



SNL BEARINGS LIMITED

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CHAIRPERSON'S SPEECH

44th ANNUAL GENERAL MEETING – SEPTEMBER 18, 2024

Ladies and Gentlemen:

It gives me great pleasure to welcome you all to the 44th Annual General Meeting of SNL Bearings Limited. Virtual meetings now seem to be getting accepted as the norm, and we are happy to host you all again today, though interactions at a physical meeting are always preferred.

Economic Environment & Company's Performance

Despite the conflicts – Ukraine - Russia, Middle East and resultant Red Sea disturbances and market upheavals in China- the global economy remained comparatively stable and unexpectedly grew by 3.1% during FY23-24 as against the expected growth estimate of 2.9% at the beginning of the year. Thanks to the restrictive monetary policies adopted by most Central Banks and the easing of supply side pressures, the IMF projected global headline inflation rate is expected to decrease to 5.8% in 2024 and 4.4% in 2025.

Being assured of a soft landing, largely due to resilience in the United States and several large emerging markets and developing economies, the IMF is expecting the global economy to grow by 3.2% to 3.5% through 2024 and 2025. The outlook is better than what was anticipated a few months back.

Advanced economies are expected to see growth decline slightly in 2024 before rising in 2025, with a recovery in the euro area from low growth in 2023 and a moderation of growth in the United States. Emerging market and developing economies are expected to experience stable growth through 2024 and 2025, with regional differences.

India Overview

India continues its strong growth trajectory. The IMF expects the Indian economy to grow by 6.5% in FY25 following resilience in domestic demand. India is expected to remain the fastest growing major economy for the next

three years, putting it on track to become the world's third-largest economy by 2030, overtaking Japan and Germany.

The government's focus on infrastructural development, digital transformation and policy reforms has created a conducive environment for business expansion. With India's demographic advantages, increasing consumer spending, government's push for energy transition initiatives, manufacturing base expansion and technological advancements, it presents vast growth opportunities.

The auto sector is one of the key pillars of Indian industry, contributing about 7.5% to our GDP. FY 2023-24 has been a bumper year in terms of car sales and growth, with an 8% increase over the previous year. Through FY2024-25 and the first half of FY25-26, global automobile sales growth is expected to slow to 2.5 % from 10% achieved in FY23-24, however, India and China are expected to continue to outperform the market.

Outlook

Based on Economic Survey of 2023, annual sales volumes are predicted at nearly 10 million units by 2030. Within a short to medium time horizon, in India, all power technologies- from internal combustion engines (ICEs) and CNG to hybrid, electricity - will continue to co-exist.

Together with the demand revival, the government's consistent support by way of reforms and schemes to keep investments flowing to boost industries to scale up and build infrastructure, augur well for industrial growth. The PLI scheme incentives and FAME II subsidies will make purchase of electric and hybrid vehicles more affordable. The government's support for e-buses in public transport, charging infrastructure to meet emission targets, higher allocations for Railways will also contribute to an improved business sentiment.

Company's performance FY23-24

During the year under review, revenue is flat at Rs. 4769 lakhs (previous year Rs. 4787 lakhs). Profit after tax reached to Rs. 782 lakhs (previous year Rs. 818 lakhs). The reduction of profit after tax at 4.40% is primarily attributable to rising raw material costs. The Company is actively taking steps to mitigate the impact of rising costs. Besides there has been a renewed focus on broadening the customers' base to optimally utilize the Company's installed capacities, and on targeting operational efficiency and productivity. New product development is also a new focus area, to be ready to service the new hybrid and electric vehicle models being introduced. This will help the Company to achieve its long term strategic objectives and to grow rapidly.

Current Year - Q1

The income from operations for Q1 – April to June 2024 at Rs. 12.19 crores shows an increase of 3.20% as compared to Rs. 11.80 crores Q1 – April to June 2023 and the expectation is that sales revenues and profits will improve for FY24-25.

We continue with pro-active efforts to implement supply diversification & cost control measures, with a focus on broadening the customers' base so as to optimally utilize the Company's installed capacities and on improving operational efficiencies. New product development to service the new hybrid and electric vehicle models being introduced continues with full vigor.

Acknowledgements

We thank you, our dear shareholders, for your unstinting support for which we remain grateful. We thank our bankers, customers and suppliers, for their continuing support to the company.

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. We continue to be optimistic about our strengths in successfully facing future challenges.

Harshbeena Zaveri

Chairperson

September 18, 2024