

SKF India (Indl.)

14 August 2026

Operator: Ladies and gentlemen, good morning and welcome to SKF India (Industrial) Ltd. Q1 FY27 earnings conference call. For the smooth conduct of the meeting, all participants are in listen-only mode. A brief question-and-answer session will follow the formal presentation. Should you need assistance during the conference call, please press star then zero on your touchtone telephone. As a reminder, this conference is being recorded. I would now like to hand the conference over to Prabhsharan Kaur from the Corporate Communication Department of SKF India (Industrial) Ltd. Thank you, and over to you, ma'am.

Prabhsharan Kaur – Corporate Communication: Good morning, everyone. Thank you for joining us today. With us, we have SKF India (Industrial) Ltd.'s Managing Director, Mr. Mukund Vasudevan, our CFO, Mr. Ashish Saraf, and our Director Operations, Mr. Sujit Pai. The purpose of today's call is to share our Q1 FY27 results.

Please note that the financial information from December 17, 2024, to March 31, 2025, and from April 1, 2025, to September 30, 2025, as reported in the presentation shared, has been extracted and may involve certain assumptions by the management based on the financial information of SKF India Limited pertaining to the demerged industrial undertaking. This information has been prepared in accordance with Appendix C of Ind AS 103, Business Combinations, using the financial information maintained by SKF India Limited, the demerged company.

Before I turn the call over to the management, I would like to remind you that some of the remarks in this call contain forward-looking statements that are subject to risks and uncertainties, and actual results may differ materially. Such statements are based on management's beliefs, assumptions made by management, and information currently available to management. The audience is cautioned not to place undue reliance on these forward-looking statements when making any investment decision.

The purpose of today's call is purely to educate and create awareness about the company's fundamental business and the financial quarter under review. Let me turn the call over to Mr. Mukund Vasudevan now. Sir, please, over to you.

Mukund Vasudevan – MD: Thank you, Prabhsharan. Welcome, everyone, to the Q1 FY27 investor call. We are at SKF India (Industrial) Ltd. This is the first investor call we are having, and we are very happy to share our results with you.

Along with me are my colleagues, our CFO, Ashish Saraf, and our head of operations, Sujit Pai. In the Q&A, they will support me wherever I need their help.

I would also like to congratulate Mr. Sujit Pai, who will be taking over as Managing Director of SKF India (Industrial) Ltd., effective September 1, as you saw in the SEBI announcement, while I step into a larger role to manage the larger region for SKF.

I am now going to walk you through the presentation that will be shared with each one of you. I am now at the title slide, which has macro indicators, strategic growth drivers, highlights, and a summary.

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Let me first go through the macro highlights. As you all know, the Indian economy is still quite strong. While the GDP numbers may vary a little, GDP is in the range of 6.5–7.5%, depending on whom you speak to. Inflation has crept up a little, and you will see that this is primarily due to fuel prices and, to some extent, food prices. We expect that to continue to remain in the same range or perhaps get a little worse, as the monsoons have been somewhat weak.

Industrial production has been a strong point. It has been rebounding and rebounded quite strongly last quarter. The robust manufacturing outlook for India and for exports continues to be robust.

If I move to the next slide, slide 6, which is about specific sectors, even though we are still remaining at a macro level, if you look at construction, the value added to GDP in billion INR is continuing to grow steadily each quarter. The metric tons of steel produced are growing. While there was a slight dip in Q1, steel production capacity continues to be added in the country.

Finally, on wind, we now have the fourth-largest wind capacity in the world and, uh...

Mukund Vasudevan – MD: All right, I am still on page 6, but I said that the steel industry is doing well. Steel production is still going strong, even though it had a slight dip in Q1. The capacity addition trend in the long term continues to be significant. Wind capacity addition is the fastest-growing in the world, and it is currently the fourth-largest wind capacity in the world, growing at almost 10%.

All these are macro factors that help our business, especially the SKF India (Industrial) Ltd. business.

If I now move to slide 8, where I talk about the strategic growth drivers, as you know, at SKF Industrial, we have built, and are trying to build, a customer-focused, agile company delivering value to our industrial customers. Our strategy consists of four pillars.

The first is localization, which involves expanding our industrial-focused manufacturing footprint in the region. The second is innovation, which is about empowering our customers through innovative and customer-focused solutions. The third is digitalization and reliability solutions, which are focused on predictive monitoring and maintenance and helping our customers reduce their downtime. Finally, there are our people, which involves developing our capabilities and talent.

If I go to the next page, page 9, I will give a few examples of how we have made progress on each of these pillars of SKF India (Industrial) Ltd.'s strategy.

In localization, we have set up a tapered roller bearing line, which is used extensively in several industries. It is used in gearboxes, off-highway equipment, tractors, and so on. We have now set up a new line in Pune, which is going to support not just India but also export markets. This will provide 3 million units annually to support future growth. It will also help us deliver to customers faster, reduce our exposure to imports, and become more competitive.

If I look at innovation, there are some very exciting innovations that we have launched recently, and we will continue to do this every quarter.

For the railway market, we have launched railway wheel-set bearings. A wheel set is a bearing, a housing, and a mounting block, all integrated into one, and it includes an electronic sensor and a

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seal. This creates more rigidity and provides lower temperatures in production, and this reduces the maintenance interval, or increases the maintenance intervals, by almost 20%.

We have also specifically developed a line of bearings for the food and beverage industry that has the capability to withstand up to 150 degrees Celsius. In certain environments where we require good rotation with less friction, but the product also has to be food-grade and withstand high temperatures, this is one of a kind.

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

Similarly, we have launched a cylindrical roller bearing for agricultural OEMs for their harvesters and tractors, both for the Indian market and the global market. This reduces the time required for installation and also reduces contamination entering during any of the environments in which they operate.

There is a significant amount of innovation that will contribute to growth not just now but also in the future, and it positions us well as the premier bearing company in the country.

I will now talk about the financial highlights on page 11. We spoke about the strategy and its four pillars: localization, innovation, digitalization, and people. Now we will talk about the financial highlights very quickly.

Before I proceed, I would like to make a comment. As Prabhsharan mentioned earlier, the industrial entity was not set up in the same quarter of the previous year, so there is no exactly comparable period. That said, we have made some assumptions to compare sales, but we do not have a year-on-year comparison for the other metrics. For sales, we have made a comparison.

Our revenue from operations was 9,708 million for the quarter. If you compare it year-on-year, and this is where we have made some assumptions for last year, it represents 18.3% growth, which is very exciting. If you make a quarter-on-quarter comparison, from the January-to-March quarter to the current quarter, that represents 2.6% growth, so it is still solid.

PBT was 869 million, with roughly a 9% margin, primarily due to a forex-related loss and one-time expenses related to the demerger, primarily related to IT. Our cash flow was still strong, with 63% cash conversion in this quarter.

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

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

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As we look at the rest of this year, we still see a very solid base. We are continuing to win orders. If you compare quarter-on-quarter, our OEM versus distribution, exports, and supplies to SKF India Automotive, where we are still supplying, the mix is almost the same, with no significant change. We are trying to bring down sales to SKF India Automotive as the 2 companies become more independent. We expect this mix to remain mostly as expected.

In terms of segments, there was strong performance across most segments in this quarter. General machinery, which includes everything from pumps, motors, and gears, did extremely well. Its share of the business has grown. The other sectors that performed well in this quarter were wind and heavy industry. Rail was also solid.

If you look at some of the wins we have secured, which are good orders that we will invoice in the next few months and coming quarters, we have just won a significant order with a gearbox manufacturer, a 140 crore order, which will help us significantly in our industrial business.

Management: This will help us with our sales in the next few quarters and continuing into next year. Similarly, in agriculture, we have just won a {? 35 crore ?} contract with a leading tractor OEM, thanks to our innovative customized product. These are just a few examples of the orders we have won, but this will continue, and we are seeing good traction in both the OEM and aftermarket distribution businesses.

I will end with a summary. I am now on page 16. Revenue from operations was good, with both year-on-year and sequential quarter-on-quarter growth. The margin was a little below expectations, but much of it was driven by one-time expenses, and we expect to see that recover over the next few quarters. Cash flow was a little lower than last quarter, but we had very strong cash generation, which enables us to pay good dividends in the future.

I would say that this has been a great start for us at SKF India (Industrial) Ltd., which is trying to be more agile and industrial-focused and allows for sharper capital allocation. The sharper capital allocation enables us to make the investment we are planning, in terms of {? 900-950 crores ?}, to build the new Pune plant, the Vithalwadi Pune plant. That is the current plan, and we expect to start producing there from 2028.

We have great tailwinds from India's growth story, as sectors such as wind, metals, heavy industry, cement, and construction continue to bolster our growth.

Last but not least, we cannot simply sit back and relax despite these investments and the macro factors. We have to do our job in terms of manufacturing more efficiently, developing innovative products, and building a strong aftermarket, both through distribution and through our digitalization and services business.

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

Operator: Thank you, sir. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use a handset while asking a question. We request each participant to limit their questions to one per

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participant. If you wish to ask more than one question, kindly join the queue again.

Ladies and gentlemen, we will wait for a moment while the question queue assembles. Our first question comes from the line of Viraj Kacharia with SIMPL. Please go ahead.

Viraj Kacharia – SIMPL: Hi. Thanks for the opportunity. I have a couple of questions. First, in terms of new products, the annual report also discussed a change in approach toward application-focused selling. Where do you see white spaces in terms of new products, and where do you see the biggest opportunity for growth? Can you provide some color in terms of the timeline for the new product pipeline and the segments we are looking at?

We also discussed at the AGM that we are looking at bringing the parent's robotics, humanoid robots, and data center-related product portfolio to India. Again, can you provide more color in terms of the TAM and the content that we will be looking to capture? That is the first question.

The second question is on margins. Can you quantify the FX and demerger-related expenses in the quarter gone by? At the AGM, we also discussed a PBT margin guidance of 14–16%, but this seems to be lower than the earlier guidance of 16–19%. Where is that moderation in the margin structure really being driven from?

Mukund: I will try to answer that to the best of my ability. I will let Ashish answer some of these questions.

In terms of the industry segments where we see new product opportunities for innovation, I would say it is across the board. Some segments, however, are slower to adopt innovation than others, simply because changes are costly for them and they are risk-averse. Other segments are much more open to it.

I would say that the greatest traction we are currently seeing in terms of innovation is in general machinery, which includes motors, pumps, and gearboxes. We see a lot...

Viraj Kacharia – SIMPL: Mukund sir, your voice is cracking a bit.

Mukund: Is everybody having the same challenge?

Operator: Yes, Mukund sir. From our end, your voice is breaking a bit.

Mukund: Give me a second. [inaudible] All right, is that better?

Viraj Kacharia – SIMPL: Yes, sir.

Mukund: I was saying that we are seeing more traction in innovation in some of the sectors where customers are more open and amenable to fast changes in products. We are seeing that in motors, pumps, and gearboxes.

We are also seeing innovation taking place in some other sectors, such as F&B. The sectors where we do see innovation, but where it is more customized to specific customers, would be agriculture or off-highway. That is specific to and customized for a customer, where variation and innovation are possible.

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

You asked about humanoids and data centers. Yes, that is exciting, but it is early days for India. There is not much humanoid manufacturing happening in India right now, but we see that sector continuing to improve, and we will be able to supply to it when that opportunity exists. We have the product line available now.

In data centers, data centers are expected to be a significant growth segment in the future. Right now, where we are seeing some traction is in generators and pumps. These are very basic things needed in any data center, not just by hyperscalers or very large AI-related data centers. We are already seeing this and supplying to them significantly.

When it comes to chillers and high-part equipment used in some data centers, which is more precision equipment, it is very early in the sales cycle. Second, most of these are built by OEMs outside the country, and the bearings are therefore purchased there. We will continue to supply the aftermarket as and when the need arises, but right now both of these are exciting opportunities, although they do not represent significant content in our business at SKF India (Industrial) Ltd.

On margins, I will let Ashish answer the demerger question. I will just break down the impact of FX and the demerger. I will answer the long-term trend. We gave guidance of 14–16%. I would say that we are being conservative. Our aspiration and ambition is to try to get closer to 17%, 18%, or even 19%.

In the near term, as we make heavy investments, we think there will be a dip. Beyond 2028, we would start seeing these improvements. However, for at least the next couple of years, because of the investments we are making, there will be costs.

As localization improves and increases, we will make more products in India or in the region for India, become more competitive, and improve our margins. As our top line improves and our operational efficiency also improves, we will achieve greater scale. We can definitely see a path to 14–16%. Beyond that, we will try to get there, but we do not want to make a commitment because that is beyond 2028. Ashish?

Ashish: Thanks, Mukund. To elaborate further on the margins for this quarter, we came in at around 9%. We had a forex loss which, if you look at it quarter-on-quarter, was caused by the depreciation of the rupee. This was impacted predominantly on account of the Middle East war. We had a significant forex loss on the products that we imported, predominantly from Europe and other markets. That was to the tune of around {? 147 million INR ?} on a quarter-on-quarter basis.

On top of that, we continue to incur expenses on IT as we are separating the IT infrastructure of the automotive and industrial companies. This quarter, we had an additional adverse impact of almost {? 150 million INR ?} on our P&L, predominantly arising from the IT infrastructure costs we are incurring on account of the demerger.

This expense is expected to continue for the next 2 quarters, until AB SKF separates globally from the automotive company of SKF. After that, this cost will stop.

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If you combine both the FX impact and this one-time cost that we are incurring on account of the demerger, that itself represents almost a 3% adverse impact on our margins. If you add that back, we pretty much come to 12%.

The additional initiatives that Mukund talked about, which are primarily manufacturing efficiency and the new investment in the Pune plant, would help us drive the margins that we aspire to achieve in the medium to long term.

Viraj Kacharia – SIMPL: Thank you. Good luck.

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

Varun Jain – Daulat Capital: Hi. Good morning, sir. I have a couple of questions.

First, regarding these order wins for wind and agriculture, what is the supply period? The {? 140 crore ?} revenue will be realized over what period, and are these orders recurring in nature? Do we expect recurring revenue from them?

Second, regarding the customer mix, what is the difference in the margins we realize on distribution, exports, and OEM?

Mukund: The order wins that you mentioned, most of the ones I highlighted were one-time orders, but they typically extend over 1 year or perhaps even 2 years. The wind gearbox order is a 1-year order and will be spread through the year. The agriculture order is also expected to be a longer-term order.

The annual value we have shown there will be realized over a longer term. That said, there are other orders where we have service contracts or condition-monitoring contracts, which are slightly longer term.

When you come to certain other sectors, most of the OEM orders tend to be one-time or 1-year orders, not longer. The order book is robust, and we continue to see this order book develop and grow as we look at the Indian economy. There has been sustained growth for at least the last few quarters in the order book.

Ashish, if you could take the question on distributor, OEM, and export margins.

Ashish: Sure, Mukund. Typically, if you look at distribution, it remains our higher-margin channel. Since we serve the aftermarket business, we are able to command a better price compared to the products that we sell in the OEM market. OEMs are also a relatively lower-operating-margin business, but it is significant for SKF...

Management: Because it helps drive the aftermarket business for SKF. It helps us grow our market and grow our market share in the aftermarket business at a faster pace.

It is a healthy mix if you look at our OE business. I am talking about the total revenue split that we have for this quarter. Our distribution mix is around 34%, and our OE mix is around 54%. Overall, it is a pretty healthy mix, and as we grow our OE business, it is going to help us improve our overall

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distribution mix and grow our overall operating margins as well.

Varun Jain – Daulat Capital: If you could quantify the margin difference in basis points or in absolute percentages, and also for this new tapered roller bearing line, I think we are adding 3 million units in capacity. Which sector or which customers are we targeting with this line? These are my 2 questions. Thank you.

Management: If we talk about OE margins, typically they would be relatively high–single–digit margins, whereas distribution would be high–double–digit. In terms of the tapered roller bearing line that we have inaugurated, it is basically going to serve the agriculture market, gearboxes, and some of our aftermarket business as well. Mukund, you can add to that.

Varun Jain – Daulat Capital: Okay, sir, understood. Thank you, and all the best, sir.

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

Gokul Maheshwari – Auriga Capital: Thank you for the opportunity. I have 2 questions.

The first is on page 27 of the annual report. In the MD's letter, you spoke about the solutions business. Can you quantify how big that is for us and what the growth was in FY26?

My second question is that in the same letter, you mentioned your aspiration to double the business with improved margins. While you quantified the margins, regarding the aspiration to double the business, could you indicate a timeline as well?

Management: The solutions business includes our services business and remanufacturing. It includes the remanufacturing of bearings, primarily in railways, but also increasingly in other industries, where we remanufacture older or used bearings, bring them back to an almost–new condition, and then provide a 3–year warranty on them again.

This is significant in railways, but it is also increasing in pulp and paper and metals. That is one portion of the solutions business.

The second portion comprises condition monitoring, predictive business, predictive maintenance, and reliability solutions to increase plant uptime or increase mean time between failure through the types of solutions we offer. These are the digital solutions we offer as part of the solutions factory.

We also offer certain services where we take over an operation, such as managing an entire shop in a steel mill on an O&M basis. We essentially perform O&M for them, maintain the bearings, lubricate the bearings, and remanufacture the bearings as well. All of these constitute the solutions business.

Today, it is fairly small, but we see huge potential. It is less than 10% right now. It is around 6–7% of our India business. We are seeing double–digit growth in that business.

As we invest more, both from a technology perspective in condition–monitoring technology and from the perspective of improving our go–to–market with additional salespeople to go out and sell this concept directly to end users, we are seeing additional traction and expect it to grow even faster.

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Regarding the business-doubling aspiration, I am not going to put a timeline on it because it is an aspiration. Ideally, we would like to get there in the next 5 years. If possible, we would like to do it quicker, but that is an aspiration we have, and I would say 5 years at the outside is where we would like to get there.

Gokul Maheshwari – Auriga Capital: Okay, great. Thank you so much, and all the best, sir. Thank you.

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

Ravi Purohit – Security Investment Management: Hi. Thanks for the opportunity. I have a couple of questions.

Ashish, you mentioned that the margin difference was 3%, right? We are currently at 9%, so that takes us to 12%, right? How long are we going to incur these one-off costs? I believe that in the earlier calls you had mentioned that they would run for about a year or so. Does that mean that next quarter will be the last quarter, after which these expenses will stop?

Second, Mr. Mukund had mentioned that our near-term goal is about 14–16%. Is this 14–16% applicable until 2028, when the new factory is commissioned? The 12% should come immediately once these one-off costs are adjusted. Could you help us understand the nuances?

Also, this new line that we have commissioned for tapered roller bearings, is it being operated by SKF India Automotive or is it being operated by SKF Industrial? Is there a demarcation? We are still not clear whether we are operating a running factory in Pune for SKF Industrial on the new land that we have, or how the operations are being run today.

Management: I will answer the margin question and then pass it on to Mukund to elaborate further on the factory operations.

In terms of margins, you are right. We are currently operating at 9%. The one-time IT cost that we are incurring is expected to taper down. We should see a significant cost in this quarter, after which it should start tapering down by the end of this year. Probably from Q1 or Q4 next year, you should not see these costs.

The other adverse impact on margins was on account of forex, which really depends on how the rupee performs against other currencies.

In terms of margins, 12% is a fair number for current performance. Additionally, as I said, as we work on driving manufacturing efficiencies and reducing the cost of the products we produce in our factories, we expect our margins to improve further by a couple of percentage points. On top of that, once our new Pune plant is set up by the end of 2028, we expect further margin improvements going forward.

Mukund, do you want to answer the question on factory operations?

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Management: Regarding the factory operations, I think the question was about the TRB line. That is in SKF Industrial. It is not the SKF Automotive line.

Ravi Purohit – Security Investment Management: In the past, we had mentioned that we were looking to add about 15–20 lines here. Some would be moved from our associated companies globally, and some would be set up afresh. Does that mean that the overall capex we will have to incur will be significantly lower, and that the setup time for these machines, which are only being shifted from one geography to another, could be earlier than the end of 2028 that you are referring to? Or is this part of the commissioning planned for the end of 2028?

Management: Unfortunately, the biggest challenge is space. We will need a new factory. While we are squeezing out as much as we can from the existing channels within the existing space to meet current demand, some of the new channels will require additional space.

Therefore, it is tied to the factory. The majority of the new installations will happen once the new factory is up and running, in 2028 and beyond. Until then, we will upgrade our existing machinery to drive more output from it, continue to drive additional efficiency, and add more output to meet demand.

It is not that we are falling short of capacity right now. It is just that by 2028 we will need additional capacity.

Management: To add to that, even though we are constrained by capacity, we are still going to add 1 additional channel by early 2027—1 additional TRB channel by 2027.

Ravi Purohit – Security Investment Management: One precedent that we are seeing in India is that many MNCs that had similar lines of business between listed and unlisted entities have tended to merge everything into one uniform entity from a cost, operations, marketing, and sales perspective.

For example, we have seen 3M do it, and the latest in the list is Bosch. They have acquired the 100% subsidiary of the Bosch parent in India, Bosch Chassis. We have a large factory in Ahmedabad and some operations in Bangalore. There is a lube business and a wind bearing business outside this company. Although we market and sell these through the listed entity as traded goods, this is a suggestion, and I do not know if you have any thoughts that you can share with investors at large, now that Industrial is a separate entity altogether and we have this regular platform to discuss future plans.

Could you provide some insights? Also, if Mr. Sujeet could share a few words, given that he is taking the reins from September 1, how does he see SKF Industrial developing over the next 2–5 years?

Management: Regarding the merger, that is something we continuously evaluate. At this moment, as I have mentioned before, we are not actively considering it. Mainly, we want this demerger to stabilize, as some stabilization is required within India following the demerger. As you saw, there is also some work to be done.

We are going to let this stabilize before considering any other major move of this nature. It is something we continuously evaluate, but right now we are not considering merging the entities.

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Regarding Sujeet speaking, I suggest that we leave that to the end. Perhaps we can take one other question, and then, if we have some time, we will let Sujeet speak, in the interest of getting as many questions as possible within the available time, if you do not mind.

Ravi Purohit – Security Investment Management: Sure. I will get back in the queue. Thank you.

Management: Perhaps one last question, and then Sujeet can join us. Sujeet can say a few words.

Operator: Thank you. The next question comes from the line of Devjyot Punjabi with Variant Tree Advisors. Please go ahead.

Devjyot Punjabi – Variant Tree Advisors: Hi. Thanks for the opportunity. I have 2 questions.

One is that you mentioned the ambition of doubling the business in 5 years. Can you discuss the key drivers or key segments that will drive this growth?

The other question is based on the capex plans of 800–950 crores. What kind of asset turns can be achieved once the demand comes through and we are operating at scale?

Management: Could you repeat the second question?

Devjyot Punjabi – Variant Tree Advisors: Based on the capex, I am asking about the asset turns. Would they be in line with what we are seeing in FY26?

Management: Since our other investor wanted Sujeet to speak, perhaps Sujeet, you can take this question. What are going to be the major growth drivers for the India business, and which industries do you see driving that growth? Please provide a few words.

Management: All right, sure. Thank you. Thank you, Mukund.

I will start with an overview. Firstly, I think we are in a great place in terms of the pure tailwinds that we have. The great thing about SKF is that we operate in pretty much all segments. We do not have over-reliance on any one segment, and...

Mukul: All of these segments are cyclical. But if you look at the overall trajectory and where the country is going, purely from an infrastructure perspective, steel capacity addition perspective, and cement addition perspective, we are in a great place. Most major companies have plans to double by 2030. We will add more capacity in the next 5 years than we have probably added in the last 10 years.

What this does is also drive demand for all the other general machinery industries, including motors, pumps, ancillaries, conveyors, and so on. That is one part of the major industry where we are seeing great macro drivers, and we see growth coming from there.

The second major area is railways. Railways is another area in which we continue to invest. It is an area that keeps growing, and we see good tailwinds from there as well.

The last area is renewable energy. We spoke about that a little yesterday. Twenty-five percent of the renewable energy that is going to be added will come from wind. As we see wind growing again,

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we see good potential for us to grow.

From where we are set up today, in terms of how we have structured the new industrial company, we see opportunities across all of these segments. We have structured ourselves well today to seize the opportunity in all of these different segments.

We also have all the investments secured and in place so that we can achieve capacity growth over the next 3–4 years. For us, it is really about execution today. We have the right strategy in place, we have the investments in place, and as long as we execute well, we see ourselves in a good position to achieve growth over the next 5 years.

Ashish, if you could quickly take that question.

Ashish: Sure, Mukul. If you look at the investments we are making of around 850–900 crores, a significant part of the investment is to set up the new factory. This includes the entire infrastructure of the factory and the complete layout.

From a payback perspective, we are looking at around 5–7 years for the entire investment. This includes the new factory, the transfer of our existing channels from the automotive factory to this factory, and obtaining new channels from other SKF companies as well as from third parties.

Taking the entire investment together, we are looking at a payback period of between 5 and 7 years.

Mukul: That was very helpful. Thank you.

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

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.