41.5	6.6	172.8	220.9

- (i) Provision for disputed statutory and other matters: This represents provisions made for probable liabilities/ claims arising out of pending disputes/litigations with various regulatory authorities and those arising out of commercial transactions with vendors/ others. Above provisions are affected by numerous uncertainties and management has taken all efforts to make a best estimate. Timing of outflow of resources will depend upon timing of decision of cases.
- (ii) Provision for warranties: A provision is estimated for expected warranty claims in respect of products sold during the year on the basis of a technical evaluation and past experience regarding failure trends of products and costs of rectification or replacement. The timing and amount of cash flows that will arise from these matters will be determined at the time of receipt of claims.
- (iii) The provision for other obligations is on account of coupons given on products sold by the Company and other retailers and distributors incentive schemes. The provision for coupons is based on the historical data/ estimated figures. The timing and amount of the cash flows that will arise will be determined at the time of receipt of claims from customers, which is generally upto 18 months.

Financial Liabilities		March 31, 2018	March 31, 2017
20	Current Borrowings		
	<u>Secured</u>		
	Payable to Bank (in respect of Bills discounted)	-	340.3
	<u>UnSecured</u>		
	Pre-shipment rupee export credit (refer note 44 (ii))	850.0	-
		850.0	340.3
21	Trade payables		
	Current		
(i)	Outstanding dues of micro and small enterprises (refer note 40)	1.8	1.0
(ii)	Outstanding dues of creditors other than micro and small enterprises & related parties (refer note 40)	1,304.5	1,056.1
(iii)	Payable to related parties (Refer note 45 (iii))	2,590.4	1,983.0
		3,896.7	3,040.1

Notes to financial statements

		(₹ in Million)	
		March 31, 2018	March 31, 2017
22 Other current financial liabilities			
Salaries and Incentives		213.3	174.7
Liabilities for dealer incentives		264.8	244.3
Unclaimed dividend *		21.3	19.7
Payables on account of capital purchases		31.9	108.4
Other liabilities **		35.4	35.2
		566.7	582.3
* There is no amount due and outstanding as at the balance sheet to be credited to Investor Education and Protection Fund			
** includes amount payable towards retention amount for trade payables, etc.			
23 Other current liabilities			
Statutory dues payable		156.7	326.4
Advances received from customers		17.2	20.9
		173.9	347.3
		For year ended	For year ended
		March 31, 2018	March 31, 2017
24 Revenue from operations			
Sale of products (including Excise duty)			
Manufactured goods		16,512.2	15,932.4
Traded goods		10,846.7	11,807.4
Sale of products		27,358.9	27,739.8
Sale of services		327.3	307.4
Other operating revenue			
Scrap sales		26.4	21.5
Technical and other service income		202.5	180.7
Miscellaneous Operating Income (includes export benefits etc)		133.1	106.0
		28,048.2	28,355.4
25 Other income			
Interest Income from Financial assets at amortised cost			
- Fixed deposits with banks		474.6	480.3
- On loan given to related party		123.5	138.9
Rental income		31.9	35.5
Discount on license purchased		17.2	60.7
Miscellaneous Income		64.4	92.1
Profit on sale of Assets (net)		2.0	3.6
Net Exchange Gain		-	62.2
		713.6	873.3

Notes to financial statements

		(₹ in Million)	
		For year ended March 31, 2018	For year ended March 31, 2017
26 Cost of material consumed			
Inventory at the beginning of the year		584.2	495.5
Purchases during the year		6,710.3	6,121.5
Inventory at the end of the year		730.6	584.2
Cost of material consumed		6,563.9	6,032.8
27 Purchase of stock in trade			
Purchases of traded goods		9,233.9	10,892.7
		9,233.9	10,892.7
28 Changes in inventories of finished goods, work-in-progress and stock-in-trade			
Increase in inventory of finished goods :			
Opening inventory		1,288.3	1,251.9
Less : Closing inventory		1,226.0	1,288.3
		62.3	(36.4)
Increase in inventory of work in progress :			
Opening inventory		145.8	174.6
Less : Closing inventory		122.5	145.8
		23.3	28.8
Increase in inventory of traded goods :			
Opening inventory		1,683.9	1,018.4
Less : Closing inventory		1,499.0	1,683.9
		184.9	(665.5)
		270.5	(673.1)
29 Employee benefits			
Salaries, Wages and Bonus		1,875.5	1,726.2
Contribution to Provident and Other Funds (refer note 38)		103.3	103.9
Gratuity (refer note 38)		41.6	39.5
Leave compensation		22.9	67.9
Welfare Expenses		324.6	284.3
		2,367.9	2,221.8
30 Depreciation and amortisation			
Depreciation of Property, Plant & Equipment		450.2	472.2
Amortisation of Intangible assets		0.8	0.2
Depreciation of Investment property		6.4	6.4
		457.4	478.8

Notes to financial statements

		(₹ in Million)
	For year ended March 31, 2018	For year ended March 31, 2017
31 Finance cost		
Interest on Pre shipment rupee export credit loan	49.7	-
	49.7	-
32 Other expenses		
Consumption of stores and spare parts	774.2	762.7
Excise duty related to increase/(decrease) in inventory of finished goods	(229.5)	(17.6)
Power and Fuel	490.2	438.6
Repairs		
Building	22.8	23.3
Machinery	438.7	398.0
Royalty	477.4	413.6
IT Services	431.3	374.5
Trade mark fees	310.1	271.2
Rent	75.8	68.2
Insurance	26.7	23.6
Rates and Taxes	51.9	114.5
Travelling	288.7	285.7
Legal and professional fees	284.5	238.6
Payment to auditors (Refer note below)	9.8	6.4
Advertising and sales promotion	132.2	163.1
Logistic Cost	411.7	329.3
Provision for doubtful trade receivables	47.0	39.4
Bad debts written off	0.3	0.4
Directors' Commission / Sitting Fees	9.7	8.3
Expenditure incurred for Corporate Social Responsibility (Refer note below)	72.2	40.5
Net Exchange Loss	120.0	-
Miscellaneous expenses	473.8	496.1
	4,719.5	4,478.4
Note : Payments to auditors		
As auditor		
- Statutory audit	3.1	3.7
- Tax audit	0.9	0.9
- Limited review of quarterly results	0.9	0.9
- Other audit services	4.9	0.9
	9.8	6.4

Notes to financial statements

	(₹ in Million)	
	For year ended March 31, 2018	For year ended March 31, 2017
Corporate social responsibility expenditure		
Contribution to Education	41.5	34.2
Contribution to Women Empowerment	6.4	3.1
Contribution to Others	24.3	3.2
Total	72.2	40.5
Amount required to be spent as per Section 135 of the Act	71.8	63.7
Amount spent during the year on		
(i) Construction/acquisition of an Assets	-	-
(ii) On purpose other than (i) above	72.2	40.5
	72.2	40.5
33 Income Tax expense		
(a) Current Tax		
Current tax on profit during the year	1,667.2	1,338.6
Adjustments for current tax of prior periods	(3.4)	(3.3)
Total Current Tax expense	1,663.8	1,335.3
Deferred Tax		
Deferred tax expense	(67.8)	(18.2)
Income tax expense	1,596.0	1,317.1
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit from continuing operations before income tax expense	4,554.9	3,756.0
Tax at the Indian tax rate of 34.61 %	1,576.5	1,299.7
Tax effect of amounts which are not deductible (taxable) in calculating taxable income :		
Others	19.5	17.4
Income tax expense	1,596.0	1,317.1
(c) Tax impact of remeasurement of post employment benefits obligation recognised in OCI	(7.9)	10.9

Notes to financial statements

Fair Value Measurement

34 Financial instruments by category

The carrying value and fair value of financial instrument by categories were as follows :

	March 31, 2018		March 31, 2017	
	Amortised Cost	Carrying Amount	Amortised Cost	Carrying Amount
Financial assets				
Investment in Government securities	1,535.2	1,535.2	1,488.4	1,488.4
Trade receivables	4,907.6	4,907.6	5,143.2	5,143.2
Cash and bank balances	7,426.4	7,426.4	5,914.5	5,914.5
Loan to related party	1,577.0	1,577.0	1,627.5	1,627.5
Other Financial assets	439.6	439.6	408.7	408.7
Total Financial Assets	15,885.8	15,885.8	14,582.3	14,582.3
Financial Liabilities				
Borrowings	850.0	850.0	340.3	340.3
Trade Payables	3,897.0	3,897.0	3,040.1	3,040.1
Other Financial Liabilities	566.7	566.7	582.3	582.3
Total Financial Liabilities	5,313.7	5,313.7	3,962.7	3,962.7

The fair values of all financial instruments carried at amortised cost are not materially different from their carrying amounts since they are either short-term in nature or the interest rate applicable are equal to the current market rate of interest.

There are no financial instruments measured under the category of Fair value through Profit and Loss account and Fair value through OCI.

i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level are as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at 31st March 2018

	Level 1	Level 2	Level 3	Total March 31, 2018
Financial assets				
Investment in Government securities	1,535.2	-	-	1,535.2
Trade receivables	-	-	4,907.6	4,907.6
Cash and bank balances	-	-	7,426.4	7,426.4
Loan to related party	-	-	1,577.0	1,577.0
Other Financial assets	-	-	439.6	439.6
Total Financial assets	1,535.2	-	14,350.6	15,885.8

Notes to financial statements

(₹ in Million)

Financial Liabilities				
Borrowings	-	-	850.0	850.0
Trade Payables	-	-	3,897.0	3,897.0
Other Financial Liabilities	-	-	566.7	566.7
Total Financial liabilities	-	-	5,313.7	5,313.7
Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at 31st March 2017				
	Level 1	Level 2	Level 3	Total March 31, 2017
Financial assets				
Investment in Government securities	1,488.4	-	-	1,488.4
Trade receivables	-	-	5,143.2	5,143.2
Cash and bank balances	-	-	5,914.5	5,914.5
Loan to related party	-	-	1,627.5	1,627.5
Other Financial assets	-	-	408.7	408.7
Total Financial assets	1,488.4	-	13,093.9	14,582.3
Financial Liabilities				
Borrowings	-	-	340.3	340.3
Trade Payables	-	-	3,040.1	3,040.1
Other Financial Liabilities	-	-	582.3	582.3
Total Financial liabilities	-	-	3,962.7	3,962.7

(ii) Valuation processes

The Company performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.

35 Financial risk management

In the course of its business, the Company is exposed primarily to market risk, liquidity risk and credit risk, which may impact the fair value of its financial instruments. The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as credit risks. The risk management policy is approved by the Board of Directors.

The Risk Management framework aims to create a stable business planning environment by reducing the impact of market related risks, credit risks & currency fluctuations on the Company's earnings.

35 (A) Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the, foreign currency exchange rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

i) Foreign currency risk

The Company transacts internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR and SEK. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR).

Notes to financial statements

The Company has both Import and Export transactions in Foreign currency. The Imports are higher than the exports and hence the Company has foreign currency exposure to the extent of purchases being higher than exports, but any material variation in currency is recovered from the customers, through on going negotiation process . Thus the risk for currency fluctuation is mitigated.

The company's exposure to foreign currency risk at the end of the reporting period, are as follows

	(₹ in Million)	
	March 31, 2018	March 31, 2017
Financial Assets		
Trade Receivables		
EURO	153.0	181.5
USD	107.5	154.3
SEK	96.0	86.1
SGD	56.4	44.7
CNY	38.4	13.1
Total exposure to foreign currency assets	451.3	479.7
Bank balance in EEFC		
EURO	1.4	-
USD	17.1	1.8
Total exposure to foreign currency assets	469.8	481.5
Financial Liabilities		
Trade Payables		
EURO	1,947.7	1,550.1
USD	356.3	358.9
SEK	5.6	-
GBP	0.5	4.4
YEN	13.7	20.4
CHF	0.9	2.2
Total exposure to foreign currency risk (liabilities)	2,324.7	1,936.0

ii) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

	Impact on profit after tax	
	March 31, 2018	March 31, 2017
EURO sensitivity		
INR/EURO increased by 5 %	(89.7)	(68.4)
INR/EURO decreased by 5 %	89.7	68.4
USD sensitivity		
INR/USD increased by 5 %	(12.4)	(10.2)
INR/USD decreased by 5 %	12.4	10.2
SEK sensitivity		
INR/SEK increased by 5 %	4.5	4.3
INR/SEK decreased by 5 %	(4.5)	(4.3)
SGD sensitivity		
INR/SGD increased by 5 %	2.8	2.2
INR/SGD decreased by 5 %	(2.8)	(2.2)

Notes to financial statements

iii) Interest rate risk

The Company's borrowings are carried at amortised cost. The Company recovers interest charged by bank for discounted Bill of exchange from the customers who accept these bills of exchange. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The loan to related party is carried at amortised cost. The Company recovers interest as per the terms of the agreement. The interest rate approximates the market rate of interest and hence the interest risk for loan given to related party is not considered to be substantial.

35 (B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to pay out obligations. Due to the dynamic nature of the underlying businesses, Company ensures availability of funds by managing the investments.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet this. The Company invests its surplus funds in bank fixed deposit and in quoted government debt securities.

Maturities of financial liabilities

All the financial liabilities as on March 31, 2018 and March 31, 2017 are due within 12 months. The carrying value of all the financial liabilities as on respective dates is considered as its maturity value since the impact of discounting is not significant.

35 (C) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness.

Credit risk management

For banks and financial institutions, only high rated banks/institutions are accepted.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty ability to meet its obligations
- actual or expected significant changes in the operating results of the counterparty
- significant increase in credit risk on other financial instruments of the same counterparty
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements

The definition of default is determined by considering the business environment in which entity operates and other macro-economic factors. All receivables past due are analysed and based on scrutiny provisions for Bad Debts are made on specific identification basis.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk, being the total of the carrying amount of balances with bank, short term deposits with banks, trade receivables and other financial assets is disclosed at the end of the each reporting period. Refer relevant notes for details.

Notes to financial statements

Financial assets that are neither past due nor impaired

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade receivables and other receivables, and other financial assets that are neither impaired nor past due, there were no indications at the end of each reporting period, that defaults in payment obligations will occur.

The Company follows 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date) model for recognition of impairment loss on financial assets measured at amortised cost other than trade receivables. The Company follows lifetime expected credit loss model (simplified approach) for recognition of impairment loss on trade receivables.

The ageing of trade receivable as on balance sheet date is given below. The age analysis has been considered from the date when the invoices were due for payment.

(₹ in Million)

	As at March 31, 2018			As at March 31, 2017		
	Gross	Allowance	Net	Gross	Allowance	Net
Trade receivables						
Period (in months)						
Not due	4,060.5	-	4,060.5	4,438.1	-	4,438.1
Overdue up to 3 months	772.4	-	772.4	663.8	-	663.8
Overdue 3-6 months	107.7	(33.0)	74.7	41.2	-	41.2
Overdue more than 6 months	148.3	(148.3)	-	106.9	(106.9)	-
Total	5,088.9	(181.3)	4,907.6	5,250.0	(106.9)	5,143.1

(₹ in Million)

Reconciliation of loss allowance provision – Trade receivables

Loss allowance on April 1, 2016	91.6
Change in loss allowance	15.3
Loss allowance on March 31, 2017	106.9
Change in loss allowance	74.4
Loss allowance on March 31, 2018	181.3

36 Capital management

(a) Risk management

The company's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and short-term borrowings. The company's short term borrowings are only to the extent of discounted bills of exchange.

Notes to financial statements

(b) Dividends

(₹ in Million)

	March 31, 2018	March 31, 2017
i) Equity shares		
Dividend paid		
March 31, 2017 (₹ 10 per share)	513.0	
March 31, 2016 (₹ 15 per share)		791.0
ii) Dividends not recognised at the end of reporting period	616.1	513.0

In addition to the dividend in point (i) above, post year end the directors have recommended the payment of a final dividend of ₹ 12 per fully paid equity share (31 March 2017 – ₹ 10). This proposed dividend is subject to the approval of shareholders in the Annual General meeting

37 Earnings per share (EPS)

Basic and diluted earnings per share

The earnings per share (basic & diluted), computed as per the requirement under Indian Accounting Standard (IND AS 33) on 'Earnings per Share' is as under:

	For year ended March 31, 2018	For year ended March 31, 2017
Profit attributable to Equity Shareholders (₹ in Million)	2,958.9	2,438.9
Basic/Weighted average number of Equity Shares outstanding during the year	51,647,444	52,732,538
Nominal value of Equity Shares (₹)	10.0	10.0
Basic Earnings per share (₹)	57.3	46.3
Diluted Earnings per share (₹)	57.3	46.3

38 Employee benefits: Post-employment benefit plans

I Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions in case of employees not covered under SKF Bearings India Limited, Provident Fund Scheme. The contributions are charged to the profit and loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund and Superannuation fund is as follows:

Particulars	For year ended March 31, 2018	For year ended March 31, 2017
Employee Provident Fund – Regional Provident Fund Contribution	33.3	34.0
Superannuation fund	34.3	33.6
	67.6	67.6

Notes to financial statements

(₹ in Million)

II Defined Benefit plans

i) Gratuity

The Company operates a post-employment defined benefit plan that provides gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive between 15 days to one month's salary for each year of completed service at the time of retirement/exit.

The following table summarises the position of assets and obligations.

	Present value of obligation	Fair value of plan assets	Net Amount
Opening balance as on April 1, 2016	732.5	705.2	27.3
Current service cost	38.5	-	38.5
Interest cost/income	55.4	54.4	1.0
Total amount recognised in profit & loss	93.9	54.4	39.5
Remeasurements			
Actual return on plan assets less interest on plan assets	-	11.4	(11.4)
(Gain)/loss from change in financial assumptions	22.1	-	22.1
Experience (gains)/losses	28.6	-	28.6
Total amount recognised in other comprehensive income	50.7	11.4	39.3
Employer contributions	-	28.4	(28.4)
Benefit payments	(48.4)	(48.4)	-
Closing balance as on March 31, 2017	828.7	751.0	77.7
Opening balance as on April 1, 2017	828.7	751.0	77.7
Current service cost	38.5	-	38.5
Interest cost/income	59.0	54.1	4.9
Total amount recognised in profit & loss	97.5	54.1	43.4
Remeasurements			
Actual return on plan assets less interest on plan assets	-	3.8	(3.8)
changes in demographic assumptions	(9.8)	-	(9.8)
(Gain)/loss from change in financial assumptions	(16.6)	-	(16.6)
Experience (gains)/losses	5.9	-	5.9
Total amount recognised in other comprehensive income	(20.5)	3.8	(24.3)
Employer contributions	-	77.9	(77.9)
Benefit payments	(50.1)	(50.1)	-
Closing balance as on March 31, 2018	855.6	836.7	18.9

Notes to financial statements

The net liability disclosed above relates to funded and unfunded plans are as follows:

	(₹ in Million)	
	March 31, 2018	March 31, 2017
Present value of funded obligations	855.6	828.7
Fair value of plan assets	836.7	751.0
Deficit of funded plan	18.9	77.7

Principal actuarial assumptions used as at the reporting date:

The significant actuarial assumptions were as follows:

Discount rate	7.8%	7.5%
Salary growth rate		
for Management	10.0%	10.0%
for Non-Management	6.0%	6.0%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in each territory. These assumptions translate into an average life expectancy in years for a pensioner.

ii) Provident Fund

The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors. The actuary has provided a valuation and based on the below provided assumptions, shortfall recognised in the Statement of Profit and Loss during the year is NIL (previous year NIL MINR).

	Present value of obligation	Fair value of plan assets	Net Amount
Opening balance as on April 1, 2016	1,493.8	1,486.1	7.7
Current service cost	38.2	-	38.2
Interest cost/income	115.7	115.7	-
Total amount recognised in profit & loss	153.9	115.7	38.2
Actual return on plan assets less interest on plan assets	-	13.4	(13.4)
(Gain)/loss from change in financial assumptions	(12.4)	-	(12.4)
Experience (gains)/losses	18.1	-	18.1
Total amount recognised in other comprehensive income	5.7	13.4	(7.7)
Employer contributions	-	38.2	(38.2)
Employee contributions	96.1	96.1	-
Assets Distributed on Settlements / acquired on acquisition	4.7	4.7	-
Benefit payments	(96.4)	(96.4)	-
Closing balance as on March 31, 2017	1,657.8	1,657.8	-

Notes to financial statements

	(₹ in Million)		
	Present value of obligation	Fair value of plan assets	Net Amount
Opening balance as on April 1, 2017	1,657.8	1,657.8	-
Current service cost	40.6	-	40.6
Interest cost/income	121.9	121.9	-
Total amount recognised in profit & loss	162.5	121.9	40.6
Remeasurements			
Actual return on plan assets less interest on plan assets	-	(31.5)	31.5
(Gain)/loss from change in financial assumptions	-	-	-
Experience (gains)/losses	(31.5)	-	(31.5)
Total amount recognised in other comprehensive income	(31.5)	(31.5)	(0.0)
Employer contributions	-	40.6	(40.6)
Employee contributions	110.4	110.4	-
Assets Distributed on Settlements / acquired on acquisition	7.5	7.5	-
Benefit payments	(123.7)	(123.7)	-
Closing balance as on March 31, 2018	1,783.0	1,783.0	(0.0)

The net liability disclosed above relates to funded and unfunded plans are as follows:

	March 31, 2018	March 31, 2017
Present value of funded obligations	1,783.0	1,657.8
Fair value of plan assets	1,783.0	1,657.8
Deficit of funded plan	(0.0)	-

Principal actuarial assumptions used as at the reporting date:

The significant actuarial assumptions were as follows:

	March 31, 2018	March 31, 2017
Discount rate	7.8%	7.5%
Expected rate of return on plan assets	8.3%	8.8%
Discount rate for the remaining term to maturity of the investment	7.8%	7.1%
Average historic yield on the investment	8.4%	8.5%
Guaranteed rate of return	8.6%	8.7%

Notes to financial statements

III Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

			Impact on defined benefit obligation					
	Change in assumption			Increase in Valuation			Decrease in Valuation	
	March 31, 2018	March 31, 2017		March 31, 2018	March 31, 2017		March 31, 2018	March 31, 2017
Discount rate - Gratuity	0.50%	0.50%	Decrease by	3.11%	3.77%	Increase by	3.28%	4.01%
Salary growth rate - Gratuity	0.50%	0.50%	Increase by	3.28%	3.99%	Decrease by	3.14%	3.79%
RPFC guranteed rate	0.50%	0.50%	Increase by	2.22%	0.58%	Decrease by	0.00%	0.00%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Notes to financial statements

IV (a) The major categories of plans assets for Gratuity are as follows:

	March 31, 2018			March 31, 2017			(₹ in Million)
	Quoted	Unquoted	Total	Quoted	Unquoted	Total	
<u>Debt instruments</u>							
Corporate bonds	60.1	-	60.1	119.3	-	119.3	16%
Government of India securities	146.7	-	146.7	131.0	-	131.0	17%
Sub Total	206.8	-	206.8	250.3	-	250.3	
<u>Insurer Fund</u>	666.7	-	666.7	492.0	-	492.0	66%
Others	-	(36.7)	(36.7)	-	8.8	8.8	1%
Total	873.5	(36.7)	836.8	742.3	8.8	751.1	100%

IV (b) The major categories of plans assets for Provident Fund are as follows:

	March 31, 2018			March 31, 2017			in %
	Quoted	Unquoted	Total	Quoted	Unquoted	Total	
<u>Equity instruments</u>							
	66.0	-	66.0	50.0	-	50.0	3%
<u>Debt instruments</u>							
Corporate bonds	548.0	-	548.0	938.0	-	938.0	57%
Government of India securities	736.0	-	736.0	588.0	-	588.0	35%
Sub Total	1,284.0	-	1,284.0	1,526.0	-	1,526.0	
<u>Others</u>	-	433.0	433.0	-	82.0	82.0	5%
Total	1,350.0	433.0	1,783.0	1,576.0	82.0	1,658.0	100%

Notes to financial statements

The weighted average duration of the defined benefit obligation is 6.41 years (2017 – 7.78 years, 2016– 8.29 years). The expected maturity analysis of undiscounted gratuity is as follows:

	(₹ in Million)				
	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2018					
Defined benefit obligation	113.0	165.2	296.1	960.3	1,535
March 31, 2017					
Defined benefit obligation	78.8	125.6	234.7	1,211.6	1,651
March 31, 2016					
Defined benefit obligation	45.4	111.3	195.1	1,225.1	1,577

V Risk exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk to minimise risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit. The company has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The company intends to maintain the above investment mix in the continuing years.

Changes in bond yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

The company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans.

Within this framework, the company's ALM objective is to match assets to the gratuity obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due.

The company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The company has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

Notes to financial statements

39 Contingent liabilities and commitments

(to the extent not provided for)

	(₹ in Million)	
	March 31, 2018	March 31, 2017
a) Contingent liabilities:		
Claims against the Company not acknowledged as debts		
(i) Income-tax	1,098.1	737.4
(ii) Excise duty	227.0	218.8
(iii) Sales tax	129.8	105.7
(iv) Service tax	6.6	6.6
(v) Others	49.0	74.5
	1,510.5	1,143.0

In addition to above, during the year the company has received a Draft assessment order for financial year 2013-14 (Assessment year 2014-15) u/s 143(3) read with section 144C of the Income Tax Act, 1961 ("Act") from the Assessing officer proposing an adjustment of ₹ 725.7 million towards Transfer Pricing addition resulting from the Transfer Pricing order under section 92CA(3) of the Act and an adjustment of ₹ 390 million towards Income Tax issues. Thus the total addition of ₹ 1,115.7 million has been proposed in draft assessment order. Against this draft assessment order, the company has filed its objections with Dispute resolution panel (DRP) under section 144C of the Act. The matter will be heard by the DRP and directions shall be issued to the Assessing officer who shall, in conformity with the directions, pass the final assessment order under section 144C(13) of the Act. Given the fact that the company has not received final assessment order and that the hearings are pending before the Dispute resolution panel, the management is of the opinion that there is no tax liability against the company as on the balance sheet date.

	(₹ in Million)	
	March 31, 2018	March 31, 2017
b) Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	125.9	201.0
	125.9	201.0

40 Dues to micro and small suppliers

Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1.8	1.0
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.0	0.0
Principal amount paid to suppliers registered under the MSMED Act beyond the appointed day during the year	35.2	34.5
Interest paid other than under Section 16 of MSMED Act to suppliers registered under the MSMED Act beyond the appointed day during the year	Nil	Nil
Interest paid under Section 16 of MSMED Act to suppliers registered under the MSMED Act beyond the appointed day during the year	Nil	Nil
Interest due and payable towards suppliers registered under MSMED Act for payment already made	0.3	0.3
Further interest remaining due and payable for earlier years	3.6	3.3

Note : The above information has been compiled by the Company on the basis of information made available by vendors during the year ended March 31, 2018 and year ended March 31, 2017

Notes to financial statements

41 Disclosure on Specified Bank Notes (SBN's)

During the year 2016-17, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below

Amount in ₹

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	287,500	198,356	485,856
(+) Permitted receipts	-	388,936	388,936
(-) Permitted payments	(21,000)	(385,387)	(406,387)
(-) Amount deposited in Banks	(237,500)	-	(237,500)
Exchanged against valid denomination	(29,000)	29,000	-
Closing cash in hand as on December 30, 2016	-	230,905	230,905

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 18, 2016.

42 Segment information

The Company is of the view that it operates in a single segment viz. 'Bearings'. The Chief operating decision maker assess the result at Company level. This is in accordance with Accounting Standard IND AS 108, 'Segment Reporting' issued under Companies (Accounting Standards) Rules, 2015.

(₹ in Million)

Information about geographical segments	March 31, 2018	March 31, 2017
Segment revenue		
Domestic	25,004.2	26,089.4
Export	2,682.0	1,957.8
	27,686.2	28,047.2
Segment assets *		
Domestic	4,437.8	4,661.7
Export	469.8	481.5
	4,907.6	5,143.2

* The Company's tangible assets are located entirely in India.

43 Standards issued but not yet effective

Ind AS 115 - Revenue from Contracts with Customers

The Ministry of Corporate Affairs (MCA) has notified Ind AS 115, 'Revenue from Contracts with Customers', on 28 March 2018, which is effective for accounting periods beginning on or after 1 April 2018. The new revenue standard is based on a transfer of control model, which fundamentally changes the basis of revenue recognition, presentation and disclosures. The core principle is described in a five-step model framework.

The Company does not expect this standard to have a material impact on the financial statements in terms of the amount and timing of revenue recognition.

Notes to financial statements

44 The Company has facility from banks for

- i) Working capital / working capital demand loans which are secured by pari passu charge of :
 - a) all tangible movable properties and assets , both present and future, including stocks of Raw Materials, Semi-finished goods and Finished goods,excluding movable Machinery Spares, Tools and Accessories and Stores and Spares.
 - b) all present and future Book Debts outstanding, Monies receivable, Claims and Bills.
- ii) Pre shipment export credit loan (unsecured) of ₹ 850 million as at March 31, 2018 at the rate of interest 5.1 % after subvention of 3% payable on June 29, 2018.

45 Related party disclosures

(i) **List of Related Parties & relationship:**

a) **List of related parties where control exists**

Sr. No.	Name of the Related Party	Relationship
1	Aktiebolaget SKF (AB SKF)	Holding Company

b) **Names of the related parties with whom transactions were carried out and description of relationship:**

Fellow subsidiary Companies (All under the common control of AB SKF)

Sr. No. Name of the Related Party

- 1 SKF GmbH
- 2 SKF Industrie S.p.A
- 3 SKF Sverige AB
- 4 SKF USA Inc
- 5 SKF Argentina S.A.
- 6 SKF Logistics Uruguay S.A
- 7 SKF Oesterreich AG
- 8 Lincoln Helios (India) Ltd
- 9 Kaydon Corporation
- 10 SKF International AB
- 11 SKF Mekan AB
- 12 SKF Maintenance Services GMBH
- 13 SKF Motion Technologies AB
- 14 SKF Norge A/S
- 15 SKF (U.K.) Ltd
- 16 SKF France S.A.
- 17 SKF Motion Technologies S.A.
- 18 RKS S.A.S

Notes to financial statements

b) Names of the related parties with whom transactions were carried out and description of relationship: (continued)

- 19 SKF Logistic Service Belgium NV
- 20 RFT S.p.A.
- 21 SKF CZ a.s.
- 22 SKF Actuation System (Liestal) AG
- 23 SKF Bearings Bulgaria EAD
- 24 SKF European Distribution Centre (EDC), Tongeren
- 25 SKF Canada Ltd
- 26 SKF de Mexico, S.A. de C.V.
- 27 SKF Latin Trade S.A.S
- 28 SKF del Peru S.A.
- 29 SKF do Brasil Ltda
- 30 Shanghai Peer Bearing Co., Ltd., Shanghai (SPZ)
- 31 Zhejiang Xinchang Peer Bearing Co. Ltd, Xingchang (XPZ1)
- 32 SKF Turk Sanayi ve Ticaret Limited Sirketi
- 33 SKF Technologies (India) Pvt Ltd
- 34 Zhejiang Xinchang Peer Mechanical Parts Co Ltd
- 35 SKF Asia Pacific Pte Ltd
- 36 SKF (Thailand) Ltd
- 37 SKF Taiwan Co. Ltd.
- 38 SKF Japan Ltd.
- 39 SKF (Shanghai) Bearings Ltd.
- 40 SKF Korea Ltd
- 41 SKF Philippines Inc
- 42 SKF Bearing Industries (Malaysia) Sdn. Bhd
- 43 SKF Malaysia Sdn. Bhd
- 44 SKF Sealing Solutions (Wuhu) Co., Ltd
- 45 P.T. SKF Indonesia
- 46 SKF Vietnam Ltd.
- 47 SKF Industrial Indonesia
- 48 SKF (Shanghai) Automotive Technologies Co Ltd
- 49 SKF (China) Sales Co Ltd
- 50 SKF (Dalian) Bearings and Precision Technologies Co. Ltd.
- 51 SKF (Jinan) Bearing & Precision Technology Co. Ltd.
- 52 SKF Distribution Shanghai Co Ltd

Notes to financial statements

b) Names of the related parties with whom transactions were carried out and description of relationship: (continued)

- 53 SKF Actuation System (Pinghu) Co. Ltd.
- 54 ABBA Linear Tech Co. Ltd
- 55 SKF (Pinghu) Precision Bearings Co.,Ltd.
- 56 SKF Australia PTY Ltd.
- 57 PSC SKF Ukraine
- 58 SKF Linearsysteme GmbH, Schweinfurt
- 59 SKF Sealing Solutions GmbH
- 60 SKF South Africa (Pty) Ltd.
- 61 SKF Sealing Solutions Austria GmbH

Key Management Personnel

- 1 Mr. Carl Orstadius (Managing Director from April 1, 2018)
- 2 Mr. Shishir Joshipura (Managing Director till March 31, 2018)
- 3 Ms. H. Hattangady
- 4 Mr. P. M. Telang
- 5 Mr. P.R. Menon
- 6 Mr. Rakesh Makhija
- 7 Mr. Bernd Stephan (with effect from June 8, 2017)
- 8 Mr. Stephane Le-mounier (resigned on April 28, 2017)

Employees' Benefit plans where there is Significant influence

- 1 SKF India Limited Provident Fund Scheme
- 2 SKF Bearings India Limited Superannuation Scheme
- 3 SKF Bearings India Limited Bangalore Superannuation Scheme
- 4 SKF Bearings India Limited Employees Gratuity Fund
- 5 SKF Bearings India Limited Bangalore Employees Gratuity Fund

Notes to financial statements

(₹ in Million)

(ii) Disclosure of related party transactions:

Sr. No.	Nature of transaction / relationship / major parties	For year ended March 31, 2018		For year ended March 31, 2017	
		Amount	Amount	Amount	Amount
A	Purchases				
i	Raw Materials and Finished Goods	8,496.3		8,975.8	
	SKF GmbH		2,231.3		2,043.7
	SKF Asia Pacific Pte Ltd		1,355.0		2,508.6
	SKF Technologies India Private Ltd.		1,311.6		1,714.1
	SKF Industrie S.p.A		907.4		522.7
	SKF France S.A.		627.8		453.3
	SKF Sverige AB		625.8		638.3
	Others		1,437.4		1,095.1
ii	Capital Goods & Services	34.5		22.5	
	SKF Osterreich AG., Austria		34.4		19.1
	SKF Industrie S.p.A.		0.1		1.5
	Others		0.0		1.9
B	Services received				
i	Administrative and Service Fees	254.7		211.3	
	AB SKF, Sweden		199.0		176.3
	Others		55.7		35.0
C	Royalty	477.4		413.6	
	AB SKF, Sweden		477.4		413.6
D	Trade Mark Fees	310.1		271.2	
	AB SKF, Sweden		310.1		271.2
E	Sales				
i	Goods and Services	2,552.6		1,957.8	
	SKF USA Inc.,		695.5		266.1
	SKF GmbH,		577.4		690.1
	SKF European Distribution Centre (EDC)		287.0		259.5
	SKF Asia Pacific Pte Ltd		259.9		179.9
	SKF do Brasil Ltda		190.0		152.3
	Others		542.8		409.9
ii	Technical and other service income	202.5		180.7	
	AB SKF, Sweden		202.5		180.7
F	Other Income				
i	Rent Income	31.2		35.5	
	SKF Technologies India Private Ltd.		31.2		35.5
ii	Commission Income	11.0		23.7	
	SKF Asia Pacific Pte Ltd		11.0		23.7

Notes to financial statements

(₹ in Million)

(ii) Disclosure of related party transactions:

Sr. No.	Nature of transaction / relationship / major parties	For year ended March 31, 2018		For year ended March 31, 2017	
		Amount	Amount	Amount	Amount
G	Reimbursements				
i	Received	135.3		82.9	
	SKF Technologies India Private Ltd.		67.6		58.1
	AB SKF		26.2		4.7
	SKF Asia Pacific Pte Ltd		13.5		4.2
	Others		28.0		15.9
ii	Paid	8.6		7.2	
	SKF Technologies India Private Ltd.		3.4		3.8
	AB SKF, Sweden		1.5		1.1
	SKF Industries SPA		1.2		2.2
	SKF Sverige AB		1.1		-
	Others		1.4		0.1
H	Inter Corporate Loan & Interest				
i	Loan Received Back	50.0		290.0	
	SKF Technologies India Private Ltd.		50.0		290.0
ii	Interest Income on Loan	123.5		138.9	
	SKF Technologies India Private Ltd.		123.5		138.95
I	Dividend Paid	268.5		423.8	
	AB SKF, Sweden		234.3		369.6
	SKF (UK) Ltd.		32.3		51.0
	Others		1.9		3.2
J	Managerial Remuneration :- Mr. Shishir Joshipura	37.8		30.2	
	Salaries, Incentive etc		31.5		24.5
	Post employment benefits		6.3		5.7
K	Payment to Directors	9.7		8.3	
	Sitting fees & Commission		9.7		8.3
L	Employees' Benefit plans where there is Significant influence				
i	Contributions Paid	262.0		196.7	
	SKF India Limited Provident Fund Scheme		150.4		134.2
	SKF Bearings India Limited Superannuation Scheme		30.9		30.8
	SKF Bearings India Limited Bangalore Superannuation Scheme		2.8		3.3
	SKF Bearings India Limited Employees Gratuity Fund		72.3		16.6
	SKF Bearings India Limited Bangalore Employees Gratuity Fund		5.6		11.8
ii	Reimbursements Received For Settlements	42.8		18.5	
	SKF Bearings India Limited Employees Gratuity Fund		36.3		17.2
	SKF Bearings India Limited Bangalore Employees Gratuity Fund		6.5		1.3

Notes to financial statements

(₹ in Million)

(iii) Amount due to/from related parties

Sr. No.	Nature of transaction / relationship	March 31, 2018		March 31, 2017	
		Amount	Amount	Amount	Amount
1	Accounts receivable	481.8		542.5	
	SKF International AB (Treasury Centre), Göteborg		437.2		473.3
	Others		44.6		69.2
2	Other receivable	58.5		47.1	
	AB SKF Goteborg, Sweden		51.6		43.8
	Others		6.9		3.3
3	Accounts payable	2,590.4		1,983.0	
	SKF International AB		2,008.6		1,425.9
	SKF Asia Pacific Pte Ltd		310.3		286.2
	AB SKF Goteborg, Sweden		202.2		178.9
	Others		69.3		92.0
4	Loan (including interest accrued)	1,577.0		1,627.5	
	SKF Technologies India Private Limited		1,577.0		1,627.5
5	Managerial Remuneration payable	6.3		0.9	
	Mr. Shishir Joshipura		6.3		0.9
6	Employees' Benefit plans where there is Significant influence				
	Other Receivable	52.6		46.0	
	SKF Bearings India Limited Employees Gratuity Fund		46.4		33.5
	SKF Bearings India Limited Bangalore Employees Gratuity Fund		6.2		12.5
7	Director's commission	7.2	7.2	6.6	6.6

(iv) Terms and Conditions

Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.

The loans to related party is repayable along with interest as per the terms of the agreement.

Goods and Services were sold/purchased to/from related parties during the year based on the price lists in force and terms that would be available to third parties.

All other transactions were made on normal commercial terms and conditions and at arms length.

For **Price Waterhouse & Co Bangalore LLP**
Firm Regn. No. 007567S/S-200012
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership No. 48125

Pune
May 8, 2018

For and on behalf of the Board of Directors of SKF India Limited

Rakesh Makhija
Chairman

Carl Orstadius
Managing Director

P. R. Menon P. M. Telang H. Hattangady Bernd Stephan
Directors

Chandramowli S.
Finance Director

P. Bhandari
Company Secretary
May 8, 2018, Pune

Notes

Notes



SKF India Limited

Registered Office:

Mahatma Gandhi Memorial Building,
Netaji Subash Road, Mumbai - 400 002.

Manufacturing Facilities:

Bommasandra, Bengaluru - 560 099.
Chinchwad, Pune - 411 033.
Salempur-Mehdood, Haridwar - 249 402.
Toll Free No.: 1800 222 007

CIN : L29130MH1961PLC011980

www.skf.com/in