

SNL BEARINGS LTD.
CIN: L99999MH1979PLC134191

**CHAIRMAN'S SPEECH AT THE 38th ANNUAL GENERAL MEETING HELD ON
AUGUST 1, 2018**

Ladies and Gentlemen:

I am pleased to extend, on behalf of my colleagues and myself a very warm and cordial welcome to all of you to the 38th Annual General Meeting of the Company.

Company's performance for the period under review

After the temporary disruption in the first quarter, with the market trimming purchases in anticipation of the transition to GST, India's industrial production saw a growth revival during the rest of the year. Supported by the Government's thrust on rural spending and infrastructure creation, the demand from the mobility sector has been buoyant and your company achieved sales growth - net revenues during the year at Rs.3831.45 lacs (previous year Rs.3352.78 lacs) are higher by 14%. PAT has increased by 24% from Rs.661.60 lacs to Rs.822.02 lacs mainly on account of higher sales volumes and helped by lower tax rates. This growth has continued in the automotive segments during the current year and your company hopes to capitalize on this positive environment.

You will be happy to note that Dividend has been enhanced to Rs.5/- per share (Previous year Rs. 3/- per share), so that shareholders benefit from the improved performance.

During FY 2017-18, all vehicle segments witnessed robust growth in double digits, with overall industry growth at 15% driven by the economic activity upswing for the commercial vehicles, strong rural demand fueled by income growth for 2/3 wheelers, new model launches for passenger cars and good rainfall for the farm segment. The global environment has also turned positive with strong FDI inflows continuing and supporting the IIP growth momentum - GDP growth estimates are 6.7% in FY18 rising to 7.4% in FY19. Further with the private sector investment cycle gaining strength aided by the "Make in India" initiative, India has emerged as one of the most preferred locations for manufacturing high quality auto components and vehicles of all kinds and the Indian bearings industry is expected to be a major beneficiary of this expected growth.

Your Company will continue to focus on manufacturing efficiencies to leverage its competitive strength for sales and profit growth during the year.

Current year outlook and business strategy

The long term prospects for the Indian economy remain bright owing to the growth of internal consumption. Demand for personal vehicles will be driven by the aspirations of the rising middle class with improving purchasing power and disposable incomes. Rapid urbanization will drive the need for public transportation.

Globally, elevated crude prices, rising protectionism and geopolitical risks remain a threat during FY2018-19. In India, outlook is optimistic considering IMD forecasts of a second year of normal monsoon, average inflation rate down to 4.5%, interest rates remaining soft, increased government spending for expanding the public transport systems and building dedicated freight corridors for movement of farm produce and goods from and to the rural areas. Demand forecasts with industry majors also highlight the optimism about another year of good all round growth.

To meet customer growth plans, your company continues to work on capacity enhancements to develop product lines with improved performance and margins, while also pursuing low cost manufacturing processes to effectively address customer requirements of improved fuel efficiency, safety and increased comfort.

FY 2018-19 Q1

During the quarter ended 30th June, 2018, net total revenues of Rs. 847 lacs has grown by 6.9 % compared to the net total revenues of Rs. 792 lacs achieved during the corresponding quarter of the previous year. Profit before tax during the quarter 1 has also grown by 14.5 % to Rs.228 lacs compared to Rs. 199 lacs during the corresponding quarter of the previous year.

The Company has projected growth in sales turnover with enhanced volumes coming from new products developed and additions to its customer base. Financial results are also expected to improve with all measures in place to minimize waste & increase efficiencies. Management expects performance to further improve during the current year.

Acknowledgements

I take this opportunity to thank the company's shareholders, bankers, customers and stockists, and suppliers, for their dedicated efforts in supporting the company. I would like to express my gratitude to the management teams of the company and the holding company and all the employees for the hard work they have put in to deliver the superior financial performance for the year.

Harshbeena S Zaveri
Chairman

August 01, 2018