

SAL AUTOMOTIVE LIMITED

50th ANNUAL GENERAL MEETING – 26th September 2025

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 warmwelcome to you at this 50th 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 2025 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 2024-25, 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., TM Automotive Seating systems., 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 2023-24, stood at 49.01 lakh and 10.67 lakh, for passenger and commercial category respectively. During the financial year 2024-25, Passenger vehicles have continued its growth trend and the respective numbers increased to 50.61 lakh however commercial vehicles shown de-growth and the respective number decreased to 10.33 lakh.

your company also showed marginal growth in automobile segment with help of growth of 6% in seats for commercial vehicle, in spite of de-growth in seat mechanisms for passenger vehicle of 5%.

Agri-Implements Industry:

Indian Tractor Industry witnessed a growth of 6% with sales volume (exports included) of 10.08 lakh in financial year 2024-25 as compared to 9.47 lakh in the previous year. However, your

company had reported a growth of 11% and achieved a sales volume of 2.16 lakh tractor seats during the reported financial year as compared to sales volume of 1.93 lakhs during previous year. Seats manufactured by your company cater to 21% of the market size, at the above numbers.

On the similar lines, Rotavator Segment, Industry witnessed a marginal growth during FY 2024-25 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 44% by recording a sales volume of 0.35 lakhs as compared to the sales volume of 0.25 lakhs during the previous year. We have production capacity of 0.54 lakhs units at new plant for Rotavators.

In the above backdrop, total net revenue from operations of your company for the financial year 2024-25 increased to Rs. 377.76 crore against the previous year's revenue of Rs. 307.51 crore. Profit /(Loss) before tax for the year stands at Rs. 7.87 crore (previous year Rs. (6.78 crore)).

Profit/ (Loss) after tax for the year was Rs. 5.27 crore (previous year Rs. 4.84 crore) which gives an Earnings per Share (EPS) of Rs. 21.99 (previous year Rs. 20.21).

CURRENT PERFORMANCE

During the FY 2025-26, both Automobile and Agri implement industry is expected to have a good outlook. Though, your company has shown at par growth for revenue in the first quarter of FY-26, which stood at Rs. 100.03 crore with net profit of Rs. 1.14 crore as

compared to 1st quarter of the previous year revenue of Rs 100.22 crore with net profit of Rs 2.10 crore. We are expecting good growth in the up-coming quarters as GST rate reforms approved by the GST council came into effect in September 2025.

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 recommend for your consideration and adoption of the Directors' Report and the Accounts for the year ended 31st March 2025.

Rajiv Sharma

Chairman