

ABOUT SES

Stakeholders Empowerment Services (SES) is a Corporate Governance Research and Advisory Firm. SES assists Investors to analyze Governance Practices including matters relating to sustainability, prevalent at Listed Entities and empower Investors to undertake meaningful engagement with Investee Entities.

SES SERVICES

E-BRSR Tool: Online web-based platform to create BRSR Report by the Company and generate XBRL in seamless, cost and time effective manner

Already subscribed by HUL, Maruti, TVS Motors, Kansai Nerolac, CDSL, Hero, L&T, Wipro, Bharat Forge, Reliance Group and many others. [Read More](#)

Contact for Demo – esgdata@sesgovernance.com

SES AIMS:

Designed primarily for Institutional Investors to carry out their stewardship activities in an efficient manner.

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Proxy Advisory:

Advises Investors on the matters that require shareholder approval at Listed Entities and identify Governance Issues.

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ESG Scores:

Analyze sustainability initiatives of Companies based on various environmental, social and governance factors.

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Corporate Governance Score (CGS):

CGS model measures the Company's compliance and also evaluates the Governance Practices with respect To Global Benchmarks. [Read More](#)

E-Ballot:

A web-based, one-stop vote management system to cater to the requirements of Institutional Investors.

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Proxy Advisory Report (Addendum)

SKF India Ltd

COMPANY INFORMATION

BSE CODE: 500472

NSE SYMBOL: SKFINDIA

ISIN: INE640A01023

Industry: Abrasives & Bearings

Email: investorindia@skf.com

Phone: +91 20 6611 2500

Registered Office: Chinchwad, Pune - 411 033, Maharashtra, India

MEETING DETAILS

Meeting Type: PB

Voting Deadline: 15th November, 2025

Notice Date: 30th September, 2025

Notice: [Click here](#)

Annual Report: [FY 2024-25](#)

SES PA Report (Last AGM): [Report](#)

E-VOTING DETAILS

e-Voting Platform: [NSDL](#)

Cut-off Date: 3rd October, 2025

Remote E-voting:

- **Start:** 17th October, 2025
- **Ends:** 15th November, 2025

ADDENDUM REPORT RELEASE DATE: 11th November, 2025

Research Analyst: Pooja Patra

Conflict Disclosure: SES - Yes Conflict | Analyst - Yes Conflict



ADDENDUM

There is a change in the SES recommendation on Resolution #1 from '**AGAINST**' to '**FOR**' based on the Company's clarification and additional disclosures. There are no other changes apart from the above.

EXISTING RECOMMENDATION					
S. No	Resolution	Type	SES Observation #	Rec.	Rationale
1	To consider and approve Material Related Party Transactions with SKF India (Industrial) Limited (Resulting Company).	O	LC + GC	AGAINST	Inadequate disclosures with respect to the Basis for Arm's Length.
REVISED RECOMMENDATIONS					
1	To consider and approve Material Related Party Transactions with SKF India (Industrial) Limited (Resulting Company).	O	LC	FOR	No governance concern identified.

O – Ordinary Resolution; Rec. - Recommendation

LC - Legally Compliant, NC - Legally Non-Compliant, TC - Disclosures & Transparency Concern, GC - Governance Concern

BACKGROUND

SES as per its policy, had emailed its PA Report ([weblink](#)) to the Company on 4th November, 2025 in respect of the PB of the Company.

Post release of PA Report, SES received an email from the Company on 6th November, 2025. The Company, through the email, provided its view point, which is reproduced at the last in [blue text](#).

It may be noted that the email of the Company dated 6th November, 2025 (as per SES policy framed to comply with SEBI Circular dated 3rd August, 2020 [SEBI/HO/IMD/DF1/CIR/P/2020/147](#)) has already been forwarded to SES clients as it is, without any inputs from SES.

This Addendum provides appropriate responses of SES, wherever required.

SES COMMENTS TO COMPANY'S RESPONSE

Company's Views:

As explained in detail in the notice and explanatory statement, pursuant to the approved Scheme of Arrangement (Demerger) between the Demerged Company and the Resulting Company, certain intercompany transactions are intended to facilitate the post-demerger transition, seamless operations, leverage each other's strengths and resources, and to enhance overall operational and cost efficiency, thereby ensuring the smooth functioning of their respective businesses.

SES Reply: Shareholders may take note of the above clarification provided by the Company. No concerns have been raised by SES, in this regard.

*On the specific observation regarding arm's length pricing, please note that an independent Big 4 accounting firm was engaged to conduct a detailed analysis for arm's length pricing determination. They have carried out their analysis based on inter-alia industry comparable, OECD Transfer Pricing Guidelines, UN Transfer Pricing Guidelines and, in accordance with the Indian transfer pricing regulations. **The arm's length pricing in relation to leasing premises has been determined based on the market rates and for the other RPT matters which include - services transactions (provided/ received), interim service arrangements and, purchase & sale of goods or services, pricing is determined using the Transactional Net Margin Method (Cost plus mark-up) approach, as per the benchmarking study.***

The reimbursement transactions included in this proposal (like – cost/revenue of customer which could not be transferred to SKF India (Industrial) Ltd due to procedural constraints, old payables & receivables, etc) are in accordance with our Scheme of Arrangement (Demerger) approved by the Shareholders on July 14 2025 and, in line with the approval granted by the National Company Law Tribunal vide its order dated Sept 26 2025.



SES Reply: Shareholders may take note of the above clarification regarding the basis of determining arm's length. While acknowledging the operational difficulties in the transactions falling under the category of RPTs due to the demerger, keeping in line with its Policy, SES had raised concern as the Company had merely stated that arm's length pricing shall be determined based on a third-party assistance. However, no further clarification was provided regarding the method or mechanism that shall be applied by the expert, rendering the disclosure provided by the Company, as inadequate.

Looking at the response provided by the Company, the following clarification is noted,

The arm's length pricing in relation to leasing premises has been determined based on the market rates and for the other RPT matters which include - services transactions (provided/ received), interim service arrangements and, purchase & sale of goods or services, pricing is determined using the Transactional Net Margin Method (Cost plus mark-up) approach, as per the benchmarking study.

Considering the above, SES notes that the Company has provided sufficient disclosures w.r.t the method/mechanism for the different transactions proposed. Hence, SES concern stands addressed in this regard.

Accordingly, SES is modifying its recommendation from '**AGAINST**' to '**FOR**'.

COMPANY'S EMAIL

Dear Ms. Patra,

As explained in detail in the notice and explanatory statement, pursuant to the approved Scheme of Arrangement (Demerger) between the Demerged Company and the Resulting Company, certain intercompany transactions are intended to facilitate the post-demerger transition, seamless operations, leverage each other's strengths and resources, and to enhance overall operational and cost efficiency, thereby ensuring the smooth functioning of their respective businesses.

On the specific observation regarding arm's length pricing, please note that an independent Big 4 accounting firm was engaged to conduct a detailed analysis for arm's length pricing determination. They have carried out their analysis based on inter-alia industry comparable, OECD Transfer Pricing Guidelines, UN Transfer Pricing Guidelines and, in accordance with the Indian transfer pricing regulations. The arm's length pricing in relation to leasing premises has been determined based on the market rates and for the other RPT matters which include - services transactions (provided/ received), interim service arrangements and, purchase & sale of goods or services, pricing is determined using the Transactional Net Margin Method (Cost plus mark-up) approach, as per the benchmarking study.

The reimbursement transactions included in this proposal (like – cost/revenue of customer which could not be transferred to SKF India (Industrial) Ltd due to procedural constraints, old payables & receivables, etc) are in accordance with our Scheme of Arrangement (Demerger) approved by the Shareholders on July 14 2025 and, in line with the approval granted by the National Company Law Tribunal vide its order dated Sept 26 2025.

Hope the above resolves your concern.

Thanks & Regards,

Disclaimer Sources

Only publicly available data has been used while making the report. Our data sources include Notice of Shareholders' Meeting, BSE, NSE, SEBI, Capitaline, MCA, Moneycontrol, Businessweek, Reuters, Annual Reports, Sustainability Reports, IPO Documents and Company Website.

Analyst Certification

The Analyst(s) involved in development of this Report certify that no part of the Research Analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the Research Analyst(s) in this Report. The concerned Research Analyst(s) and Director(s) do not have any pecuniary relationship with the Reported Company, except that they may be holding miniscule shares in the Company which does not impact their independence in respect of this Report.

SES may be a shareholder in the Company holding equity shares as disclosed on its [website](#). The objective of SES' investment is solely to obtain Shareholders' communications from the Company as a shareholder.

CAUTIONARY STATEMENT

The recommendations made by SES are based on publicly available information and conform to SES's stated Proxy-Advisory Guidelines. SES opinion is based on SES's interpretation of law and governance benchmarks, which may differ from opinion/ benchmarks of other analysts or practitioners. Further, SES analysis is recommendatory in nature and reflects how SES would have voted if it was a shareholder. Therefore, SES expects that the clients will evaluate the effect of their vote on their investments independently and diligently and will vote accordingly. Subscribers may also carry out an impact analysis of their votes and keep the same as an addendum for their records. In our opinion, Institutional investors are positioned significantly differently from other shareholders due to their ability to engage with the board and the management to bring out desired result. As a firm, it is our endeavour to improve the level of corporate governance while not causing any disruption in company's proceedings and therefore we respect the independence of investors to choose alternate methods to achieve similar results.

Disclaimer

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All disputes shall be subject to jurisdiction of High Court of Bombay, Mumbai.

Concern terminology

NC – Compliance Concern: The Company has not met statutory compliance requirements

FC – Fairness Concern: The Company has proposed steps which may lead to undue advantage to a particular class of shareholders and can have adverse impact on non-controlling shareholders including minority shareholders

GC – Governance Concern: SES questions the governance practices of the Company. The Company may have complied with the statutory requirements in letter. However, SES finds governance issues as per its standards.

TC - Disclosures & Transparency Concern: The Company has not made adequate disclosures necessary for shareholders to make an informed decision. The Company has intentionally or unintentionally kept the shareholders in dark.

Company Information



Stakeholders Empowerment Services

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CIN No. -

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Investment in securities market are subject to market risks. Read all the related documents carefully before investing.



