



SNL BEARINGS LIMITED

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CHAIRPERSON'S SPEECH

41ST ANNUAL GENERAL MEETING - SEPTEMBER 20, 2021

Ladies and Gentlemen:

It gives me great pleasure to welcome you all to the 41st Annual General Meeting of SNL Bearings Limited.

I hope you and your family members are safe and are practicing all safety protocols and adhering to government guidelines. Despite all precautions, many people have lost their lives during the second wave of the pandemic. We send our sincere condolences to all those who have lost their loved ones.

Economic Environment/ Company's Performance

The Financial Year 2020-21 has been a difficult year for the Indian Manufacturing industry. Right from the early months of the pandemic, when the worldwide lockdown disrupted economic activity across virtually all sectors, your Company responded with speed and agility to work out an operating model suited for meeting the challenges. After a gradual opening up began in June, 2020, the recovery was swift and much sharper than expected, boosted by progressive demand followed by festive season. Automotive sales too witnessed a steady growth trend. Despite a sharp fall in revenues in the first quarter, progressively strengthening demand for our products resulted in revenues of Rs. 36.47 crores in Financial Year 2021 which is commendable – an increase of 7% over the previous year.

Profits after tax grew 49% to Rs. 6.19 crores (for reference – Financial Year 2019-20 our Profit After Tax was Rs. 4.15 crores).

Our Team was extremely motivated including our management staff and our workers to tackle the challenges ahead with the help of timely and sound advice of our Board. This is a result of our strong culture and the team work between operators and management. However, the second wave in March 2021 slowed our further recovery, as resources were deployed to protect lives, safety, and basic needs of vulnerable sections of society and support management and workers.

With the normal monsoon across the country, it is expected that the rural demand will lead to a further revival during the second half of the fiscal year 2022 and enhanced demand. The demand for passenger cars and commercial vehicles is expected to improve with this revival, aided by the Government's special package to accelerate "Make In India" initiative which will improve Company's performance and general recovery.

Current Year - Q1

With intermittent lockdowns due to the second wave and possible third wave of Covid-19, there has been a production slow down for a greater part of Q1 of Financial Year 2022. Thus, Net sales for Q1 – April to June 2021 at Rs. 10.17 crores show a decrease of 19% as compared to Rs. 12.52 crores for the previous quarter. Recent relaxations in the restrictions have resulted in the gradual resumption in sales and production during July & August'2021 and the expectation is that sales revenues for Q2 will improve.

Future Outlook

The fiscal year 2022 is likely to be a better year with growth coming back gradually. Several indicators such as power demand improvement, rail freight, GST collection, steel consumption, among others are trending positively and should lead economic recovery. The new vehicle scrappage policy should also aid demand for the automotive sector. With the need for personal mobility growing, the number of first-time buyers is likely to be high, aiding growth of compact cars. Favorable interest rates, growth in rural areas and penetration of Passenger vehicles could further propel demand for vehicles.

During the quarters ahead, we are hopeful that your Company's pace of growth will pick up and the overall performance for the year will be strong.

Acknowledgements

We thank you, our dear shareholders for your unstinting support for which we remain grateful. I take this opportunity to thank our bankers, customers and suppliers, for their dedicated efforts in supporting the company. This year I would like to particularly recognize our employees, leadership team and my colleagues on the Board for not just their encouragement but also for the time and effort spent in helping us in navigating this critical phase.

I would also like to express my gratitude to the management teams of the company and the holding company (NRB Bearings Limited) for the hard work they have put in. I look forward to continue working with optimism in facing the future challenges with much motivation and courage.

Harshbeena Zaveri
Chairperson

September 20, 2021