

# **SAL AUTOMOTIVE LIMITED**

**48<sup>th</sup> ANNUAL GENERAL MEETING - 12<sup>th</sup> September, 2023**

## **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 48<sup>th</sup> Annual General Meeting of your Company.

It is our pleasure to connect with you digitally as we take advantage of MCA's consent to host the AGM through video conferencing for this period as well, providing the Shareholders with a chance for greater participation.

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

The notice of the meeting and the Annual Report for the year ended 31<sup>st</sup> March 2023 was sent via e-mail only in accordance to the requisite MCA circular.

### **YEAR IN REVIEW**

Your Company is in the business of manufacturing and supplying seat, seats mechanisms and agriculture implements to various OEMs.

In FY 2022-23, SAL continues to excel in the manufacturing and supply of seats, seat mechanisms, and agricultural implements to various manufacturers in the tractor, LCV, car, and agricultural product sectors. The performance of your company is closely tied to the performance of the automotive and agriculture industries. Over the past several years, the automotive industry has shown a positive growth trend.

### **Automobile Industry:**

As per Society of Indian Automobile Manufacturers (SIAM), vehicles sold in India, during the financial year 2021-22, stood at 30.69 lakh and 7.17 lakh, for passenger and commercial category respectively. During the financial year 2022-23, the respective numbers increased to 38.90 lakh and 9.62 lakh, thereby registering a growth of 26.75% and 34.17%. Export sales of the respective categories stand at 6.62 lakh and 0.78 lakh, increased by 14.71% and down by 15.21% as compared to the previous year. On the same lines, your company had shown growth of 40.2% in automobile segment which includes growth in seat mechanisms for passenger vehicle of 40.3% and growth of 34.3% in seats for commercial vehicle.

### **Agri-Implements Industry:**

Tractor Industry witnessed a growth of 12.2% with sales volume (exports included) of 10.70 lakh in financial year 2022-23 as compared to 9.71 lakh in the previous year. However, your company had reported a growth of 16.9% and achieved a sales volume of 2.07 lakh tractor seats during reported financial year as compared to sales volume of 1.77 lakhs during previous year.

On the similar lines, Rotavator Segment, Industry witnessed 16.3% of degrowth during FY 2021-22 in sales volume, as total 2.05 lakhs of rotavators had been sold against the previous year sales volume of 2.45 lakhs. However, your company achieved a growth of 256% by recording a sales volume of 0.24 lakhs as compared to the sales volume of 0.07 lakhs during previous year, backed by the commissioning of the new production facilities at Nabha. Current year onwards, the new plant for production of Rotavator is available for the whole year and shall contribute significantly to the overall turnover of the Company. The facilities for the production of Rotavators were commissioned during the first half of the financial year 2022-23. At full capacity, the plant can produce 0.36 lakh units.

In the above backdrop, total net revenue from operations of your company for the financial year 2022-23 increased to Rs. 303.79 crore against the previous year's revenue of Rs. 150.58 crore. Profit / (Loss)

before tax for the year stands at Rs. 6.20 crore (previous year Rs. (3.00) crore).

Profit/ (Loss) after tax for the year was Rs. 4.61 crore (previous year Rs. (2.38) crore) which gives an Earnings per Share (EPS) of Rs. 19.21 (previous year Rs. (9.91)).

## **CURRENT PERFORMANCE**

During the FY 2023-24, 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-24 with growth of more than 41% in turnover which stood at Rs. 85.34 crore with net profit of Rs. 1.78 crore in compared to 1<sup>st</sup> quarter of FY-23.

## **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 5<sup>th</sup> largest economy, the country is on its march to become the 3<sup>rd</sup> 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 31<sup>st</sup> March 2023.

**Rajiv Sharma**  
Chairman