SAL AUTOMOTIVE LIMITED

51st ANNUAL GENERAL MEETING – 21st September 2026

<u>CHAIRMAN SPEECH</u>

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 51st 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 2026 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 2025-26, it continued to manufacture and deliver high-quality products like seats, seat mechanisms, seat frames, rotavators, rotary tiller from its plants located at Nabha, Pune, Rudrapur and Dharwad to various manufacturers in the tractor, LCV, car, and agricultural implements.

Today, our esteemed customer-list includes manufacturers of 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), in addition to manufacturer of passenger vehicle seats.

Automobile Industry:

The Indian automobile industry registered a healthy production growth of 11.8% during the financial year, with total vehicle production increasing to 347.09 lakhs units from 310.34 lakhs units in FY 2024–25 and accordingly growth of 10.4% registered in sales volume with 282.65 lakhs units against previous year sales volume of 256.07 lakhs units.

Coming to segment wise break up, passenger vehicle sales increased by 7.9% (46.43 lakhs units), commercial vehicles by 12.9% (10.80 lakhs units), three-wheelers by 12.8% (8.36 lakhs units) and two-wheelers by 10.7% (217.06 lakhs units). The sustained momentum across these segments highlights the continued expansion of the Indian automotive ecosystem and reinforces the country's position as one of the world's fastest-growing automobile markets. (Source: Society of Indian Automobile Manufacturers – SIAM).

Your Company also showed growth of 126 % in seats for commercial vehicle but de-growth of 11% in seat mechanism of passenger vehicle segment in which we operate.

Agri-Implements Industry:

The agricultural machinery industry also delivered an encouraging performance during the year. Supported by favourable rural demand, healthy farm incomes and increasing adoption of mechanised farming practices, tractor production grew by 23.93%, reaching 12.42 lakh units compared with 10.08 lakh units in the previous financial year and accordingly sales volume registered a growth of 21.9% by reaching 12.65 lakhs units against previous year 10.39 lakhs units. The robust performance of the tractor segment reflects the continued emphasis on improving agricultural productivity and rural infrastructure.

However, your company recorded growth of 20.8% by achieving sales volume of 2.61 lakhs seats for tractor against previous year volume of 2.16 lakhs, and in case of Agri-implements, sales volume declined to 0.31 lakhs units against 0.35 lakhs units during the previous financial year resulting into decline of 12.0%.

We have now 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 2025-26 increased to Rs. 384.44 crore against the previous year's revenue of Rs. 377.76 crore. Profit /(Loss) before tax for the year stands at Rs. 5.88 crore (previous year Rs. (7.87 crore).

Profit/ (Loss) after tax for the year was Rs. 4.29 crore (previous year Rs. 5.27 crore) which gives an Earnings per Share (EPS) of Rs. 8.95 (previous year Rs. 21.99).

CURRENT PERFORMANCE

During the FY 2026-27, both Automobile and Agri implement industry is expected to have a good outlook. Though, your company has shown 16% growth in revenue for the first quarter of FY-27, which stood at Rs. 115.86 crore with 2.5 times growth in net profit of Rs. 2.82 crore as compared to 1st quarter of the previous year’s revenue of Rs 100.03 crore and net profit of Rs 1.14 crore. We are expecting good growth in the up-coming quarters as GST rate reforms are approved by the GST council which may lead to growth in agricultural and automotive industry.

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 4th 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 footprint, 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 likemake 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 and SAL remains committed to expanding its manufacturing capabilities, diversifying its product portfolio and strengthening strategic partnerships with customers across the automotive and agricultural equipment sectors. By leveraging its engineering expertise, manufacturing excellence and customer-centric approach, the Company aims to capitalise on emerging opportunities, enhance operational competitiveness and deliver sustainable long-term value to all its stakeholders.

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, Central Government, Bankers, and various authorities etc. for their cooperation. I would alsolike 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 2026.

Rajiv Sharma
Chairman