

SAL AUTOMOTIVE LIMITED

49th ANNUAL GENERAL MEETING - 25th September 2024

CHAIRMAN SPEECH

Dear Members,

A very good afternoon to all of you.

On behalf of the Board of Directors, I am pleased to extend a very warm welcome to you at this 49th Annual General Meeting of your Company.

It is our pleasure to connect with you digitally as we take advantage of MCA's decision to continue to allow Companies to host the AGM through video conferencing, facilitating wider participation by Shareholders.

The requisite quorum being present, I call this Meeting to order.

The notice of the meeting and the Annual Report for the year ended 31st March 2024 was sent via e-mail, as per the extant rules and regulations.

YEAR IN REVIEW

Your Company is in the business of manufacturing and supplying auto components and agriculture implements for various OEMs directly or indirectly. During FY 2023-24, it continued to manufacture and deliver high quality products like seats, seat mechanisms, seat frames, rotavators, box scrappers, rotary tiller from its plants located at Nabha, Pune, Rudrapur, Dharwad to various manufacturers in the tractor, LCV, car, and agricultural products. Today, our esteemed customer-list includes manufacturers of seats, cars, buses, trucks, tractors like Mahindra & Mahindra Ltd, Maruti Suzuki India Ltd., TATA motors Ltd., SML Isuzu Ltd, and VE Commercial vehicle Ltd. (A Volvo Eicher Joint venture).

Automobile Industry:

As per Society of Indian Automobile Manufacturers (SIAM), vehicles produced in India, during the financial year 2022-23, stood at 45.87 lakh and 10.36 lakh, for passenger and commercial category respectively. Continuing its growth trend, the respective numbers increased to 49.01 lakh and 10.66 lakh, During the financial year 2023-24.

On the same lines, your company had shown growth of 30% in automobile segment which includes growth in seat mechanisms for passenger vehicle of 1% and growth of 52% in seats for commercial vehicle.

Agri- Implements Industry:

Tractor Industry witnessed a de-growth of 10% with sales volume (exports included) of 9.65 lakh in financial year 2023-24 as compared to 10.70 lakh in the previous year. However, your company had reported a de-growth of 7% and achieved a sales volume of 1.93 lakh tractor seats during the reported financial year as compared to sales volume of 2.07 lakhs during previous year. Seats manufactured by your company cater to the 20% of the market size, at the above numbers.

On the similar lines, Rotavator Segment, Industry witnessed marginal growth of 2% during FY 2023-24 in sales volume, as total 2.30 lakhs of rotavators had been sold against the previous year sales volume of 2.25 lakhs. However, your company achieved a growth of 3% by recording a sales volume of 0.25 lakhs as compared to the sales volume of 0.24 lakhs during the previous year. Current year onwards, the production capacity at new plant for Rotavator has been increased from 0.36 lakh units to 0.54 lakhs units.

In the above backdrop, total net revenue from operations of your

company for the financial year 2023-24 increased to Rs. 307.51 crore against the previous year's revenue of Rs. 303.79 crore. Profit before tax for the year stands at Rs. 6.78 crore (previous year Rs. 6.20 crore).

Profit/ (Loss) after tax for the year was Rs. 4.84 crore (previous year Rs. 4.61crore) which gives an Earnings per Share (EPS) of Rs. 20.21 (previous year Rs. 19.21).

CURRENT PERFORMANCE

During the FY 2024-25, both Automobile and Agri implement industry is expected to have a good outlook. Accordingly, your company has also shown a positive trend in the first quarter of FY-25 with growth of more than 18% in turnover, which stood at Rs. 100.22 crore with net profit of Rs.2.10 crore as compared to 1st quarter of the previous year.

FUTURE

The economy is showing promising trends and the country is one of the bright spots indicating a long term growth trend. Having become the 5th largest economy, the country is on its march to become the 3rd largest in not very distant future.

The Automotive Mission 2026, a collective vision of the Industry and Government of India aims to set a new trajectory for the evolution of the ecosystem for the automotive industry with its size,global foot-print, technological maturity, competitiveness and capabilities in mind.

Other factors like Government's continuous thrust on strengthening the rural sector and infrastructure development coupled with initiatives like make in India, skill India, and vehicle scrappage policy will benefit the automobile sector. In addition to these, launch of new models by vehicle manufacturers, changing consumer preferences, replacement demand etc. too shall act as a catalyst to the growth of the industry.

In light of these factors, the business environment for the Company looks

promising, in medium to long term.

ACKNOWLEDGEMENTS

I would like to take this opportunity to express our deep sense of appreciation to all those associated with the Company in various capacities - customers, vendors, employees, and shareholders.

I would like to convey our sincere thanks to the various authorities of the State Government, Bankers etc. for their cooperation. I would also like to express my gratitude to our Board of Directors for their support and guidance.

I would now commend for your consideration and adoption of the Directors' Report and the Accounts for the year ended 31st March 2024.

Rajiv Sharma
Chairman