

SAL AUTOMOTIVE LIMITED
(Formerly, Swaraj Automotives Ltd.)

Works :
Kakrala Rd. Nabha-147201
Distt. Patiala, Punjab (INDIA)
Tel.: 01765-516888, 516800
E-mail : info@salautomotive.in
CIN : L45202PB1974PLC003516
GSTIN : 03AABCP0383K1ZL



SAL/02/SP/BSE/2024-25

29th August, 2024

BSE Limited
Corp Relationship Department
25 Floor, P J Towers,
Dalal Street, Mumbai 400001

Sub.: Annual Report along with the Notice of the 49th Annual General Meeting of the Company.

Dear Sir,

Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of the Annual Report for FY 2023-24 including the Notice of the Company's 49th Annual General Meeting (AGM), which is also being sent through electronic mode to the Members.

The 49th AGM of the Company will be held on **Wednesday, 25th September, 2024 at 3.00 P.M. (IST)** through Video Conferencing / Other Audio Visual Means.

The above is also being uploaded on the Company website www.salautomotive.in

You are requested to kindly take the same on records.

For **SAL Automotive Limited**

Gagan Kaushik
(Company Secretary)
F8080

Works Dharwad: 183 / I, Belur Industrial Area, Dharwad, Distt. Dharwad, Karnataka -580011

Works Rudrapur : 11-A, Vill-Rameshwarpur, Rudrapur, Distt. Udham Singh Nagar, Uttarakhand-263148

Regd. Office : C-127, IV Floor, Satguru Infotech, Phase - VIII, Industrial Area, SAS Nagar (Mohali), Punjab - 160071

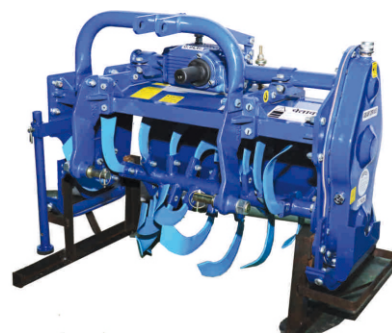
Website : www.salautomotive.in





SAL AUTOMOTIVE LIMITED
(Formerly Swaraj Automotives Limited)

ANNUAL REPORT 2024



SAL Automotive Limited

Company Secretary

GAGAN KAUSHIK

Finance Controller & KMP

KULVINDER SINGH

Statutory Auditor

M/S MANGLA ASSOCIATES

Chartered Accountants

Bankers

STATE BANK OF INDIA

AXIS BANK LIMITED

ICICI Bank Ltd.

Registered Office

C-127, IV Floor, Satguru Infotech

Phase VIII, Industrial Area,

S.A.S.Nagar (Mohali)

Punjab -160 071

CIN : L45202PB1974PLC003516

Tel. : 0172-4650377

Email : kaushik.gagan@salautomotive.in

Works

- (1) Kakrala Road, Nabha (Distt. Patiala)
Punjab -147 201
- (2) 183/I, Belur Industrial Area,
Dharwad, Karnataka-580011
- (3) 11-A, Village Rameshwarpur, Rudrapur
Distt. Udham Singh Nagar, Uttrakhand-263148
- (4) Gali No. 1A and 3, Plot No. 2, Jyotiba Nagar,
Pune, Maharashtra, India-411062

Website

www.salautomotive.in

Registrar and Transfer Agent

M/s MCS Share Transfer Agent Limited

Unit: SAL Automotive Ltd.

F-65, 1st Floor, Okhla Industrial Area, Phase - I

New Delhi - 110020

Tel: 011-41406149

Fax: 011-41709881

Email: helpdeskdelhi@mcsregistrars.com

BOARD OF DIRECTORS

RAJIV SHARMA

(Chairman)

R.K. SHARMA

(Managing Director)

JAMIL AHMAD

(Non-Independent Director)

K.N. AGARWAL

(Independent Director)

NAMRATA JAIN

(ED –Finance & CFO)

UTTAM SAHAY

(Independent Director)

ANNUAL GENERAL MEETING

on Wednesday, 25th September, 2024

Through Video Conferencing

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 49th Annual General Meeting of SAL Automotive Limited ("Company") will be held on Wednesday, 25th September, 2024 at 3:00 P.M.(IST) through Video Conferencing (VC) to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2024 and the Reports of the Auditor's and the Director's thereon.
2. To declare a dividend of Rs. 4.5 per Equity Share of the face value of Rs. 10 each (i.e. 45%), of the Company for the financial year ended 31st March, 2024.
3. To appoint a Director in place of Ms. Namrata Jain (DIN: 07310940) who retires by rotation and, being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

4. **TO APPROVE CONTINUATION OF MR. JAMIL AHMAD (DIN: 07171910) AS A NON-EXECUTIVE NON-INDEPENDENT DIRECTOR BEYOND THE AGE OF 75 YEARS**

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("Listing Regulations") (including any modification(s) thereto or reenactment(s) thereof, for the time being in force), and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, approval of the members of the Company be and is hereby accorded for continuation of directorship of Mr. Jamil Ahmad (DIN: 07171910) as Non-executive Non-Independent Director of the Company upon attaining the age of 75 years."

5. **TO RATIFY THE REMUNERATION OF COST AUDITOR FOR THE FINANCIAL YEAR 2024-25**

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee, the remuneration payable to M/s. V. Kumar & Associates, Cost Accountants having Firm Registration No. 100137, appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2025, amounting to INR 84,000/- (Indian Rupees Eighty Four Thousand only) plus taxes as may be applicable and reimbursement of such other out of pocket expenses as may be incurred by the said Cost Auditors during the course of the audit, be and is hereby ratified.

FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorised to do all acts, deeds, matters and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Regd. Office :
C-127, IV Floor, Satguru Infotech
Phase-VIII, Industrial Area,
S.A.S. Nagar (Mohali), Punjab - 160 071
Tel: 0172-4650377, Fax: 0172-4650377
Email: kaushik.gagan@salautomotive.in
Website: www.salautomotive.in
CIN: L45202PB1974PLC003516
Place : Ghaziabad
Date : 9th August, 2024

BY ORDER OF THE BOARD
FOR SAL Automotive Limited

(GAGAN KAUSHIK)
Company Secretary
Membership No. 8080

NOTES

1. The Ministry of Corporate Affairs ("MCA") inter-alia vide its General Circular Nos. 14/ 2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, followed by General Circulars Nos. 20/2020 dated May 05, 2020, 02/2021 dated January 13, 2021, 19/2021 dated December 8, 2021, 21/2021 dated December 14, 2021, 2/2022 dated May 05, 2022, 10/2022 dated December 28, 2022 and 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs (collectively referred to as 'MCA Circulars') read with the Circulars dated May 12, 2020, January 15, 2021, May 13, 2022, January 5, 2023 and October 7, 2023 issued by the Securities and Exchange Board of India ('SEBI Circulars'), has permitted the holding of Annual General Meeting of a company through video conferencing (VC) or other audio visual means (OAVM) without the physical presence of the Members at a common venue.

In compliance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), MCA Circulars and SEBI Circulars, the 49th Annual General Meeting ("Meeting" or "AGM") of the Company is being held through VC / OAVM on 25th September, 2024, at 3:00 PM (IST). The proceedings of the AGM deemed to be conducted at the Registered Office of the Company situated at C-127, 4th Floor, Satguru Infotech Industrial Area, Phase-VIII, SAS Nagar Mohali, Mohali, Punjab-160071, India.

2. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act. Further, all resolutions in the meeting shall be passed through the facility of e-voting/electronic system. Also, details of director seeking re-appointment, as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of this notice as Annexure- A.
3. PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS READ WITH SEBI CIRCULARS, THROUGH VC OR OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS READ WITH SEBI CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.

4. As per the MCA Circulars read with the SEBI Circulars, physical copies of the Notice of this AGM and Annual Report 2023-24 including financial statements (along with Board's report, Auditor's report and other documents required to be attached therewith), shall be sent only by email to the members (at their registered email) who have registered their email addresses with the Company/ Depository Participant (DP)/Company's Registrar and Transfer Agent (RTA) and to all other persons so entitled) as on 23rd August, 2024.

However, a member is entitled to receive the electronic/ hard copy of the same by writing us at kaushik.gagan@salautomotive.in.

5. Those members whose email IDs are not registered, are requested to register their email ID with RTA i.e. MCS Share Transfer Agent Limited by writing an email either to the RTA at admin@mcsregistrars.com or to the Company at kaushik.gagan@salautomotive.in mentioning the following details:
 - I. Name as registered with the RTA;
 - II. Address;
 - III. E- mail;
 - IV. Copy of PAN;
 - V. DPID/Client ID or Folio Number; and
 - VI. Number of shares held.

If a Member does not provide an updated e-mail address, the Company shall not be in default for non-receipt of such Notice by the Member.

6. Post successful registration of the email, the member would get soft copy of the Annual Report 2023-24 along with Notice of the AGM containing the procedure for e-voting along with the User ID and Password to enable casting of vote through remote e-voting or electronic voting at the AGM. In case of any queries, member may write to admin@mcsregistrars.com or kaushik.gagan@salautomotive.in
7. Those members who have already registered their email addresses are requested to keep their email addresses validated with their Depository Participants / the Company's RTA to enable servicing of notices / documents / Annual Reports electronically to their email address.
8. The facility of participation at the AGM through VC will be made available for 1000 members on first come first served basis. This will not include large members (members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholder's Relationship Committee, Auditors, who are allowed to attend the AGM without restriction on account of first come first served basis.
9. Corporate Members intending to send their authorized representative to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of the relevant Board Resolution together with the respective specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting.
10. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules, 2016 (IEPF Rules), the dividend which remains unclaimed/unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on the date of closure of previous financial year i.e. 31st March, 2024 on the website of the Company (www.salautomotive.in), as also on the website of the IEPF Authority.

Upon transfer of shared/dividend to IEPF, the Members will be able to claim these equity shares/ dividend only from the IEPF Authority by making an online application, the details of which are available at www.iepf.gov.in and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the "Web Form IEPF- 5".

11. Members are requested to claim any dividend due to them but remaining unclaimed or unpaid.
12. Please note that the Notice calling the AGM along with Annual Report 2023-24 has also been uploaded on the website of the Company at www.salautomotive.in. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and the same is also available on the website of NDSL (agency for providing the Remote e-Voting and e-voting facility at the AGM) i.e. <https://www.evoting.nsdl.com>.
13. The documents referred in this notice, Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, shall be open for inspection till the conclusion of this AGM, on the website of the Company at www.salautomotive.in.
14. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to special business to be transacted at the Meeting, forms part of this notice.
15. Members are informed that in case of joint holders attending the AGM, only such joint holder who is first in the order of names will be entitled to vote.
16. Dividend if declared, would be paid within thirty days from the date of declaration to Members whose names appear as beneficial owners with depositories or in the Register of Members after giving effect to valid transmission and transposition in respect of valid requests lodged with the Company as of the close of business hours as on 17th September, 2024, the cutoff date specified for the purpose.

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For the members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft to them.

Members may note that the Income Tax Act, 1961 (IT Act), as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company on or after April 1, 2020 shall be taxable in the hands of shareholders. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend at the prescribed tax rates. For the prescribed tax rates for various categories, the members are requested to refer to the Finance Act, 2020 and amendments thereof.

A Resident individual member with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to admin@mcsregistrars.com by 17th September, 2024. Members are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident members can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to admin@mcsregistrars.com. The aforesaid declarations and documents need to be submitted by the members by 17th September, 2024. In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, PAN, and Category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company/MCS Share Transfer Agent Ltd. by sending documents by 17th September, 2024 (upto 5:00 P.M (IST)) to enable the Company to determine the appropriate TDS/ withholding tax rate applicable, verify the documents and provide exemption.

Further, to receive the dividend on time, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means are requested to send the following documents to our RTA, latest by 17th September, 2024:

- a) Form No. ISR-1 (as uploaded on website of the Company) duly filled and signed by the holders stating their name, folio number, complete address with pin code, and the following details relating to the bank account in which the dividend is to be received:
 - i) Name of Bank and Bank Branch ;
 - ii) Bank Account Number & Type allotted by your bank after implementation of Core Banking Solutions;
 - iii) 11digit IFSC Code; and
 - iv) 9-digit MICR Code
- b) Original copy of cheque bearing the name of the Member or first holder, in case shares, are held jointly;
- c) Self-attested copy of the PAN Card; and
- d) Self-attested copy of any document (such as AADHAR Card, Driving License, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividends as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change/addition/deletion in such bank details. Accordingly, the Members holding shares in Demat form are requested to update their Electronic Bank Mandate with their respective DPs. Further, please note that instructions, if any, already given by Members in respect of shares held in physical form, will not be automatically applied to the dividend paid on shares held in electronic form.

17. Members having any question on financial statements or any agenda item proposed in the Notice of AGM are requested to send their queries at least 7 days in advance of the Meeting at the Company's registered office at C-127, IV Floor, Satguru Infotech, Phase-VIII, Industrial Area, S.A.S.Nagar (Mohali), Punjab - 160 071 or at E-mail Id: kaushik.gagan@salautomotive.in to enable the Company to collect the relevant information and redress the queries.
18. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 01st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's RTA for assistance in this regard.
19. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March, 2023 and subsequent circulars issued in this behalf, has made it mandatory for the shareholders holding shares in physical form to furnish PAN, nomination details, contact details, Bank account details and specimen signature for their corresponding folio number(s) in the prescribed forms to the RTA of the Company.. Further, security holder(s) who have not provided the aforementioned details/documents as required, shall be eligible to lodge grievance or avail any service request from the RTA only after furnishing the complete documents / details as mentioned above and where payment including dividend, interest or redemption payment in respect of such folios is due, the same shall be made electronically only with effect from April 1, 2024, upon complying with the aforesaid requirements..

In order to avoid any delays in receipt of dividend, such members are requested to furnish details in the prescribed form as mentioned in the aforesaid SEBI circular along with the supporting documents, wherever required, to our RTA i.e. MCS Share Transfer Agent Limited, for immediate action. The requirements to be complied with by holders of physical securities of the Company along with the mode for providing documents/details by investors to RTA and such forms can be downloaded from the website of the Company at www.salautomotive.in.

20. Pursuant to Section 72 of Companies Act, 2013, member(s) of the Company may nominate a person in whom the shares held by him/them shall vest in the event of his/their unfortunate death. Member(s) holding shares in physical form may file nomination in the prescribed Form SH-13 with RTA. If a member desires to cancel the earlier nomination and record a fresh nomination, he may submit the same in Form No. SH-14. Members who are either not desiring to register for Nomination or would want to opt-out, are requested to fill out and submit Form No. ISR-3. The said forms can be downloaded from the website of the Company.
21. In respect of shares held in dematerialized form, the nomination form may be filed with the respective Depository Participant.
22. To support the "Green Initiative" members who have not yet registered their email addresses are requested to register the same with their Depository Participants ("DPs") in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.
23. This AGM is being convened through VC and members may join the meeting 30 minutes before and 15 minutes after the scheduled time of the commencement of the meeting by following the points mentioned below:
 - i. Member will be provided with a facility to attend the AGM through VC through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under members/members login by using the remote e-voting credentials. The link for VC will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

SAL AUTOMOTIVE LIMITED

- ii. Members are encouraged to join the Meeting through Laptops for better experience.
- iii. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their Name, DP ID and Client ID/ Folio Number, PAN, Mobile Number at kaushik.gagan@salautomotive.in on or before 17th September, 2024. Those Members who have registered themselves as a Speaker will only be allowed to express their views/ask questions during the AGM.

The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time for the AGM.

- vi. Members who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.
 - vii. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
24. The Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as e-voting on the date of the AGM will be provided by NSDL.

25. VOTING THROUGH ELECTRONIC MEANS:

- i. The businesses as set out in the Notice may be transacted through electronic voting system and the Company will provide a facility for voting through electronic means. In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014, (as amended), Secretarial Standard - 2 on General Meetings issued by Institute of Companies Secretaries of India and Regulation 44 of Listing Regulations, the Company is pleased to provide to its shareholders, the facility to exercise their right to vote on the resolutions proposed to be considered at the AGM by electronic means and the business mentioned in the Notice may be transacted through remote e-voting. The facility of e-voting shall be provided by NSDL.
- ii. The e-voting period begins on Sunday, September 22, 2024 (9:00 AM) (IST) and ends on Tuesday, September 24, 2024 (5:00 PM) (IST). During this period, shareholders of the Company, holding shares, either in physical form or in dematerialized form, as on the cut-off date of Tuesday, September 17, 2024, may cast their vote electronically either through remote e-voting or at AGM. The remote e-voting module shall be disabled by the RTA for voting thereafter. Once the vote on a resolution is cast by the shareholder, then s/he shall not be allowed to change it subsequently.
- iii. Shareholders who have acquired shares of the Company after the dispatch of this Notice and holding shares as on the cut-off date / shareholder who has forgotten the User ID and Password, may approach NSDL at evoting@nsdl.co.in, for issuance of User ID and Password for exercising their right to vote by electronic means as explained in e-Voting instructions. However, if he/she is already registered with NSDL for remote e-voting then he/ she can use his/her existing User ID and Password for casting the vote. Individual shareholders holding securities in dematerialized mode may follow steps mentioned below under "Login method for remote e-voting and joining virtual meeting for individual shareholders holding securities in dematerialized mode."

- iv. The shareholders who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again at the AGM.
- v. The shareholders present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting, shall be eligible to vote during the AGM.
- vi. The voting rights of shareholders shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. 17th September, 2024.
- vii. Mr. Ajay K Arora, Practicing Company Secretary (Membership No.2191), Proprietor - M/s. A. Arora & Co., Company Secretaries, has been appointed as the Scrutinizer to scrutinize the voting process for the AGM, in a fair and transparent manner..

INFORMATION AND INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM:

A. Voting Through Electronic Means

1. The details of the process and manner for remote e-voting are explained herein below:

The way to vote electronically on NSDL e-voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-voting system





Step 2: Cast your vote electronically on NSDL e-voting system.

Details on Step 1 are mentioned below:

- Login method for remote e-voting and joining the virtual meeting and joining the virtual meeting for individual shareholders holding securities in dematerialized mode

Pursuant to SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/ DPs to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider ("ESP") thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.

Login method for individual shareholders holding securities in dematerialized mode is given below :

Type of shareholders	Login Method
<p>Individual shareholders holding securities in dematerialized mode with NSDL</p>	<p>A. NSDL IDeAS facility If you are already registered, follow the below steps:</p> <ol style="list-style-type: none"> 1. Visit the e-Services website of NSDL. Open web browser and type the following URL: https://eservices.nSDL.com/ either on a computer or on a mobile. 2. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. 3. A new screen will open. You will need to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. 4. Click on "Access to e-voting" appearing on the left-hand side under e-voting services and you will be able to see e-voting page. 5. Click on options available against Company name or e-voting service provider-NSDL and you will be re-directed to NSDL e-voting website for casting your vote during the remote e-voting period or joining virtual meeting and e-voting during the meeting. <p>If you are not registered, follow the below steps:</p> <ol style="list-style-type: none"> 1. Option to register is available at https://eservices.nSDL.com/. 2. Select "Register Online for IDeAS" Portal or click at https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp 3. Please follow steps given in points 1-5. <p>B. E-voting website of NSDL</p> <ol style="list-style-type: none"> 1. Open web browser and type the following URL: https://www.evoting.nSDL.com/ either on a computer or on a mobile phone. 2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. 3. A new screen will open. You will need to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. 4. After successful authentication, you will be redirected to NSDL website wherein you can see e-voting page. Click on options available against Company name or e-voting service provider-NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and e-voting during the meeting. <p>C. Shareholders/Members can also download NSDL mobile app "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience</p> <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi/Easiest, they can login through their User id and Password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the e-voting menu. The menu will have links of e-voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 4. Alternatively, the user can directly access e-voting page by providing demat account number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile and e-mail as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-voting is in progress.
Individual shareholders (holding securities in dematerialized mode) login through their DPs	<ol style="list-style-type: none"> 1. You can also login using the login credentials of your demat account through your DP registered with NSDL/ CDSL for e-voting facility. 2. Once logged-in, you will be able to see the e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. 3. Click on options available against Company name or e-voting service provider-NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and e-voting during the meeting

Important note: Members who are unable to retrieve User ID/Password are advised to use Forgot User details/Password option available at respective websites.

Helpdesk for individual shareholders holding securities in dematerialized mode for any technical issues related to login through Depository i.e. NSDL and CDSL

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542/43

SAL AUTOMOTIVE LIMITED

Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by clicking the URL: <https://www.evoting.nsdl.com/> either on a computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, Password/OTP and a verification code as shown on the screen.
4. Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can login at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you login to NSDL eservices after using your login credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.
5. Your User ID details are given below:

Type of shareholders	Login Method
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

6. Password details for shareholders other than Individual shareholders are given below:
 - a. If you are already registered for e-voting, then you can use your existing Password to login and cast your vote.
 - b. If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your Password.
 - c. How to retrieve your 'initial password'?
 - i. If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL in your mailbox from evoting@nsdl.com. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file.

The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii. In case you have not registered your e-mail address with the Company/ Depository, please follow instructions mentioned in this Notice.
7. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a. Click on "Forgot User Details/ Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

- b. "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/ folio number, PAN, name and registered address.
 - d. Members can also use the OTP based login for casting the votes on the e-voting system of NSDL.
8. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 9. Now, you will have to click on "Login" button.
 10. After you click on the "Login" button, home page of e-voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and general meeting is in active status.
2. Select "EVEN" of Company, which is 130409 for which you wish to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-voting as the voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify or modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed and you will receive a confirmation by way of a SMS on your registered mobile number.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General guidelines for shareholders:-

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on <https://www.evoting.nsdl.com> to reset the Password.
2. In case of any queries related to e-voting, you may refer the Frequently Asked Questions ("FAQs") for Shareholders and e-voting user manual for Shareholders available at the download section of <https://www.evoting.nsdl.com>. For any grievances connected with facility for e-voting, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, e-mail: evoting@nsdl.co.in, toll free no: 1800 1020 990/1800 224 430.
3. Members may send a request to evoting@nsdl.co.in for procuring User id and Password for e-voting by providing demat account number/ folio number, client master or copy of financial statements, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card). If you are an Individual shareholder holding securities in dematerialized mode, you are requested to refer to the login method explained above.
4. The instructions for members for e-voting on the day of the AGM are same as mentioned in point number (A) above.

SAL AUTOMOTIVE LIMITED

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to kaushik.gagan@salautomotive.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to kaushik.gagan@salautomotive.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for eVoting on the day of the AGM shall be the same person mentioned for Remote e-voting.

B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members will be able to attend the AGM through VC/OAVM through the NSDL e-voting system. After successful login, you can see VC/ OAVM link placed under Join meeting menu against company name. You are requested to click on VC/OAVM link placed under "Join Meeting" menu. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM.
6. Members who need assistance before or during the meeting, can contact NSDL on evoting@nsdl.co.in/ 1800 1020 990 and 1800 224 430 or contact Amit Vishal, Assistant Vice President - NSDL at amitv@nsdl.co.in / or Sanjeev Yadav, Assistant Manager-NSDL at sanjeevy@nsdl.co.in.

7. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID/Folio number, PAN, mobile number at email on or before Tuesday, 17th September 2024 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Other instructions

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting (votes cast during the AGM and votes cast through remote e-voting) and will submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same. The results will be announced within the time stipulated under the applicable laws.
2. The result declared along with the Scrutinizer's Report shall be displayed at the registered as well as Corporate Office of the Company as well as placed on the Company's website www.salautomotive.in and on the website of NSDL <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.
26. The recorded transcript of the AGM shall also be made available on the website of the Company, www.salautomotive.in in the Investor's section, as soon as possible after the AGM is over.
27. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of AGM, i.e. Wednesday, 25th September, 2024..
28. Shareholders are requested to fill in and submit the Feedback Form available in the 'Investor' section on the Company's website www.salautomotive.in, to aid the Company in its constant endeavour to enhance the standards of service to its shareholders..

Regd. Office :
C-127, IV Floor, Satguru Infotech
Phase-VIII, Industrial Area,
S.A.S. Nagar (Mohali), Punjab - 160 071
Tel: 0172-4650377, Fax: 0172-4650377
Email: kaushik.gagan@salautomotive.in
Website: www.salautomotive.in
CIN: L45202PB1974PLC003516
Place : Ghaziabad
Date : 9th August 2024

BY ORDER OF THE BOARD
FOR SAL Automotive Limited

(GAGAN KAUSHIK)
Company Secretary
Membership No. : 8080

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

Mr. Jamil Ahmad (DIN: 07171910) was appointed as Non-Executive Non Independent Director of the Company by the members at the 41st Annual General Meeting of the Company held on 10th August, 2016 effective from February 3, 2016.

In terms of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations"), approval of members by way of special resolution is required for appointment or continuation of any person as a Non Executive Director of a listed entity, who has attained the age of seventy five years.

Further, Mr. Jamil Ahmad will attain the age of 75 years with effect from 4th July, 2025 and approval of members is required for the continuation of his directorship as Non-Executive Non Independent Director of the Company from the day he attains the age of 75 years.

Mr. Jamil Ahmad has provided his consent for his continuation as a Non Executive Non Independent Director of the Company and also confirmed that he is not debarred to continue as a Director by any order of SEBI or any other authority and is not liable to any disqualification under the provisions of Section 164 of the Companies Act, 2013.

The Board considered that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Jamil Ahmad as Non-Executive Non Independent Director. Accordingly, the Board recommends passing of the Special Resolution in relation to continuation of his directorship as such, even after he attains the age of 75 years, for the approval by the shareholders of the Company.

Except Mr. Jamil Ahmad, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in this Resolution.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval of the Members.

Item No. 5

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment of M/s V. Kumar & Associates, Cost Accountants, as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2024 and subject to the ratification by the members, approved a remuneration of Rs. 84,000/- (Rupees Eighty Four Thousand only) plus applicable taxes and reimbursement of such other out of pocket expenses as may be incurred by the said Cost Auditors during the course of the audit.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2025.

The Board recommends the resolution under item no (5) for approval of members of the Company by way of an ordinary resolution. None of the Directors, key managerial personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the Notice.

Regd. Office :
C-127, IV Floor, Satguru Infotech
Phase-VIII, Industrial Area,
S.A.S. Nagar (Mohali), Punjab - 160 071
Tel: 0172-4650377, Fax: 0172-4650377
Email: kaushik.gagan@salautomotive.in
Website: www.salautomotive.in
CIN: L45202PB1974PLC003516
Place : Ghaziabad
Date : 9th August 2024

BY ORDER OF THE BOARD
FOR SAL Automotive Limited

(GAGAN KAUSHIK)
Company Secretary
Membership No. : 8080

**DETAILS OF DIRECTORS WHO ARE PROPOSED TO BE RE-APPOINTED
AT THE FORTHCOMING ANNUAL GENERAL MEETING**

[Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015]

Name of Director	Ms. Namrata Jain
Brief Resume	More than 14 years of experience in corporate finance, project financing and financial research & analysis.
Nature of expertise in specific functional areas	Finance
Disclosure of relationships between directors inter-se	Nil
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board	SAL Automotive Limited
Shareholding in the Company (including shareholders as a beneficial owner)	Nil
Listed entities from which the person has resigned in the past three years	Nil

REPORT OF THE DIRECTORS TO THE MEMBERS

Your directors have the pleasure of presenting their 49th Annual Report along with the Audited Financial Statements for the year ended March 31, 2024.

FINANCIAL & OPERATIONAL PERFORMANCE HIGHLIGHTS

In compliance with the provisions of the Companies Act, 2013 ('Act'), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') the Company has prepared its financial statements as per Indian Accounting Standards (Ind AS) for the FY 2023-24. The highlights of the financial results of the Company, extracted from the audited financial statements for the FY 2023-24 and previous FY 2022-23, are as under:

Particulars	(Rs. in Crores)	
	Year ended 31st March, 2024	Year ended 31st March, 2023
Net Revenue from Operations	307.52	303.79
Other Income	0.96	1.53
Total Revenue	308.48	305.32
Profit before Depreciation, Finance Charges and Tax	13.67	11.91
Finance Costs	2.78	2.64
Depreciation & Amortization Expense	4.10	3.08
Exceptional Items	-	-
Profit Before Tax	6.78	6.19
Tax Provision		
- Current	1.56	0.17
- Deferred	0.12	1.32
Profit After Tax	5.10	4.70
Other Comprehensive Income	(0.25)	(0.09)
Total Comprehensive Income	4.84	4.61

REVIEW OF OPERATIONS

In 2023-24, the overall Indian economy performed well, and this positive trend extended to the automotive and agri-implements sectors in which your Company operates. In the automotive sector, SAL achieved an increase in revenue, with a growth rate of 19 % as compared to the previous year and in the agriculture sector there is a de-growth of 6% as compared to previous year.

Resultant to above factors, the Company has achieved highest ever sales volume in financial year 2023-24 and achieved PBT with a 9.53 % jump in margins over previous financial year and in the Agriculture Sector there is degree of 6% as compare to the previous year.

It is important to note that your Company's performance in the automotive and agriculture segments is influenced by various factors, including economic growth, new production facilities, monsoon patterns, automation in the agri-implements sector, and the purchasing power of buyers. These factors play a significant role in shaping the performance and prospects of your Company in these sectors.

Automotive Components: -

For the year under review, the Indian automotive industry (except Two-wheeler) witnessed growth of 8% which includes Passenger Vehicle industry growth of 7.1 % and Commercial Vehicle Industry grew by 11.1%. However, your company had shown growth of 30 % which includes growth in seat mechanisms for passenger vehicle of 1 % and growth of 52 % in seats for commercial vehicle.

Agriculture Implements: -

For the year under review, the Indian tractor industry had shown degrowth by 18 % and your company had recorded degrowth of 7% by achieving sales volume of 1.93 lakhs seats for tractor against previous year volume of 2.07 lakhs, and in case of Agri-implements, sales volume grew to 0.25 lakhs units against 0.24 lakhs units of previous year resulting into growth of 3%.

The revenue of your company reached to Rs. 307.51 Crore against previous year figures of Rs. 303.79 Crore showing a marginal growth of 1% and on the similar growth trend the profit before tax stood at Rs. 6.78 Crore against previous year profit before tax of Rs. 6.20 crores. Profit before depreciation, finance and tax was Rs. 13.67 Crore against previous year figure of Rs. 11.91 Crore, total comprehensive income was Rs. 4.84 Crore in comparison to Rs. 4.61 Crore of previous year which results in to earning per share of Rs. 20.21 against previous year figure of Rs. 19.21.

DIVIDEND

The Board of Directors have recommended the Final Dividend of Rs. 4.5 per share (i.e. 45% of face value of Rs. 10 each) for the financial year ended March 31, 2024, subject to the approval of the members at the ensuing Annual General Meeting. The dividend, if approved by the members of the Company, will be paid within 30 days of the Annual General Meeting. The total cash outflow on account of final dividend for the financial year 2023-24 will be Rs. 1.08 Crore.

Pursuant to the amendments introduced in the Income tax Act, 1961 vide Finance Act, 2020, w.e.f. April 1, 2020, Dividend Distribution Tax (DDT), which was used to be payable by the company, stands abolished. Instead, dividend income is now taxable in the hands of shareholders and subject to tax deduction at source (TDS) under the Income-tax Act, 1961.

RESERVES

The Company has not transferred any amount to the general reserve during the period under review

SHARE CAPITAL

The Authorised share capital of the Company during the period under review was Rs. 3,50,00,000/- (Indian Rupees Three Crores Fifty Lakhs only). The issued and paid-up Share Capital of the Company remained unchanged during the year and stood at Rs. 2,39,77,130 (Indian Rupees Two Crore Thirty Nine Lakh Seventy Seven Thousand One Hundred Thirty only) at the end of the financial year 2023-24.

There was no issue of shares with differential voting right, buy back of shares or bonus issues of shares, during the year under review.

DEPOSITS

The Company did not invite or accept any deposits from the public/ members pursuant to the provisions of Chapter V of the Act read together with the Companies (Acceptance of Deposits) Rules, 2014 and as such, no amount of principal or interest was outstanding at the end of the financial year 2023-24.

INDUSTRIAL RELATIONS

In today's dynamic business environment, the foundation of our Industrial and employee relation framework is based on the strong pillars of Employee Centricity, building and sustaining a positive work culture characterized by innovation, productivity, and competitiveness, backed with strong focus on fostering employee

well-being, capability building to ensure a future ready workforce to build a performance driven organization. We ensure strong employee relations which is not just limited to manage personnel issues but it fosters a culture where employees feel valued, supported, and motivated to contribute to the company's success.

Employee Centricity

Employee centricity is one of the cornerstones of our employee relations. Our efforts are directed towards prioritizing the needs and aspirations of employees while aligning them with organizational goals. By understanding and addressing the concerns, aspirations, and motivations of the workforce, we have created an environment where employees feel valued. This involves providing clear communication channels, listening to employee feedback, and implementing policies that reflect their needs.

Positive Work Culture

Creating a positive work culture is another area of focus to maintain high employee morale and productivity. We believe in fostering a culture of respect, collaboration, and support. This is being achieved by promoting teamwork, recognizing and rewarding employee contributions, and ensuring a safe and inclusive workplace. Our leadership team also play a pivotal role here, both our managers and supervisors always lead by example, demonstrating behaviors that promote positivity and mutual respect.

Employee Well-being

Employee well-being especially having access to health care benefits, wellness programs, and a safe working environment are fundamental aspects of our employee relation framework. This includes both physical and mental health. All our HR policies are designed and periodically updated in line with the idea of providing work life balance which improves productivity and also reduces absenteeism and turnover rates.

Capability Building

Investing in capability building is vital for our company to stay competitive and be future ready. As the industry evolves, so too must the skills of its workforce.

In line with our objective of capability building and developing a future-ready workforce, we have implemented numerous training and engagement programs throughout the year. These initiatives encompass a wide range of areas, including behavioral programs for enhancing team and individual effectiveness, safety and environmental training, quality tools skill building programs, continuous improvement practices, result orientation, relationship management, and decision-making skills. Our proactive and employee-centric shop floor practices have also thrived as we offer training programs, workshops, and opportunities for continuous learning which help employees to enhance their skills and stay updated with the latest technological advancements. This not only benefits the company by having a skilled workforce but also empowers employees, making them feel more confident and valued in their roles.

To be specific on building a Future-Ready Workforce and Teams, we have embarked on the journey of Talent management and rolling out the Competency Framework for our company.

The competency framework will help us to identify right talent which can be groomed and prepared for future talent needs and succession planning. Coupled with it, encouraging a culture of continuous learning, adaptability, and innovation will ensure that our company remains competitive in the long term.

Leadership Effectiveness and Performance-Driven Organization

Leadership effectiveness is a key driver of a performance-oriented organization. Our leadership team is perfectly aligned to achieving organizational goals. We believe in setting clear goals, providing regular feedback, and fostering an environment where performance is recognized and rewarded. Being a performance-driven culture we encourage employees to take ownership of their work, strive for excellence, and contribute to the company's overall success. Effective leadership ensures that the organization's vision is communicated clearly, and that employees are aligned with the company's goals.

As we move forward into FY 2024-25, we remain dedicated to nurturing a positive industrial relations environment, continuously improving our work culture, and upholding the principles of employee-centricity and proactive practices throughout our organization.

SAFETY OCCUPATIONAL HEALTH AND ENVIRONMENT

Our Company remained committed towards excellence in Safety, Occupational Health, and Environment in the year 2023-24

Safety, Occupational Health, and Environment are critical pillars in maintaining a safe and productive workplace. While we have a well-established Safety, Occupational, and Environmental Policy that prioritizes the safety of our employees, plant, equipment, and the general public and ensures compliance with all relevant statutory rules and regulations on a regular basis. Our employees are also proactive in adhering to safety protocols, reporting hazards, and participating in safety training to mitigate risks. We believe in promoting voluntary individual efforts at the work level in fostering a safety-conscious culture.

Our Organizational commitment to Safety, Occupational Health, and Environment is paramount and is equally vital, with regular audits and strict compliance ensuring adherence to industry standards and legal requirements. We identify potential risks and implement corrective actions promptly as per guidelines.

Moreover, our focus on proactive and preventive measures is essential. As an organization we invest heavily in continuous training, safety drills, and the implementation of advanced safety technologies to anticipate and prevent accidents.

Additionally, we conduct statutory safety audits of our facilities as required by law and promote eco-friendly activities. As part of our ongoing commitment to improving the well-being of our employees, we regularly organize Medical Check-ups, encompassing both curative and preventive measures, to keep a strong check on any potential risk of Occupational health challenges. Furthermore, we educate our employees on Industrial Hygiene in the workplace, reinforcing our dedication to their safety and health.

By integrating these efforts into the company culture, both at the individual and organizational levels, we have created a safe, healthy, and environmentally responsible workplace.

SUSTAINABILITY INITIATIVE

In the year 2023-24, your Company maintained its steadfast commitment to environmental, social, and governance parameters. We strongly believe in sustainability, which we define as "Building enduring business by rejuvenating the environment and enabling stakeholders to grow." Throughout the year under review, we took several impactful actions across all aspects of our operations, focusing on three key pillars: Environment, Manpower, and Margins.

Under the pillar of Environment, we implemented a range of initiatives to minimize our ecological footprint and contribute to environmental preservation. This included adopting energy-efficient practices, reducing waste generation, and promoting the use of renewable resources. We actively pursued environmentally friendly alternatives and encouraged sustainable practices throughout our value chain.

In this respect we have increased the plantation of new trees in the campus, introduced the use of the LPG in our existing manufacturing process, in replacement to the HSD, which has substantially reduced and controlled the air pollution.

In terms of Manpower, we prioritized the well-being and development of our employees. We continued to invest in their training and skill enhancement, fostering a culture of learning and growth. Additionally, we emphasized diversity and inclusion, ensuring equal opportunities for all individuals within our organization. We also extended our efforts beyond our workforce by engaging with communities and supporting social initiatives.

SAL AUTOMOTIVE LIMITED

The third pillar, Margins, underscores our commitment to responsible financial management. We implemented strategies to optimize our operations, improve cost-efficiency, and enhance profitability while maintaining ethical business practices. We believe that sustainable financial performance is crucial for long-term growth and delivering value to our stakeholders.

By focusing on these three pillars - Environment, Manpower, and Margins - we aim to create a positive impact and contribute to a more sustainable future. We remain dedicated to upholding these principles and continually seek opportunities to further enhance our ESG performance in the years ahead.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

DIRECTORS INDUCTIONS, RE-APPOINTMENT/RE-DESIGNATIONS, RETIREMENT & RESIGNATIONS

Mr. Rajiv Sharma (DIN: 07418337) completed his second and final term as an Independent Director of the Company and consequently ceased to be a Director of the Company effective from the close of business hours on February 2, 2024. The Board of Directors and the management of the Company express deep appreciation and gratitude to him for his extensive contribution towards the Company.

During the year Dr. Uttam Sahay (DIN: 08608518) was appointed as Non-Executive Independent Director of the Company, not liable to retire by rotation, for a term of 3 years with effect from January 31, 2024 and Mr. Rajiv Sharma (DIN: 07418337) was appointed as Non-Executive Director of the Company, liable to retire by rotation, effective from February 3, 2024, vide Special Resolution and Ordinary Resolution respectively dated April 6, 2024 passed by postal ballot.

In terms of Section 152 of the Act, Ms. Namrata Jain (DIN: 07310940), Executive Director Finance, retires by rotation at the forthcoming Annual General Meeting ("AGM") and, being eligible, offers herself for re-appointment.

Apart from the aforesaid, there were no changes in the Board of Directors.

KEY MANAGERIAL PERSONNEL (KMP)

Mr. Jagdish Lal Raheja resigned from post of Chief Financial Officer and Key Managerial Personnel ("KMP") of the Company effective from closure of business hours on April 4, 2023 and Mr. Kulvinder Singh, Finance Controller, having expertise in Finance and Taxation, was designated as KMP of the Company effective from May 26, 2023.

Further, Mrs. Namrata Jain (DIN- 07310940), in addition to being Executive Director Finance, was also designated as the Chief Financial Officer ("CFO") of the Company, effective from October 4, 2023.

As on the date of this report, your Company has following whole time KMP:

Mr. Rama Kant Sharma, Managing Director,

Mr. Gagan Kaushik, Company Secretary

Ms. Namrata Jain, Executive Director Finance and CFO and

Mr. Kulvinder Singh, Finance Controller

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16 of Listing Regulations and there has been no change in the circumstances which may affect their status as Independent Directors during the year under review. The Independent Directors have also confirmed that they have complied with the Company's code of conduct for the Directors and the Senior Management Personnel and also that they are not debarred from holding the office of Director pursuant to any order of SEBI or any such authority as well as they are independent of the management.

All the Independent Directors of the Company are registered in the data bank maintained with the Indian Institute of Corporate Affairs, Manesar ('IICA'). In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, the eligible Independent Directors are required to undertake online proficiency self-assessment test conducted by the IICA within a period of two (2) years from the date of inclusion of their names in the data bank. The Independent Directors, whosoever is required, shall undertake the said proficiency test.

In the opinion of the Board all independent directors possess strong sense of integrity and having requisite experience (including proficiency), qualification, skills and expertise and are independent of the management. For further details, please refer to the Corporate Governance Report.

POLICY ON NOMINATION, REMUNERATION AND BOARD DIVERSITY

The Company believes that building a diverse and inclusive culture is integral to its success. A diverse Board, among others, will enhance the quality of decisions by utilizing different skills, qualifications, professional experience and knowledge of the Board members necessary for achieving sustainable and balanced development. In terms of Listing Regulations and the Act, the Company has formulated and adopted Nomination & Remuneration Policy.

The said Policy of the Company, inter alia, provides that the Nomination and Remuneration Committee shall formulate the criteria for appointment of Executive, Non-Executive and Independent Directors on the Board of Directors of the Company and persons in the Senior Management of the Company, their remuneration including determination of qualifications, positive attributes, independence of Directors and other matters as provided under sub-section (3) of Section 178 of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). The Policy also lays down broad guidelines for evaluation of performance of Board as a whole, Committees of the Board, individual Directors including the chairperson and the Independent Directors. The Policy encourages the appointment of women at senior executive levels and thereby promoting diversity. The Policy is designed to attract, recruit, retain and motivate best available talent.

During the financial year under review, no changes were carried out in the said Policy. The Nomination and Remuneration Policy is available on the website of the Company and can be accessed via. <https://salautomotive.in/policies/>.

ANNUAL PERFORMANCE EVALUATION

Listing Regulations laying down the key functions of the Board, mandate that the Board shall monitor and review the Board Evaluation Process and also stipulate that the Nomination & Remuneration Committee of the Company shall lay down the evaluation criteria for performance evaluation of Independent Directors, Board of Directors, Committee and Individual Directors. Section 134 of the Act states that a formal evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Further, Schedule IV to the Act states that performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated. In accordance with the aforesaid provisions, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees through structured questionnaires covering various aspects of the functioning of Board and its Committees.

Some of the performance indicators based on which the evaluation takes place are - attendance in the meetings, quality of preparation/participation, ability to provide leadership and work as team player. In addition, few criteria for independent Directors include commitment to protecting/enhancing interests of all shareholders and contribution in implementation of best governance practices. Performance criteria for Whole-time Directors includes contribution to the growth of the Company, new ideas/planning and compliances with all policies of the Company. The Board of Directors had expressed their satisfaction to the overall evaluation process.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

Pursuant to Schedule IV to the Act and the Listing Regulations, 1 (one) meeting of Independent Directors was held during the year i.e. on March 19, 2024 without the attendance of Executive Directors, Non Executive Non Independent Director and members of Management and in such meeting, inter alia:

- (a) reviewed the performance of non-independent Directors and the Board of Directors as a whole;
- (b) reviewed the performance of the chairperson of the Company, taking into account the views of executive directors and non-executive directors and
- (c) assessed the quality, quantity and timeliness of flow of information between the management of the Company and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

In addition, the Company encourages regular separate meetings of its Independent Directors to update them on all business-related issues and new initiatives. At such meetings, the Executive Directors, Non Executive Non Independent Director and other members of the Management make presentations on relevant issues.

BOARD MEETINGS

A calendar of Meetings is prepared and circulated in advance to the Directors. The Board met 6 (six) times during the financial year 2023-24. The gap between any two consecutive meetings of the Board of Directors of the Company did not exceed 120 days and details of the Board Meetings and the attendance of the Directors have been provided in the Corporate Governance Report that forms part of this Annual Report.

AUDIT COMMITTEE

Due to appointment of Mr. Rajiv Sharma (DIN: 07418337) as a Non-Executive Non Independent Director upon completion of the term as an Independent Director and appointment of Dr. Uttam Sahay as an Independent Director of the Company, the Audit Committee of the Company was reconstituted with effect from February 3, 2024, which now comprises of the following Directors viz. Mr. Kailash Nath Agarwal (Chairperson), Dr. Uttam Sahay (Member) and Mr. Rajiv Sharma (Member). The Company Secretary of the Company functions as the Secretary of the Committee. All the recommendations made by the Audit Committee during the year were accepted by the Board.

For further details about all the Committees of the Board of Directors of the Company, please refer the Corporate Governance Report which forms an integral part of this Annual Report.

SUBSIDIARY / ASSOCIATE & JOINT VENTURE COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

During the financial year under review, the Company did not have any subsidiary or joint venture or associate company in terms of the provisions of the Act and Listing Regulations. Hence, the Company is not required to prepare form AOC-1 with respect to performance of subsidiary or joint venture or associate company.

TRANSFER TO INVESTORS EDUCATION AND PROTECTION FUND

During the year, the Company transferred the unpaid/unclaimed dividend amounting to Rs. 76,783/- to the Investor Education and Protection Fund (IEPF) Account established by the Central Government. The Company has also uploaded the details of unpaid and unclaimed amounts lying with the Company as on March 31, 2024 on the website of the Company at <https://salautomotive.in/unclaimed-dividend/>.

Further, in terms Section 124(6) of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the Company transferred 989 equity

shares to the Investor Education and Protection Fund, details of which are uploaded on the website of the Company at <https://salautomotive.in/unclaimed-dividend>.

Rightful claimants can lodge their claims for the dividend / share as per the applicable provisions under the IEPF Rules.

STATUTORY AUDITORS

M/s. Mangla Associates, Chartered Accountants (ICAI Firm Registration No.: 006796C), Statutory Auditors of the Company were re-appointed at the 47th AGM of the Company to hold the office as such for a period of 5 years from the conclusion of the AGM held in financial year 2022 until the conclusion of the 52nd AGM of the Company to be held in the financial year 2027.

AUDITORS' REPORT

The Auditors' Report read along with notes to accounts is self-explanatory and therefore does not call for further comments. The Auditors' Report does not contain any qualification, reservation, or adverse remark.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s A. Arora and Co., a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2023-24. The Secretarial Audit Report is annexed herewith as Annexure A.

The Secretarial Audit Report is self-explanatory and does not contain any qualification, reservation, or adverse remark.

COST AUDITORS

The Cost Audit for financial year ended March 31, 2024, was conducted by M/s. Aggarwal Vimal & Associates (FRN.000350).

The Company has maintained accounts and records as specified under sub-section (1) of 148 of the Act.

CORPORATE SOCIAL RESPONSIBILITY

During the year under review, the provisions of Section 135 of the Act related to Corporate Social Responsibility ("CSR") became applicable on the Company. CSR involves operating Company's business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of businesses and keeping with the Company's core value of Good Corporate Citizenship, your Company is committed to display its social responsibility by taking various initiatives benefiting the society at large. These initiatives include organizing plantation of trees at various locations, awareness campaign on ill effects of tobacco, providing medicines, beds, and sheets to destitute people's home. In alignment with vision of the Company, SAL Automotive Limited through its CSR initiatives, will continue to enhance value creation in the society through its services, conduct & initiatives, so as to promote sustained growth for the society.

The Board of Directors of the Company have formulated and adopted the CSR Policy of the Company in alignment of its vision of the Company, during the year under review.

The Company contributed an amount of INR 3.19 Lakhs in PM Care Fund as part of its CSR Obligation for FY 2023-24.

Since the amount to be spent by the Company as its CSR obligation as per Section 135(5) of the Act, for the FY 2023-24, is less than INR 50 Lakhs, the requirement for constitution of CSR Committee is not applicable on the Company and accordingly the functions of such Committee are being discharged by the Board of Directors of the Company.

SAL AUTOMOTIVE LIMITED

The Board of Directors of the Company frame, monitor and execute the CSR activities of the Company in terms of its CSR Policy. The Board further defines the parameters and observes them for effective discharge of the social responsibility of your Company. The CSR Policy of your Company outlines the Company's philosophy & the mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large as part of its duties as a responsible corporate citizen. The Board also formulates CSR annual action plan in pursuance to its Policy. The CSR Policy of the Company is available on the Company's website at <https://salautomotive.in/policies/>.

The Annual Report on CSR activities in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended, containing all the requisite details, is set out as Annexure "D" to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the financial year under review, as stipulated under the Listing Regulations, is presented in a separate section, forms part of this Annual Report.

CORPORATE GOVERNANCE REPORT

A report on Corporate Governance forms part of the Annual Report along with the Certificate on Corporate Governance as required under Listing Regulations.

INTERNAL FINANCIAL CONTROLS

The corporate governance polices guide the conduct of affairs of your company and clearly defines the roles, responsibilities and authorities at each level of its governance structure and key functionaries involved in governance. All essential Standard Operating Procedures (SOP) are in place and are being intermittently reviewed and revised by senior management.

Under Internal Audit program, on quarterly basis an independent external auditor conducts audit of key areas as per the pre-scheduled audit cycle on the basis of defined RCMs (Risk Control Matrix) and accordingly submits report to the management and share with the audit committee for their review. Your Company has implemented vigorous internal financial controls to ensure accurate and reliable preparation of financial statements, custom-made to the size, scale, and complexity of our operations.

These controls have been diligently assessed throughout the year, adhering to the essential components outlined in the guidance note of internal financial control over financial reporting issued by the Institute of Chartered Accountants of India.

Upon cautious examination and evaluation conducted by the management, we are pleased to report that no reportable material weaknesses or significant deficiencies were identified in the design or functioning of our internal financial controls. We are using Oracle based ERP for recording of financial transactions and reporting, including inventory records, production records, HR related records, etc., by ensuring appropriate segregation of roles & responsibilities with duly approved authority matrix.

This affirms our commitment to maintaining a strong control environment that safeguards the integrity and reliability of our financial reporting. By prioritizing the establishment and continuous evaluation of these internal controls, we uphold the highest standards of financial governance and ensure transparency in our operations. These measures provide confidence to our stakeholders, assuring them of the accuracy and completeness of our financial statements.

RISK MANAGEMENT

Your company understands the importance of various risks faced by it and has adopted a Risk Management Framework which establishes various levels of accountability within the Company. The framework covers identification, evaluation, and control measures to mitigate the identified business risk.

Your Company faces persistent pressure from the evolving market place that impacts important issues in risk management and impends margins. The Company emphasizes on those risks that threaten the achievement of business objectives over the short term to medium term. For the year under review, the Company does not anticipate any perilous risk which impends its existence.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil mechanism and Whistle blower policy under which the persons covered under the policy including Directors and employees are free to report misuse or abuse of authority, fraud or suspected fraud, violation of Company rules, manipulations, negligence causing danger to public health and safety, misappropriation of funds, and other matters or activity on account of which the interest of the Company is affected. The reportable matters may be disclosed to the vigilance officer who operates under the supervision of the Audit Committee. Persons covered under the Policy may also report to the Chairman of the Audit Committee in appropriate cases.

During the year under review, no employee was denied access to the Chairman of the Audit Committee. No complaints were received under Vigil Mechanism & Whistle Blower Policy during the financial year 2023-24.

DETAILS OF LOANS, INVESTMENTS, SECURITY AND GUARANTEES UNDER SECTION 186

The Company has not advanced any Loan, Guarantee, Security or made any Investment covered under the provisions of Section 186 of the Act during the financial year.

ANNUAL RETURN

The Annual Return in form MGT-7 of the Company as required under Section 92 of the Act, is available on the website of the Company at <https://salautomotive.in>.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party contracts/arrangements/transactions that were entered into during the financial year 2023-24 were on an arm's length basis and were in the ordinary course of business. During that period, the Company did not enter into any contract/ arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. There were no materially significant related party transactions made by the Company which may have a potential conflict of interest with its Promoters, Directors, Key Managerial Personnel, or other persons. All such Related Party Transactions are placed before the Audit Committee for approval.

Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable.

For further details, please refer to the notes (refer Note [2.36]) to the financial statements for the financial year 2023-24.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information with regard to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo in accordance with the provisions of Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is given as Annexure B forming part of this Report.

PARTICULARS OF EMPLOYEES

Disclosures relating to remuneration of Directors u/s 197(12) of the Act read with Rule 5(1), of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure C to this report. There was one employee who was in receipt of remuneration of not less than Rupees One Crore and Two Lakhs during the year ended March 31, 2024 or not less than Rupees Eight Lakh and Fifty Thousand per month, during any part of the year.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There were no significant material orders passed by the Regulators/ Courts/ Tribunals during the financial year 2023-24 which would impact the going concern status of the Company and its future operations.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Act, with respect to Directors' Responsibility Statement, it is confirmed that:

- in the preparation of the annual accounts for the year ended March 31, 2024, the applicable accounting standards have been followed and there are no material departures from the same.
- the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profit of the Company for the year ended on that date.
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the Directors have prepared the annual accounts of the Company on a going concern basis.
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATEMENT UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has complied with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has in place a Policy on Prevention of Sexual Harassment at the Workplace in line with the provisions of the said Act. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. The policy and the Internal Complaints Committee is communicated all staff and is also available with HR Department.

No complaint of sexual harassment was received during the Financial Year 2023-24.

SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards as issued by the Institute of Company Secretaries of India (ICSI).

MATERIAL CHANGES AND COMMITMENTS WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT

No material changes have occurred after the closure of financial year 2023-24 till the date of this report.

OTHER DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions/events happened on these items during the year under review:

- a) Issue of sweat equity or stock options.
- b) Changes in the nature of business activities.
- c) Fraud reporting by the Statutory Auditor, Secretarial Auditor and Cost Auditor of the Company.
- d) Application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.
- e) Difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

ACKNOWLEDGMENT

Your Directors place on record their deep appreciation for the contribution made by employees at all levels with dedication, commitment, and team efforts, which helped your Company in achieving the performance during the year.

Your Directors also acknowledge with thanks the support given by the Government, bankers, shareholders, and investors at large and look forward to their continued support

FOR AND ON BEHALF OF THE BOARD

Place : Ghaziabad
Date : 9th August, 2024

RAJIV SHARMA
Chairman
DIN:07418337

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
SAL Automotive Limited
C-127, 4th Floor, Sat Guru Infotech,
Industrial Area, Phase VIII,
S.A.S. Nagar, Mohali.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SAL AUTOMOTIVE LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the SAL AUTOMOTIVE LIMITED'S books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by SAL AUTOMOTIVE LIMITED ("the Company") for the financial year ended on March 31, 2024 under the provisions of below mentioned regulations:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021-Not Applicable to the company during the financial year under review.
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- Not Applicable to the company during the financial year under review.

- e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: Not Applicable as there was no instance of Buy-Back during the financial year.
 - f) Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021: Not applicable during the financial year under review.
 - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not applicable as the company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021- Not applicable as the company has not delisted any securities from any stock exchange during the financial year under review
- (vi) The major provisions and requirements have also been complied with as prescribed under all applicable Labour laws viz. The Factories Act, 1948, The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Payment of Bonus Act, 1965, The Employees Compensation Act, 1923 etc.
- (vii) Environment Protection Act, 1986 and other environmental laws.
- (viii) Hazardous Waste (Management and Handling) Rules, 1989 and the Amendments Rules, 2003.
- (ix) The Air(Prevention and Control of Pollution) Act, 1981
- (x) The Water (Prevention and Control of Pollution) Act, 1974

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 being listed on BSE Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Based on our examination and the information received and records maintained, I further report that

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year were carried out in compliance with the applicable Act and Regulations.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. All decisions are carried through majority, while the dissenting members' views, if any, are captured and recorded as part of the minutes.
4. The company has proper board processes.

Based on the compliance mechanism established by the company and on the basis of the compliance certificate(s) issued by the Company Secretary/ Officers, I am of an opinion that:

1. There are adequate systems and processes in the company, commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

SAL AUTOMOTIVE LIMITED

2. Based on the examination of the relevant documents and records on test check basis the company has Complied with the following laws specifically applicable to the company:

- a) The Static and Mobile Pressure Vessels Rules, 1981
- b) The Gas Cylinder Rules, 1981, Amended 2004
- c) The Batteries (M&H) Rules, 2001

I further report that during the audit period pursuant to Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the company has transferred 989 equity shares to the Investor Education and Protection Fund.

I further report that, there were no instances of

- (i) Public / Rights / Preferential issue of shares / debentures.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction etc.
- (v) Foreign technical collaborations.

Date : 29.07.2024
Place : Chandigarh
UDIN: F002191F000842571

For A. ARORA & COMPANY

AJAY K. ARORA

(Proprietor)

FCS No. 2191

C P No.: 993

Peer Review Cert No. 2120/2022

ANNEXURE-B TO DIRECTOR'S REPORT

Particulars as per the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2024

A. CONSERVATION OF ENERGY:

- (a) Initiatives taken for conservation of energy during the year:
1. Replacement of low efficient power capacitors with high efficient power capacitors at APFC panels (Automatic Power Factor Correction) leads to improve power factor (from 0.979 in FY-23 to 0.989 in FY-24) in order to minimize the power loss.
 2. Replacement of Sodium Vapor Lights with energy efficient LED lights across shop floor.
 3. Elimination of additional mono block pump from PT Line with change in layout for Filter press to make optimum use of gravity factor.
- Total annual estimated savings for the year - Rs. 4.39 lakhs.
- (b) Capital investments on energy conservation equipment: Rs. 1.60 lakhs
- (c) Steps taken by the company for utilizing alternate sources of energy: Company is under discussion stage with the service provider for initiating the execution of using PNG in place of LPG as an alternate source of energy in high energy consuming production facilities.

B. TECHNOLOGY ABSORPTION:

- (a) Company is committed towards continual up-gradation of the technology, it has well established Research & Development department for designing of high strength seat mechanisms, next generation tractor seats, Seat and seat frames for commercial vehicles, Railway Seats&Berths and Agri Implements.
- (b) During the year company has developed School Bus Seats, Seats for Electrical Vehicles and Rotary Tillers.
- (c) Company is in advance stage of development for Next Generation Tractor Seats, Construction Equipment Vehicle Seats, Seat with Rotating mechanism for Railways, High Strength Sliders and Recliners and new Agri Implements to further strengthen the product portfolio.
- (d) The Company is in advance stage of completion for new proto shop development and upgradation of Design Data management system by implementation of PDM Software.
- (e) The Company spent an amount of Rs 29.81 lakhs towards Research & Development work during the year, which was 0.10% of the total turnover.
- (f) The Company has not imported any technology during the last three financial years.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year, the Company has NIL earning in foreign currency and NIL Foreign Exchange expense.

FOR AND ON BEHALF OF THE BOARD

Place : Ghaziabad
Date : 9th August, 2024

Rajiv Sharma
Chairman
DIN : 07418337

ANNEXURE-C TO DIRECTOR'S REPORT

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sr. No.	Requirements	Disclosure
1	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year.	MD - 35 Times
2.	The percentage increase in remuneration of each Director, CEO, CFO & CS.	MD - 0.00 Times CFO - 0.13 Times CS - 0.13 Times
3.	The percentage increase in the median remuneration of employees in the financial year.	The median remuneration of the employees in the current financial year is at par with previous year. The calculation of arriving percentage is done based on comparable employees.
4.	The number of permanent employees on the rolls of the company.	There are 310 permanent employees as on 31st March 2024.
5.	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The average percentage change in Managerial employees is 5% whereas the average percentage change in Non - Managerial employees is 7% in 2023-24.
6.	Affirmation that the remuneration is as per the remuneration policy of the company.	Yes, it is affirmed.

FOR AND ON BEHALF OF THE BOARD

Place : Ghaziabad
Date : 9th August, 2024

RAJIV SHARMA
Chairman
DIN : 07418337

ANNEXURE-D TO DIRECTOR'S REPORT

ANNUAL REPORT ON CSR ACTIVITIES FOR FY 2023-24
(Pursuant to Section 135 of the Companies Act, 2013)**1. Brief outline of the Company's CSR Policy:**

The CSR Policy sets out our commitment to ensuring that our activities extend beyond business and include initiatives and endeavours for the benefit and development of the community and society. The CSR Policy lays down the guidelines for undertaking programmes geared towards social welfare activities or initiatives.

2. Composition of CSR Committee: NA

S.No.	Name of Directors	Designation/Nature of Directors	No. of meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.

<https://salautomotive.in/policies/>

4. Provide the Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8:NA

5. a) Average net profit of the company as per Section 135(5) : 15985651
 b) Two percent of average net profit of the Company as per section 135(5) : 319713
 c) Surplus arising out of the CSR projects or programmes or activities of the : 0
 previous financial years
 d) Amount required to be set off for the financial year : 0
 e) Total CSR obligation for the financial year (b+c-d) : 319713
6. (a) Amount spent on CSR Projects (both Ongoing Project and other : 0
 than Ongoing Project)
 (b) Amount spent in Administrative Overheads : 0
 (c) Amount spent on Impact Assessment, if applicable : 0
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: : 0
 (e) CSR amount spent or unspent for the Financial Year:

SAL AUTOMOTIVE LIMITED

Total Amount spent for the Financial Year (in Rs.) Transfer	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Scheme VII as per second proviso to section 135(5)		
	Amount the Fund	Date of Transfer	Name of Transfer	Amount	Date of Transfer
0	0	0	PM Care Fund	3,19,713	19.07.2024

(f) Excess amount set off, if any

Sl. No.	Particulars	Amount (In Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	319713
(ii)	Total amount spent for the Financial Year	319713
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0

7. Details of Unspent CSR amount for the preceding three financial years:

S.No.	Preceding Financial Year(s)	Amount transferred to unspent CSR Account under section 135(6) (Rs.)	Balance Amount in unspent CSR Account under sub-section (6) of Section 135 of the Act (Rs.)*	Amount Spent in reporting Financial Year (Rs.)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of Act, if any		Amount remaining to be spent in succeeding Financial Years (Rs.)	Deficiency, If any
					Amount Rs.	Date of Transfer		
1	2022-23	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2	2021-22	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
3	2020-21	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

Details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: NA

SAL AUTOMOTIVE LIMITED

S.No.	Short Particulars of the property or asset(s) [including complete address and location of property]	Pincode of the property of asset(s)	Date of Creation	Amount of CSR Amount	Detail of Company / Authority / beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered Address

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/ Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5): NA

Regd. Office:
C-127, IV Floor, Satgurufotech Phase-VIII, Industrial Area,
S.A.S.Nagar (Mohali), Punjab-160071
Tel: 0172-4650377, Fax: 0172-4650377
Email:kaushik.gagan@salautomotive.in
CIN:L45202PB1974PLC003516
Website:www.salautomotive.in

BYORDER OF THE BOARD
(GAGAN KAUSHIK)
Company Secretary
M.No. F8080

MANAGEMENT DISCUSSION AND ANALYSIS**COMPANY PROFILE**

SAL Automotive Limited (SAL) is a renowned manufacturer of automobile components and agricultural implements. We take pride in being the preferred supplier to leading manufacturers of passenger vehicles, commercial vehicles, and tractors. Our diverse product line encompasses a range of high-quality offerings, including seats, seat mechanisms, and seat frames.

In addition to our automotive component production, we also specialize in manufacturing top-notch agricultural implements. Our portfolio includes products such as Rotavators, planters, Rotary Tillers, Box Scrapper, etc. which are designed to meet the unique needs of the agricultural sector both in India and abroad.

At SAL, we are committed to delivering excellence in both the automotive and agricultural industries, ensuring our customers receive top-tier products and solutions.

FINANCIALS OVERVIEW

While details of financial position and performance are available in the Balance Sheet, Statement of Profit & Loss, along with related notes, key aspects are highlighted in the following paragraphs:

– Revenue

	(Rs. in Crores)	
Particulars	2023-24	2022-23
Automotive Components: -	146.50	138.35
– Seats for Tractor & Commercial Vehicle	70.01	75.43
– Seat Mechanisms	22.68	22.54
– Seat Frames	40.58	25.67
– Others	13.23	14.71
Agriculture implements	161.02	165.44
– Rotavators	156.30	165.43
– Others	4.72	0.01
Net Revenue from Operations	307.52	303.79
Other Income	0.96	1.53
Total Revenue	308.48	305.32

– Equity & Reserves

The Company's net worth as on 31st March 2024 stood at Rs. 38.83 crore (previous year Rs. 34.95 crore) comprising of an Equity component of Rs. 2.40 crore (previous year Rs 2.40 crore) and Reserves & Surplus of Rs. 36.43 crore (previous year Rs 32.55 crore).

Book value per share having facing value of Rs. 10 each is Rs. 162 share (previous year Rs. 146 per share).

– Trade Receivables

Trade receivables as at 31st March, 2024 stood at Rs. 36.76 crore (previous year Rs. 37.01 crore) having debtors turnover ratio of 8.34 times (previous year 8.46 times).

– Trade Payables

Trade payables as at 31st March, 2024 stood at Rs. 40.57 crore (previous year Rs. 50.23 crore).

– **Cost of Material Consumed**

During the financial year 2023-24, the global economy experienced a post-pandemic scenario characterized by a surge in global demand.

Despite the impact on raw material and other costs, SAL's management diligently worked to mitigate the effects and keep the expenses under control. Through their efforts, the company was able to improve raw material cost as a percentage of net revenue from operations. This figure stood at 78.1%, compared to the previous year's level of 80.8%. The growth in sales volume of products with higher material costs played a vital role in achieving this result.

SAL remains committed to adapting to market fluctuations while ensuring the production of high-quality automotive components and agricultural implements. Our focus on efficient cost management and development of new products as per requirements will deliver value to our customers in the upcoming financial year.

– **Other Overheads**

Consisting of personnel cost, manufacturing expenses, administrative expenses and sales & distribution expenses during the year were Rs. 54.49 crore (previous year Rs. 47.95 crore).

– **Depreciation & Amortization**

Depreciation for the year stood at Rs. 4.11 crore against previous year figure of Rs. 3.08 crore which increased primarily due to additional Capex made during the year under review.

– **Results**

Reflecting the above and after considering finance cost, Profit/(Loss) before Tax was Rs. 6.78 crore (previous year Rs. 6.20 crore). Total Comprehensive Income for the current year was Rs. 4.84 crore (previous year Rs. 4.61 crore)

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies Act 2013 as per the Section 133 read with rule 3 of Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The accounting policies have been consistently applied.

INTERNAL FINANCIAL CONTROL SYSTEMS & THEIR ADEQUACY

In the financial year 2023-24, SAL has implemented robust procedures to ensure effective internal control. These policies and procedures have been put in place to provide reasonable assurance that the company's assets are protected from the risks of unauthorized use or disposition. Additionally, they aim to ensure that all transactions are accurately and promptly recorded and reported.

To uphold the integrity of these controls, regular reviews are conducted during both internal and statutory audits. These evaluations assess the effectiveness of the established procedures and identify areas for improvement. Importantly, no material weaknesses were observed in the operating effectiveness of the internal financial controls tested during the year.

The Finance and Accounts function of SAL is well-equipped with a competent team of experienced and qualified personnel. This ensures the smooth functioning of financial operations and enhances the company's ability to meet its obligations effectively.

The Board of Directors and the Audit Committee play an active role in monitoring and evaluating the operational and financial performance of the company. Through regular intervals, these governing bodies conduct comprehensive reviews to assess the company's progress and address any potential areas of concern.

SAL AUTOMOTIVE LIMITED

SAL remains dedicated to maintaining strong internal control measures, supported by qualified professionals and a diligent monitoring process. By adhering to these practices, we strive to safeguard our assets, ensure accurate financial reporting, and drive overall organizational excellence.

HUMAN RESOURCES

In the financial year 2023-24, SAL continues to thrive with a highly committed, loyal, and dedicated team. Our company fosters an environment that promotes learning and encourages informal communication within the organization, enabling employees to grow both personally and professionally.

To objectively measure individual and organizational performance, SAL has implemented a robust Performance Management System (PMS). This system not only evaluates individual contributions but also aligns with the overall remuneration structure. By linking performance with rewards, we motivate our employees to strive for excellence.

Recognizing the importance of continuous learning and development, SAL has established a comprehensive training need identification system. This system identifies areas where employees can enhance their skills and knowledge, ensuring that they remain competent and up to date in their roles. This commitment to learning has made a significant contribution to the success of our company.

Throughout the year under review, employee relations remained affable, fostering a harmonious work environment. SAL has already signed a long-term settlement with the workers' union, ensuring stability and positive collaboration.

In addition, we diligently adhered to all required safety norms across our entire company.

At SAL, we remain committed to nurturing our talented workforce, promoting a culture of continuous learning, and prioritizing the health and safety of our employees. These efforts contribute to our overall business success and reinforce our position as a responsible and caring organization.

Regular employee strength as on 31st March 2024 stood at 310 (as on 31st March 2023 - 294)

INDUSTRY STRUCTURE AND DEVELOPMENTS

In the financial year 2023-24, 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 our company is closely tied to the performance of the automotive and agriculture industries.

In the year 2023-24, the Indian auto industry witnessed a growth in production. A total of 2.84 crore vehicles, including passenger, commercial, three-wheelers, and two-wheelers, were produced during this period, compared to 2.59 crore vehicles in the previous financial year (2022-23), representing a growth of 9.62%. A segment-wise analysis reveals a growth in production across various segments during FY-23-24 (Source: SIAM website). However, there is a decline in Tractor production by 11.6% in the year 2023-24. A total of 9.47 Lac tractors were produced against 10.71 Lac in the previous financial year (2022-23).

SAL remains committed to delivering high-quality products and solutions to our customers. We closely monitor industry trends and adapt our strategies accordingly to navigate through market fluctuations. Our experienced team and dedication to excellence position us to overcome these obstacles and emerge stronger in the coming years.

OUTLOOK/OPPORTUNITIES

Both Automotive and Agri-Implement Industry looking forward for growths in upcoming years. Your company being supplier to OEMs also expected to grow in upcoming years. Government policies and other economic factors also providing good purchasing power to rural and semi urban areas of the country which may lead to positive results for your company as well in upcoming years. The Automotive Industry and Government of

India, aims to set a new trajectory for the evolution of the automotive industry ecosystem, considering its size, global footprint, technological maturity, competitiveness, and capabilities.

Furthermore, several other factors are poised to act as catalysts for industry growth. These include the government's continuous focus on strengthening the rural sector, infrastructure development, initiatives like Make in India and Skill India, the launch of new vehicle models by manufacturers, changing buying patterns, and replacement demand.

At SAL, we are closely monitoring these market dynamics and are prepared to adapt and capitalize on the opportunities that arise. By aligning our strategies with industry trends and leveraging our capabilities, we aim to navigate through these challenging times and contribute to the growth and success of the industry

NEW DEVELOPMENTS

In the financial year 2023-24, SAL continued to contribute to the manufacturing industry in India, driven by the "Make in India" initiative of the Indian government. India is rapidly emerging as a manufacturing hub, and the automobile sector plays a prominent role in this transformation. Many international automobile giants have already established their manufacturing facilities in India, while others are in the process of doing so. The western and southern regions of India have become key hubs for the automobile sector, attracting both manufacturers and suppliers. SAL is actively exploring opportunities to set up new facilities near these manufacturing hubs, strengthening its focus on the auto ancillary business.

Recognizing the immense growth potential, SAL has further enhanced capacity for manufacturing "Agriculture implements." This segment, primarily involving contract manufacturing of Rotavators, has contributed 52% to the company's revenue.

Furthermore, SAL is striving to expand its presence to include Indian Railways coach components, such as seats and berths. The company has executed development orders for Railways in the recent past and actively pursuing opportunities to supply different types of berths to all coach factories of Indian Railways.

SAL is also in process of development of Seats for EV Commercial Vehicle, and this is expected to help in growth of revenue in the coming years.

By expanding into these strategic business segments and exploring new avenues for growth, SAL aims to leverage India's manufacturing potential and diversify its product offerings. These initiatives align with the company's vision of expanding its presence and contributing to the overall development of the automotive and manufacturing industries in India.

THREATS, RISKS & CONCERNS

In the financial year 2023-24, SAL, as a supplier of components to tractor and automobile original equipment (OE) manufacturers, is directly influenced by the factors affecting these industries. Several factors can impact both the tractor and automobile sectors, including the quantum and distribution of rainfall, government policies on procurement, enforcement of safety and emission regulations, availability of credit, changes in interest rates, trends in commodity prices, and increasing competition.

In the short term, the tractor industry is experiencing a downturn due to various factors affecting demand from rural areas of India. While these factors may present challenges, SAL remains vigilant and adaptable to market dynamics. We closely monitor industry trends and customer requirements, enabling us to respond swiftly and effectively to changing demands.

As an organization, SAL is committed to maintaining strong relationships with our customers and adapting our strategies to meet their evolving needs. By staying attuned to the industry landscape and customer preferences, we position ourselves to navigate through short-term fluctuations and remain resilient in the face of challenges.

The details of changes in the key financial ratios as compared to previous year are stated below:

SAL AUTOMOTIVE LIMITED

Sr. No	Particulars	2023-24	2022-23	Change(%)	Reason
1	Debtor Turnover Ratio	8.34	8.46	-1.4%	With better collections and improvement in credit management in line with increase in revenue.
2	Inventory Turnover Ratio	10.45	12.50	-16%	Inventory norms are maintained in line with segmental revenue.
3	Debt Service Coverage Ratio	0.82	2.60	-68%	Improved primarily due to voluntarily repayment of borrowings.
4	Current Ratio	1.10	1.16	-5%	Improved with better management of Key Aspects.
5	Debt Equity Ratio	0.63	1.03	-39%	Increased primarily due to increase in borrowings in line with business operations.
6	Operating Profit Margin (percentage)	4.4	3.9	13%	Increased revenue & Improvement in contribution level helps to absorb fixed overheads resulting in increase in operating margin.
7.	Net Profit / (loss) (percentage)	1.7	1.5	13%	Increased revenue & Improvement in contribution level helps to absorb fixed overheads resulting in increase in operating margin.
8	Return on Net Worth (percentage)	13.1	14.1	-7%	Primarily due to increase in profits.

ACCOUNTING TREATMENT

The financial statements of the Company are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 2013 (the Act) and comply with the applicable Indian Accounting Standards.

CAUTIONARY STATEMENT

Statement in the Management Discussion and Analysis Report describing company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

For and on behalf of the Board

Rajiv Sharma
Chairman

DIN : 07418337

Place: Ghaziabad
Date: 9th August, 2024

CORPORATE GOVERNANCE REPORT

Company's philosophy on Code of Governance

SAL Automotive Limited ("SAL" or "Company") governance's philosophy is based on trusteeship, transparency and accountability. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and society at large.

The Company's philosophy on Corporate Governance envisages accomplishment of a high level of transparency, integrity, honesty and accountability in the conduct of its businesses and puts due prominence towards regulatory compliances. The Company firmly believes that sound practices adopted in the governance of its affairs based on openness, transparency, capability and accountability are essential elements for long term success, building the confidence of its stakeholders and its functioning and conduct of its business.

Your Company always strives to adopt best global practices in Corporate Governance and remains abreast with the continuous developments in the industry's Corporate Governance systems. The Company's governance framework is based on the following principles which adhere to sound Corporate Governance practices of transparency and accountability with an ultimate aim of enhancing shareholder value:

- (a) Constitution of Board of Directors with an appropriate blend of Executive and Non- Executive Directors committed to discharge their responsibilities and duties.
- (b) Strict compliance with all governance codes, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), all other applicable laws and regulations.
- (c) Timely and balanced disclosure of all material information relating to the Company, to all stakeholders.
- (d) Adoption of 'Code of Conduct' for Directors and Senior Management and 'Code of Ethics' and 'Policy on Prohibition of Insider Trading' and effective implementation thereof.
- (e) Sound system of Risk Management and Internal Control.
- (f) Regular update of SAL Automotive Limited on website i.e., www.salautomotive.in to keep stakeholders informed.

1. BOARD OF DIRECTORS

The Composition of the Board is in accordance with the Listing Regulations. The Company has Non-Independent Non-Executive Chairman and the number of Independent Directors is 2 out of the 6 i.e. total number of Directors on the Board of the Company. The number of Non-Executive Directors is more than one half of the total number of Directors. The Non-Executive Directors bring wide range of experience and independent judgment to the Board's deliberations and decisions.

The primary role of the Board is that of trusteeship, to protect and enhance shareholders' value through strategic supervision of Company's operations. The Board also provides direction and exercises appropriate control to ensure that the Company fulfills the stakeholders' aspirations and societal expectations.

Apart from the remuneration detailed under the relevant section and the re-imburement of expenses incurred in discharge of their duties and the remuneration that some of the Non-Executive Directors would be entitled to under the Companies Act, 2013 ("Act"), none of the Directors has any other material pecuniary relationship or transactions with the Company or its holding company, their Promoters, or Directors, its Senior Management and associates which in their judgment would affect their independence.

I. Composition of the Board

As on March 31, 2024 the Board of Directors of the Company has a strength of Six (6) members comprising of two Non- Independent Non-Executive Director, two Executive Directors i.e. The Managing Director and Whole Time Director and remaining two being Non-Executive Independent Directors.

SAL AUTOMOTIVE LIMITED

Composition of Board of Directors of the Company and their Directorship(s)/ Committee Membership(s)/ Chairmanship(s), number of meetings held and attended by them etc. during the financial year ended March 31, 2024 are provided below:

Name of the Director	Category	Board meetings held during Director's tenure in the F.Y. 2023-24 their	Attendance of the Directors at the Board meetings held during respective tenure	Whether last AGM attended Yes/No	Directorship in companies	Name of other listed entities in which director hold directorship and category of directorship	No. of Memberships/ Chairmanships of other Board Committees**	
							Membership	Chairmanship
Mr. Rajiv Sharma*	Non-Executive - Non Independent Director	6	6	Yes	1	NIL	1	0
Mr. Rama Kant Sharma	Executive Director, Managing Director	6	6	Yes	9	NIL	1	0
Mr. Kailash Nath Aggarwal	Non-Executive - Independent Director, Shareholder Director	6	6	Yes	NIL	NIL	1	1
Mr. Jamil Ahmad	Non-Executive -Non-Independent Director	6	6	Yes	NIL	NIL	0	1
Mrs. Namrata Jain	Executive Director, Whole Time Director	6	6	Yes	NIL	NIL	0	0
Dr. Uttam Sahay*	Non-Executive - Independent Director, Shareholder Director	1	1	N.A.	NIL	NIL	1	0

* Ms. Namrata Jain (DIN : 07310940), who was a Non-Executive Non-Independent Director of the Company, was appointed as the Whole-time Director of the Company designated as Executive Director-Finance for a period of three (3) years effective from November 11, 2022, vide special resolution dated January 21, 2023 passed by postal ballot.

*That due to completion of second tenure of Mr. Rajiv Sharma DIN: 07418337 as Non-Executive - Independent Director, he retired as such on February 2, 2024 and was re-appointed as Non Executive Non Independent Director effective from February 3, 2024 vide Ordinary Resolution dated April 6, 2024 passed by postal ballot.

Dr. Uttam Sahay having DIN:-08608518 has been appointed as Non-Executive - Independent Director for a period of three (3) years effective from January 31, 2024, vide Special Resolution dated April 6, 2024 passed by postal ballot.

**Only Audit Committee and Stakeholders Relationship Committee of public companies (listed or unlisted) apart from SAL's have been considered in terms of Regulation 26 of the Listing Regulations.

***Membership in the aforesaid committees also includes Chairmanship in those Committees.

Note:

- (i) As on March 31, 2024, none of the non-executive Directors of the Company hold equity shares in the Company.
- (ii) The Company has not issued any convertible instruments.
- (iii) The Directors of the Company are not related to each other.
- (iv) None of the Directors of the Company holds directorship in any other listed entity.

II. Independent Directors

All the Independent Directors on the Company's Board:

(a) have furnished a declaration before the Board of Directors that they satisfy the conditions of their being independent as laid down under regulation 16 (1)(b) of Listing Regulations and under section 149(6) of the Act and all such declaration were placed before the Board. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and the Act and that they are independent of the management. The maximum tenure of the Independent Director is in compliance with the Act.

(b) Apart from receiving sitting fee, they do not have any pecuniary relationship or transactions with the Company, its promoters/ promoter group, its Directors, its senior management, its subsidiaries and associates, which may affect independence of the Directors.

The terms of appointment of Independent Directors have been issued and disclosed in Board of Directors section on the website of the Company viz.

<https://salautomotive.in/wp-content/uploads/2017/01/SAL-Terms-of-Appointment-of-Independent-Directors-2020.pdf>

In compliance with the Listing Regulations, Directors of the Company do not serve as an Independent Director in more than seven listed companies. In case he/she is serving as a Whole-Time Director in any listed company, does not hold the position of Independent Director in more than three listed companies.

During the year under review none of the Independent Director of the Company has resigned before the completion of tenure.

Familiarization Programme of the Independent Directors

The Familiarization Programme for Independent Directors aims to help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him to effectively discharge his role as a Director of the Company. The Independent Directors have complete access to the information within the Company.

The Company conducts training sessions for the Independent Directors where specific presentations were provided to them about the Company's strategy, business model, operations, markets, organization structure, product offerings, finance, risk management framework, competitor's analysis and various other factors affecting the company's business.

All-important corporate communications/announcements are forwarded to all the Independent Directors on regular basis to keep them abreast with what is happening in the Company. Independent Directors have the freedom to interact with the Company's management as and when required.

The details of Familiarization programmes are uploaded on the website of the Company at

<https://salautomotive.in/wp-content/uploads/2022/05/SAL-Familiarisation-process-of-Directors.pdf>

Board Procedure

The Board meets at regular intervals and a detailed Agenda is sent to each Director prior to Board and Committee Meetings. To enable the Board to discharge its responsibilities effectively, the Board is apprised at every meeting regarding the overall performance of the Company. The Board also inter alia reviews strategy and business plans, annual operating and capital expenditure budgets, investment and exposure limits, compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances, if any, adoption of quarterly/half-yearly/annual results, significant labour issues, and Minutes of Meetings of the Audit and other Committees of the Board and other matters as specified under Schedule II of the Listing Regulations.

During the financial year ended March 31, 2024, the Board met Six (6) times May 26, 2023, August 10, 2023, October 04, 2023, October 30, 2023, January 31, 2024 and February 13, 2024 and the gap between two consecutive Board Meetings did not exceed one hundred and twenty days.

The 48th Annual General Meeting (AGM) was held on September 12, 2023.

Meeting(s) of Independent Directors

The Independent Directors of the Company meet at least once in every financial year without the presence of Non- Independent Directors, Executive Director and any other management personnel. The meeting(s) is/are conducted in a manner to enable the Independent Directors to discuss matter pertaining to, inter alia, review of performance of Non- Independent Directors, Chairman of the Company and the Board as a whole, assess the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

During the year, one meeting of Independent Directors was held.

Information placed before the Board

The Company provides the information as set out in Regulation 17 read with Schedule II of the Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective Meetings or by way of presentations and discussions during the Meetings.

Chart setting out the list of core skills/expertise/competencies identified by the Board as required in the context of its business(es) and sector(s), for it to function effectively and those actually available with the Board is given below:

The table below summarizes the key qualifications, skills and attributes which are taken into consideration while nominating Directors on the Board.

Leadership	Ability to inspire, motivate and offer direction and leadership to others and represent the Company before internal and external stakeholders
Management	Knowledge or expertise or understanding of sound management and business principles or experience of working in senior management position of any organization
Financial expertise	An understanding of financial statements and the accounting principles used by the Company to prepare its financial statements; including the ability to assess the general application of such accounting principles in connection with the accounting for the Company
Governance	Commitment to the highest standards of governance, including experience with a major organisation on governance practices along with clear understanding of roles and responsibilities of Board of a company and responsibilities as Director
Strategy Development and Implementation	Experience in developing and implementing business strategies or ability to give strategic insights to key business objectives.
Knowledge of sector	Understanding of the working of Sector including but not limited to areas like challenges, opportunities, business models, revenue streams, business processes & practices etc.
Information Technology	Knowledge and experience in the strategic use and governance of information management and information technology within the organisation.
Risk Management	Experience in enterprise risk management in the relevant industry, and understanding of the Boards, role in the oversight of risk management principles
Human Resource	Experience in developing strategies or handling matter like development of talent and retention, succession planning and driving change in long term

In the table below, specific areas of focus or expertise of individual Board Members have been highlighted. However, the absence of the mark against a members' name does not necessarily mean the member does not possess the corresponding skill or qualification.

Key Board Qualifications:

Name of Directors	Areas of Expertise								
	Leadership	Management	Financial Expertise	Governance	Strategy Development and Implementation	Knowledge of Sector	Information Technology	Risk Management	Human Resources
Mr. Rajiv Sharma	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Rama Kant Sharma	✓	✓	✓	✓	✓	✓	-	✓	✓
Mr. Jamil Ahmad	✓	✓	✓	✓	-	✓	-	✓	✓
Mr. Kailash Nath Agarwal	-	✓	-	✓	-	✓	-	✓	✓
Ms. Namrata Jain	-	-	✓	-	✓	✓	✓	-	-
Mr. Uttam Sahay	-	✓	-	✓	-	✓	-	✓	✓

2. BOARD COMMITTEES

In accordance with legal obligations, the Board has established several Committees with defined responsibilities and areas of focus. The aim is to efficiently address various matters and promptly resolve them. These Committees function as authorized representatives of the Board, operating within the guidelines specified in their charter or terms of reference. They convene regularly to fulfill their entrusted duties and take appropriate actions. The Audit committee and Nomination and remuneration committee has been reconstituted with effect from February 3, 2024 due to the completion of second and final term of Mr. Rajiv Sharma as an Independent Director of the Company. The minutes of the Committee Meetings are presented to the Board for noting.

a) Audit Committee

As on March 31, 2024, the Audit Committee comprised of three (3) Directors. All members of the Committee possess knowledge of corporate finance, accounts and corporate laws. The Chairman of the Committee is having expertise in financial management and the Company Secretary acts as the Secretary to Committee.

The composition of the Audit Committee meets the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations.

Brief description of terms of reference

Terms of reference of the Audit Committee (as per the Act and Listing Regulations) includes the following:

- Examination and overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement are correct, sufficient, and credible.
- Reviewing, with the management, the annual, half yearly and quarterly financial statements/ results and auditor's report thereon before submission to the Board for approval.
- Recommending to the Board, the appointment, remuneration and terms of appointment of the statutory, cost, secretarial and internal auditors of the Company.
- Reviewing and monitoring the auditor's independence and performance and effectiveness of the audit process.
- Approving payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing the application of funds raised through public issue, rights issue, preferential issue, etc. and related matters.
- Approving, recommending or any subsequent modification of transactions of the Company with related parties as applicable.
- Scrutinizing inter-corporate loans and investments.
- Approving the valuation of undertakings or assets of the Company, whenever it is necessary.

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- Reviewing the Internal Audit Reports.
- Reviewing and evaluating internal financial controls, adequacy of the internal control and risk management systems.
- Discussion with internal auditors of any significant findings and follow up thereon.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the functioning of the Whistle Blower Mechanism.
- Approving the appointment of Chief Financial Officer after assessing the qualifications, experience, suitability and background, etc. of the candidate.
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower.
- Such other duties and roles as may be specified by the Board from time to time.

The Audit Committee also considers the matters which are specifically referred to it by the Board of Directors besides considering the mandatory requirements of the Regulation 18 read with Part C of Schedule II of Listing Regulations and provisions of Section 177 of the Act.

The meetings of the Audit Committee are also attended by the Company Secretary and other senior functionaries of the Company as and when required.

Meetings & Attendance of the Audit Committee

During the financial year 2023-24, the Audit Committee met Six (6) times on May 26, 2023, August 10, 2023, October 04, 2023, October 30, 2023, January 31, 2024 and February 13, 2024. The gap between the two consecutive meetings did not exceed 120 days. Requisite quorum was present in all meetings of the Committee.

The Statutory Auditors, Internal Auditors and Senior Executives of the Company are invited to attend the meetings of the Committee.

The committee was reconstituted effective from February 3, 2024. Further, its composition and details of attendance of members at the meetings of Audit Committee held during financial year 2023-24 are given below:

S. No.	Name of the Director	Designation	Category	No. of Meetings held during his / her tenure and attended	
				Held	Attended
1	Mr. Kailash Nath Agarwal	Chairman	Non-Executive Independent Director	6	6
2	Mr. Rajiv Sharma*	Member	Non-Executive Non-Independent Director	6	6
3	Dr. Uttam Sahay**	Member	Non-Executive	1	1
4.	Mr. Rama Kant Sharma	Member	Executive Director	5	5

*Mr. Rajiv Sharma ceased to be a member of the Committee due to completion of his second and final term as an Independent Director of the Company effective from February 2, 2024. Subsequently, he was appointed as the Non - Executive Non Independent Director of the Company and member of the Audit Committee effective from February 3, 2024.

**Dr. Uttam Sahay was appointed as a member of the Audit Committee effective from February 3, 2024. Mr. Rama Kant Sharma ceased to be member of the Audit Committee effective from February 3, 2024.

b) Stakeholders' Relationship Committee

In compliance with the Regulation 20 of the Listing Regulations and provisions of Section 178 of the Act, the Company has a Stakeholders' Relationship Committee. As on March 31, 2024, the Committee comprises three (3) members and detail of the same is provided herein after.

The role of the committee inter-alia includes the following:

- (1) Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The Stakeholders' Relationship Committee also considers the matters which are specifically referred to it by the Board of Directors besides considering the mandatory requirements of the Regulation 20 read with Para B of Part D of Schedule II of Listing Regulations and applicable provisions under the Act.

Meetings & Attendance of the Stakeholders' Relationship Committee

The meetings of the Committee are generally held as and when deemed necessary, to review and ensure that all investor requests / grievances are redressed within stipulated time period.

During the financial year 2023-24, the Stakeholders' Relationship Committee met three (3) times i.e. on July 10, 2023, December 11, 2023 and February 05, 2024. Requisite quorum was present in all the meetings of the Committee.

The composition of the committee as on March 31, 2024 and details of attendance of members at the meetings of Stakeholders' Relationship Committee held during financial year 2023-24 are given below:

S. No.	Name of the Director	Designation	Category	No. of Meetings held / attended	
				Held	Attended
1	Mr. Jamil Ahmed	Chairman	Non-Executive Independent Director	3	3
2	Mr. Rama Kant Sharma	Member	Executive Director Independent Director	3	3
3	Mr. Kailash Nath Agarwal	Member	Non-Executive Independent Director	3	3

Mr. Gagan Kaushik, Company Secretary, is the Compliance Officer of the Company.

The Company had not received any complaint from the shareholder during the financial year 2023-24. At the end of the financial year, there was no pending complaints.

Mr. Jamil Ahmad, Chairman of Stakeholders Relationship Committee, attended the Annual General Meeting held on September 12, 2023 to answer the shareholders queries.

c) Nomination and Remuneration Committee

As on March 31, 2024, the Nomination and Remuneration Committee ("NRC") comprises of three (3) members and details of the same is provided herein under. The composition of the Committee meets the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations.

The Company Secretary acts as the secretary of the Committee.

The purpose of the Committee inter-alia includes identification and selection of persons who may be appointed as Directors / Independent Director(s) or as Key Managerial Personnel or in senior management based on certain laid down criteria, formulate policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees, to decide on the stock options to be granted, if any, to the eligible employees, Directors including Non-Executive Directors; and to deal with such other matters and functions as may be prescribed from time to time.

Role/ Terms and references of the Nomination and Remuneration Committee is briefed below:

The terms of reference of Nomination and Remuneration Committee is in terms of the Act and Part D of Schedule II of the Listing Regulations, which inter-alia, include the following:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- (b) For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - (i) use the services of an external agencies, if required;
 - (ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - (iii) consider the time commitments of the candidates.
- (c) Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- (d) Devising a policy on diversity of Board of Directors;
- (e) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
- (f) To extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- (g) Formulation & review of remuneration policy of the Company;
- (h) Recommend to the Board, all remuneration, in whatever form, payable to senior management.
- (i) Such other matters as may be required under the Act and Listing Regulations, the Board may, from time to time, request the committee to examine and recommend/ approve.

Succession Planning:

The successors for the Independent Directors shall be identified by the NRC. In case of separation of Independent Directors due to resignation or otherwise except due to expiration of the term of office of any Director, successor will be appointed at the earliest but not later than the immediate next Board meeting or three months from the date of such vacancy, whichever is later.

The successors for the Executive Director(s) shall be identified by the NRC from among the Senior Management or through external source as the Board may deem fit. The NRC will accord due consideration for the expertise and other criteria required for the successor.

Meetings & Attendance of the Nomination and Remuneration Committee

During the financial year 2023-24, the Nomination and Remuneration Committee met Five (5) times on May 26, 2023, August 10, 2023, October 04, 2023, January 31, 2024 and February 13, 2024. Requisite quorum was present in all the meetings of the Committee.

The committee was reconstituted during the financial year 2023-24. Further, the composition of the Committee during the year and details of the attendance of members at the meetings of Nomination and Remuneration Committee held during financial year 2023-24 are given below :

S. No.	Name of the Director	Designation	Category	No. of Meetings held / attended	
				Held	Attended
1	Mr. Kailash Nath Agarwal	Chairman	Non-Executive Independent Director	5	5
2	Mr. Rajiv Sharma*	Member	Non-Executive Non Independent Director	4	4
3	Mr. Jamil Ahmad	Member	Non-Executive Non-Independent Director	5	5
4	Dr. Uttam Sahay**	Member	Non-Executive Independent Director	1	1

*Mr. Rajiv Sharma ceased to be a member of the Committee due to completion of his second and final term as an Independent Director of the Company effective from February 2, 2024.

**Mr. Uttam Sahay was appointed as a member of the Nomination and Remuneration Committee effective from February 3, 2024.

Mr. Kailash Nath Agarwal, Chairman of the Nomination and Remuneration Committee attended the Annual General Meeting held on September 12, 2023 to answer the shareholders queries.

3. PERFORMANCE EVALUATION

The Company believes that an effective governance framework requires periodic evaluation of the functioning of the Board as a whole, its committees and individual Director's performance evaluation. Keeping this belief in mind, the Company on the recommendation of the NRC has established the Performance Evaluation criteria for (a) The Board as a whole including its Committees; (b) Chairperson of the Board; and (c) Individual Directors as required under the Act and provisions of Listing Regulations.

Some of the performance indicators, on the basis of the role that a person performs, for such evaluation, inter alia, include:

1. Attendance at Board Meetings/Committee Meetings.
2. Quality of participation in Meetings.
3. Ability to provide leadership.
4. Commitment to protect/enhance interests of all the stakeholders.
5. Contribution in implementation of best governance practices.
6. Understanding critical issues affecting the Company.
7. Bringing relevant experience to Board and using it effectively.

As part of the Evaluation Process:

1. The Board annually evaluates the performance of the Board as a whole and identify changes, if any, to further enhance its effectiveness.
2. The Chairperson of each Board Committee will annually share with Board, based on discussions among Committee members, an evaluation of the Committee's functioning.

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3. The Nomination and Remuneration Committee shall arrange to carry out a confidential process of performance evaluation of every Director by the entire Board of Directors excluding the Director being evaluated.
4. The Independent directors shall hold at least one meeting a year to review performance of Chairperson, Non-Independent Directors and the Board as a whole.

The Directors were satisfied with the evaluation results, which reflected the overall engagement and the effectiveness of the Board and its Committees. All the Directors effectively contributed to the decision-making process of the Board. Further, all the Committees were duly constituted and were functioning effectively. The Board also expressed its satisfaction in relation to the provision of supporting documents to the Board enabling it to assess the policy & procedural requirements for proper functioning of the Company. The Board expressed its satisfaction with the decision making and decision implementing procedure followed by it.

4. REMUNERATION TO DIRECTORS

a) Policy for Remuneration to Directors

- i. Non-Executive Director including Independent Directors/ Criteria of making payments to Non-Executive Directors:

Sitting fees shall be paid to all Non-Executive Directors for attending the meetings of the Board of Directors and Committees thereof within the prescribed limits as may be determined by the Board including the reimbursement of expenses incurred for attending the Board and Committee Meetings in accordance with the provisions of the Act, Listing Regulations and the Articles of Association of the Company, from time to time.

Currently, the sitting fees is paid as under:

- Rs. 50,000 for every Board Meeting.
- Rs. 40,000 for every Committee(s) Meeting (other than Stakeholders Relationship Committee).
- Rs. 7,500 for every Stakeholders Relationship Committee Meeting.

- ii. Whole Time / Executive Director(s):

The remuneration to Whole Time / Executive Directors shall be recommended by NRC to the Board. The remuneration may consist of fixed and variable compensation and may be paid as salary, perquisites & allowances, and fringe benefits, if any, as approved by the Board and within the overall limits specified in the Shareholders resolution..

b) The details of Directors' remuneration for 2023-24 is as follows:

Non-Executive Directors/ Independent Directors

(Rs. in Lakhs)

Name of the Directors who were in receipt of sitting	Sitting Fees for Board and Committee Meetings paid during FY 2023-24
Mr. Rajiv Sharma	6.10 Lakhs
Mr. Kailash Nath Agarwal	6.10 Lakhs
Mr. Jamil Ahmad	4.50 Lakhs
Mr. Uttam Sahay	0.90 Lakhs

During the FY 2023-24, there were no pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company.

Executive Directors

(Rs.in Lakhs)

Name of Director	Salary (Basic and Allowance)	Commission	Contribution to Provident	Other Perquisites	Stock Option	Total	Service Contract (Tenure)
Mr. Rama Kant Sharma (Managing Director)	108.00	-	-	-	-	108.00	36 Months
Ms. Namrata Jain (Executive Director Finance and CFO)*	31.04	-	1.56	-	-	32.60	36 Months

*Ms. Namrata Jain (DIN: 07310940), Executive Director Finance was appointed as a CFO effective from October 4, 2023.

- Note :
- (i) The Company is not having any Stock Option Plan/ Scheme.
 - (ii) Executive Directors are not eligible for any severance fees and their notice period is as per employment contract.

5. General Body Meetings

Details of last three Annual General Meetings (AGMs) of the Company are given below :

Year	Date& Time	Venue	Special Resolutions passed, if any
2021	September 20, 2021 at 3.00 P.M.	Video Conferencing	• Appointment of Mr. Rama Kant Sharma as the Managing Director of the Company from February 4, 2022 for a period of 5 years to February 3, 2027.
2022	September 26, 2022 at 3.00 P.M.	Video Conferencing	No special resolution passed
2023	September 12, 2023 at 3.00 P.M.	Video Conferencing	No special resolution passed

6. Resolution passed through Postal Ballot/E-voting

The members of the Company on April 06, 2024 passed the following resolutions through Postal Ballot (conducted through remote e-voting only) for,

1. Appointment of Dr. Uttam Sahay (DIN: 08608518) as Non-Executive Independent Director on the Board of the Company for a period of three (3) years w.e.f. January 31, 2024 vide Special Resolution.
2. Appointment of Mr. Rajiv Sharma (DIN: 07418337) as Non-Executive Director effective from February 3, 2024, vide Ordinary Resolution.
3. Approval of remuneration of Mr. Rama Kant Sharma as Managing Director of the Company vide Special Resolution.

Voting Pattern of the resolution passed through Postal Ballot for Appointment of Dr. Uttam Sahay (DIN: 08608518) as Non-Executive Independent Director, is as follows:

Particulars	Remote e-Voting
a) Total number of Valid Votes	1826503
b) Votes cast in favour of the Resolution	1799471
c) Votes cast against the Resolution	27032
d) Number of Invalid Votes	-

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Voting Pattern of the resolution passed through Postal Ballot for Appointment of Mr. Rajiv Sharma (DIN: 07418337) as Non-Executive Director, is as follows:

Particulars	Remote e-Voting
e) Total number of Valid Votes	1826503
f) Votes cast in favour of the Resolution	1799471
g) Votes cast against the Resolution	27032
h) Number of Invalid Votes	-

Voting Pattern of the resolution passed through Postal Ballot for remuneration of Mr. Rama Kant Sharma as Managing Director of the Company, is as follows:

Particulars	Remote e-Voting
i) Total number of Valid Votes	1826503
j) Votes cast in favour of the Resolution	1826202
k) Votes cast against the Resolution	301
l) Number of Invalid Votes	-

Procedure followed for Postal Ballot/ E-voting

- a. In terms of the General Circular No.14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021, General Circular No. 20/2021 dated December 8, 2021, General Circular No. 03/2022 dated May 5, 2022, General Circular No. 11/2022 dated December 28, 2022 and General Circular No. 09/2023 dated September 25, 2023 (the "MCA Circulars"), issued by the Ministry of Corporate Affairs, Government of India (the "MCA"), Regulation 44 of the Listing Regulations, Secretarial Standard-2 issued by the Institute of Company Secretaries of India and other applicable laws and regulations, the postal ballot process was conducted by way of electronic voting only. The Company engaged the services of National Securities Depository Limited ("NSDL") for the purpose of providing e-voting facility.
- b. In accordance with the MCA Circulars, the Notices of Postal Ballot along with the instructions regarding e-voting were sent only by e-mail to all the Shareholders.
- c. The Members were informed vide the Postal Ballot Notice dated March 07, 2024 that they were required to give their assent for or dissent against the proposals through remote e-voting facility which was kept open from March 08, 2024 (9:00 AM IST) to April 06, 2024 (5:00 PM IST).
- d. Mr. Ajay K Arora, Practicing Company Secretary (Membership No. 2191), Proprietor - M/s. A. Arora & Co., Company Secretaries, was appointed as the Scrutinizer to conduct the Postal Ballot process in a fair and transparent manner.
- e. After due scrutiny of votes received up to the close of working hours as mentioned above, scrutinizer had submitted its final report on April 08, 2024. The result of the postal ballot/ e-voting was declared on April 08, 2024.

Further, no Special Resolution is proposed to be conducted through postal ballot.

7. Means of Communication

- a) In compliance with the requirements of the Listing Regulations, the Company regularly intimates quarterly un-audited as well as audited financial results to the Stock Exchange immediately after they are approved by the Board.

- b) The shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited (BSE) are filed electronically. The Company has complied with filing submissions with BSE through BSE Listing Centre.
- c) These financial results are normally published in the leading financial, national and regional newspapers (i.e. Financial Express (English) and Ajit (Punjabi)) and are also displayed on the Company's website www.salautomotive.in
- d) The official news releases are displayed on the Company's website www.salautomotive.in;
During the year ended March 31, 2024, no presentations were made to institutional investors or analysts.

8. Shareholder Information

49th Annual General Meeting

Date : 25th September, 2024

Time : 3.00 P.M.

Through Video Conferencing.

9. Financial Calendar (tentative)

Financial Year: April 01, 2024 - March 31, 2025

The tentative schedule for Board Meetings for consideration of financial results for FY 2024-25 are as follows:

First Quarter Results	Within 45 days of the end of the first quarter
Second Quarter & Half Yearly Results	Within 45 days of the end of the second quarter
Third Quarter & Nine Months Results	Within 45 days of the end of the third quarter
Fourth Quarter and Annual Results	Within 60 days of the end of the financial year

10. Dividend Payment:

The Board of Directors have recommended final Dividend of Rs. 4.5 per share (45% per equity share of face value of Rs. 10 each) for the financial year ended March 31, 2024. The dividend, if declared by the members of the Company will be paid within 30 days of the Annual General Meeting.

11. Listing on Stock Exchange

BSE Ltd. (BSE)

25th Floor, P.J. Towers, Dalal Street, Mumbai - 400001

Listing Fee for F.Y. 2023-24 and 2024-25 of BSE has been paid.

12. Stock Code

BSE Ltd. (BSE) : 539353

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13. Stock Price Data

The Company's shares are listed at BSE Ltd. Accordingly, monthly High - Low Quotations of shares traded at BSE Ltd. for FY 2023-24 are as under:

Month	BSE Ltd.	
	High (Rs.)	Low (Rs.)
April 2023	317	251.15
May 2023	378.8	260.1
June 2023	487.6	386
July 2023	447.1	381
August 2023	481.8	380
September 2023	439.95	393.55
October 2023	469.8	397
November 2023	464.95	385.85
December 2023	661.9	488.15
January 2024	614.9	536.3
February 2024	696.9	523.05
March 2024	579.7	440

14. Stock Price Performance

SAL Share Price performance relative to BSE Sensitive Index for FY 2023-24 :

Month	Closing price	
	SAL (Rs.)	BSE Sensex (Rs.)
April 2023	286.4	61112.44
May 2023	378.8	62622.24
June 2023	435.4	64718.56
July 2023	398.7	66527.67
August 2023	420.9	64831.41
September 2023	401.55	65828.41
October 2023	415.9	63874.93
November 2023	464.95	66988.44
December 2023	589.85	72240.26
January 2024	607.65	71752.11
February 2024	561.9	72500.3
March 2024	460.75	73651.35

15. Registrar and Transfer Agents

M/s MCS Share Transfer Agent Limited (MCS), at F-65, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi - 110 020 are the Registrar and Share Transfer Agent of the Company.

16. Share Transfer/Transmission Systems:

Pursuant to the amendment in the Listing Regulations and subsequent notification(s) issued by Securities and Exchange Board of India ("SEBI"), except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. In this regard, SEBI had issued a Press Release clarifying that the said amendment does

not prohibit an investor from holding shares in physical form. However, any investor who is desirous of transferring shares (which are held in physical form) can do so only after the shares are dematerialized. SEBI had fixed March 31, 2021, as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode only.

In addition to that, as per the amendments to the Listing Regulations effective from January 24, 2022 and SEBI's Circular dated January 25, 2022, it has been mandated that listed companies shall henceforth issue the securities in dematerialized form only while processing the service requests for (a) issue of duplicate securities certificate; (b) claim from Unclaimed Suspense Account; (c) Renewal / Exchange of securities certificate; (d) Endorsement; (e) Sub-division / Splitting of securities certificate; (f) Consolidation of securities certificates/folios; (h) Transmission, and (i) Transposition. In accordance with the said Circular, our RTA shall verify and process the service requests and thereafter issue a 'Letter of confirmation' in lieu of physical securities certificate(s), to the securities holder/claimant. Such 'Letter of Confirmation' shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerializing the said securities.

The Company seeks to ensure that all transmission/transposition, etc., if any, are approved for registration within the stipulated period. Pursuant to Regulation 40 (9) & (10) of Listing Regulations, certificate on yearly basis have been issued by a Company Secretary-in-practice for due compliance of share transfer formalities by the Company.

The Company as required under Regulation 46 (2)(j) of the Listing Regulations has designated one mail id viz. Kaushik.gagan@salautomotive.in for the purpose of registration of complaints, if any, by the investors and expeditious redressal of their grievances and the same has already been hosted on the Company's website.

The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their respective Depository Participant(s) with whom they are maintaining their Demat Accounts. Members holding shares in physical form have been requested to furnish PAN, nomination, contact details, bank account details and specimen signature for their corresponding folios. Shareholders may contact the RTA at admin@mcsdel.com or admin@mcsregistrars.com and also refer details at <https://salautomotive.in/downloads/>.

Common Online Dispute Resolution Mechanism:

With a view to safeguard the interests of the investors and to streamline the resolution mechanism in the Indian Securities Market, SEBI mandated establishment of common Online Dispute Resolution Portal ("ODR Portal"), by Market Infrastructure Institutions, which harnesses online conciliation and online arbitration for resolution of disputes arising in Indian Securities Market.

The ODR Portal allows the investors/shareholders to enroll themselves, file unresolved grievance, upload documents and get status updates pertaining to the unresolved grievances filed against listed entities/ its RTA.

The process for initiation of Dispute Resolution process is enumerated below:

- An investor/client shall first take up his/her grievance with the Market Participant by lodging a complaint directly with the concerned Market Participant.
- If the grievance is not redressed satisfactorily the investor/shareholder may escalate the same through the SCORES Portal (www.scores.gov.in) in accordance with SCORES Guidelines.
- The investor/client can initiate dispute resolution through the ODR Portal if the grievance lodged with the concerned Market Participant was not satisfactorily resolved or at any stage of the subsequent escalations (prior to or at the end of such escalation/s). For more information shareholders are requested to visit the website of the Company www.salautomotive.in.

SAL AUTOMOTIVE LIMITED**17. Shareholding Pattern as on March 31, 2024 :**

Category of Shareholders	No. of Share holders	No. of Shares Held	% of Holding
1. Promoters	1	1798285	75
2. Mutual Fund	–	–	–
3. Financial Institution/Bank	1	106389	4.44
4. Govt. (investor education protection fund)	1	15557	0.65
5. Foreign Institutional Investors	–	–	–
6. Bodies Corporate-Indian	16	47695	1.99
7. NRIs	24	1219	0.05
8. Indian Public	1825	405820	16.93
9. OCB/Others	52	22748	0.95
Total	1920	2397713	100

18. Distribution Pattern of Shareholding as on 31st March, 2024

No. of Equity Shares held	No. of Shareholders		No. of Shares Held	
	Numbers	% total	Numbers	% total
1 - 500	1811	93.3987	124963	5.2118
501 - 1000	54	2.7849	40045	1.6701
1001 - 2000	41	2.1145	56725	2.3658
2001 - 3000	9	0.4642	24908	1.0388
3001 - 4000	4	0.2063	14205	0.5924
4001 - 5000	2	0.1031	9400	0.3920
5001 - 10000	8	0.4126	58320	2.4323
And Above	10	0.5157	20691470	86.2967
Total	1939	100	2397713	100

19. Dematerialization of Shares :

As on March 31, 2024, 99.49% of the Company's total equity shares representing 23,85,474 were held in dematerialized form and 0.51 % equity shares representing 12,139 shares were held in physical form.

The ISIN number allotted to the Company for dematerialization of shares is INE724G01014.

The securities of the Company are not suspended from trading during the financial year 2023-24.

20. Commodity price risk or foreign exchange risk and hedging activities: The Company is not exposed to the Commodity price risk or foreign exchange risk and hedging activities.**21. Plant Location:**

- Focal point Kakrala Road, Nabha, Distt. Patiala, Punjab -147201
- 183/1, Belur Industrial Area, Dhardwad, Distt. Dhardwad, Karnataka-580011
- Khasra No - 11, Rameshpur Rudrapur, distt. Udham Singh Nagar, Uttarakhand-263153
- Gate No 1A and 3, Plot No 2, Jyotiba Nagar, Pune, Maharashtra-India

22. Address for correspondence:

<p>M/s MCS Share Transfer Agent Limited Unit: SAL Automotive Limited F-65, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi - 110 020</p> <p>Phone : 0091-11-41406149 Fax : 011 - 41709881 Email:- admin@mcsdel.com</p>	<p>Compliance Officer & Company Secretary Mr. Gagan Kaushik, Company Secretary</p> <p>Registered Office: SAL Automotive Ltd. C-127, IV Floor, Satguru Infotech, Industrial Area Phase-VIII, S.A.S.Nagar (Mohali), Punjab - 160071</p> <p>Phone : 0172 - 5516809 Fax : 0172 - 4650377 Email: kaushik.gagan@salautomotive.in</p>
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23. Credit Rating: The Company did not obtain or revise any credit ratings during the period under review.

24. Outstanding Global Depository Receipts (GDRs) / American Depository Receipts (ADRs) / Warrants or any Convertible instruments, conversion date and likely impact on equity: Not applicable

25. Utilization of funds raised through preferential allotment or qualified institutions placement as specified under regulation 32 (7A) : Not applicable

26. Total fees for all services made to statutory auditors and all entities in the network firm/network entity of which the statutory auditor is a part during FY 2023-24:

Payment made to statutory auditors on consolidated basis during FY 2023-24:

	Rs. in Lakhs
Statutory Audit Fees	3.00
Other Services	4.07
Reimbursement of Expenses	1.24
Tax Audit Fees	0.60
Total payable to statutory auditor	8.91

27. AFFIRMATIONS & DISCLOSURES

a) Disclosure of transactions with Related Parties.

During FY 2023-24, all transactions entered into with related parties were in the ordinary course of business and on arm's length basis and were not material in nature. The Company has not entered into any transaction of material nature with the promoters, the directors or the management or their relatives etc. that may have potential conflict with the interests of the Company at large. Details of related parties and transactions with them are covered at Note no 2.36 of the Financial Statements of the Company for the financial year 2023-24.

Save as otherwise disclosed in notes to the financial statements, there is no transaction entered by/ with the Company with any person or entity belonging to the promoter/promoter group of the Company.

Also, the Company has not granted any kind of 'Loans and Advances' in the nature of loans to firms/ companies in which Directors are interested.

The policy for related party transactions approved by the Board of Directors of the Company is available at the Company's website <https://salautomotive.in/wp-content/uploads/2017/01/SAL-RPT-Policy-2021.pdf>

b) Details of non-compliance etc.

There has neither been any non-compliance of any legal provision of applicable law, nor any penalty, stricture imposed by the Stock Exchanges or SEBI or any other statutory authorities, on any matters related to capital market during the last three years.

c) Vigil Mechanism/Whistle Blower Policy

The Company is committed to conduct its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics, honesty, integrity and ethical conduct. Towards this end, the Company has adopted a Code of Conduct for its employees including Members of the Board of Directors referred to as "the Code" and other Policies as may be applicable from time to time which lays down the principles and standards that should govern the actions of the Company and its Employees. Any actual or potential violation of the Code/Policies, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the Employees in pointing out such violations of the Code/Policies cannot be undermined. Accordingly, the Whistle Blower Policy ("the Policy") has been formulated with a view to provide a mechanism for employees of the Company to approach the Chairman of the Audit Committee of the Company or Chairman of the Company in appropriate cases.

All Employees of the Company are eligible to make Protected Disclosures under the Policy. Protected Disclosures may be in relation to matters concerning the Company. Protected Disclosures should be reported in writing and addressed to the Chairman of the Audit Committee of the Company or Chairman of the Company for investigation. During the year under review, no employee has approached the Audit Committee. Further, none of the personnel of the Company has also been denied access to the Audit Committee.

The details of Whistle Blower Policy are available at the Company's website <https://salautomotive.in/wp-content/uploads/2017/01/SAL-whistle-blower-policy-2019.pdf>

d) Disclosure of Accounting Treatment in preparation of Financial Statement.

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Act. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

e) Policy on Material Subsidiary

The Company doesn't have any subsidiary company. Accordingly, Company has not formulated such Policy.

f) Details of Compliances with the Mandatory and Non-mandatory Requirements

In addition to the compliance with mandatory requirements, the Company has also adopted the following non-mandatory requirements in terms of the Listing Regulations:

i. The Board

The Chairman of the Company is a Non- Executive Non Independent Director.

ii. Audit Qualifications

During the financial year under review, there was no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure regime of unqualified financial statements.

iii. Internal Auditor

The internal auditor reports directly to the Audit Committee.

The Company has not adopted the other non-mandatory requirements as specified in Part E of Schedule II of the Listing Regulations during the year.

g) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

There were no complaints received during the financial year under review.

No. of Complaints received during the FY 2023-24	No. of Complaints disposed off during the FY 2023-24	No. of Complaints pending at the end of FY 2024
–	–	–

h) Recommendation of Committee(s) of the Board of Directors

During the year, all recommendations of Committees of Board of Directors were accepted by the Board.

i) Disclosures with respect to demat suspense

There are no shares which are lying in demat suspense account/unclaimed suspense account.

28. CODE OF CONDUCT

The Company's Board has laid down a well-defined Code of Ethics & Conduct (the "Code") to be followed by Board Members and employees of the Company for ethical professional conduct. The Code is available on the website of the Company www.salautomotive.in. All Board Members and Senior Management Personnel have affirmed compliance with this Code. A declaration signed by the Managing Director to this effect is enclosed at the end of this Report as Annexure - A.

29. COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

The Company has complied with the requirements of the para 2 to 10 of Part C of Schedule V of the Listing Regulations.

The Company has complied with the requirements of the Schedule V, regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

In terms of the Listing Regulations, the Certificate on compliance of Corporate Governance norms as issued by practicing company secretaries / independent auditors annexed as Annexure-B to this report.

30. Particulars of senior management including the changes therein since the close of the previous financial year:-

SAL AUTOMOTIVE LIMITED

Name	Designation	Date of Joining in Company	Date of Cessation	Brief Profile
Mr. Jagdish Lal Raheja	Chief Financial Officer and Key Managerial Personnel ("KMP")	04/02/2016	Resigned effective from 04-04-2023	Mr. Jagdish Lal is a commerce graduate, Cost & Management Accountant (CMA) from the Institute of Cost Accountants of India and CIMA from UK having 24 years of experience in the field of Costing, Finance and Accounts.
Mr. Gagan Kaushik	Company Secretary and Compliance Officer	04/02/2016	–	Mr. Gagan Kaushik, a fellow member of the Institute of Company Secretaries of India (Membership No. F8080) and having expertise in the field of Secretarial, Legal and Regulatory Compliance of more than of 15 years.
Mr. Kulvinder Singh	Finance Controller (KMP)	01/11/2016	Designated as KMP effective from May 26, 2023	Mr. Kulvinder Singh currently working with the Company as Finance Controller. Mr. Singh is a Fellow Chartered Accountant by qualification and has 18 years of experience in Finance and Taxation.
Mr. Rajnish Grover	Business Head	01/12/2007	–	Mr. Rajnish Grover is B.Tech. with 30 years of experience in steel and automotive industry. His expertise include quality assurance, marketing and business development.
Mr. Aakash Bhardwaj	Senior VP	13/02/2024	–	Mr. Aakash Bhardwaj is MBA from IILM University with more than 8 years of experience in automobile industry, he is currently spearheading car dealership business with OEM like Tata Motors, KIA India and Citron India.
Ms. Namrata Jain	Executive Director Finances, Chief Financial Officer ("CFO")	03/02/2016	Designated as Executive Director Finance and Chief inancial Officer("CFO") effective from October 4, 2023	Mrs. Namrata Jain is the BA (Hons.) Economics and PGDM in Finance & Marketing and having more than 14 years of experience in corporate finance, project financing and financial research & analysis.

31. Disclosure of Agreements:

Further, in terms of Regulation 30A of Listing Regulations, there no such agreements which are required to be disclosed in the Annual Report.

32. CEO/MD / CFO CERTIFICATION

As required under Regulation 17(8) of the Listing Regulations, the Managing Director and the ED-Finance & CFO of the Company have certified to the Board regarding the Financial Statements for the year ended March 31, 2024. The same is annexed as Annexure-C.

33. CERTIFICATE FROM A COMPANY SECRETARY IN PRACTICE

Also, a certificate from a company secretary in practice dated 17.07.2024 that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies, by SEBI/Ministry of Corporate Affairs or any such statutory authority is attached as **Annexure-D**.

For and on behalf of the Board

Rajiv Sharma

Chairman

DIN : 07418337

Place: Ghaziabad

Date : 9th August, 2024

**ANNEXURE-A TO CORPORATE GOVERNANCE
DECLARATION BY THE MANAGING DIRECTOR UNDER
SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)
REGULATIONS, 2015**

**To
The Members
of SAL Automotive Limited**

This is to confirm that the Board of Directors of SAL Automotive Limited ("the Company") has laid down a Code of Conduct for its members and Senior Management Personnel of the Company. The same has also been posted on the Company's website. It is further confirmed that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2024.

Place: Ghaziabad

Date : 29th May, 2024

Rama Kant Sharma
Managing Director
DIN : 00640581

ANNEXURE-B TO CORPORATE GOVERNANCE

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF SAL AUTOMOTIVE LIMITED

1. We have examined the compliance of conditions of Corporate Governance by the Company for the year ended on March 2024, as stipulated in regulations 17 to 27 and clause (b) to (i) of regulation 46(2) and para C, D and E of schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI Listing Regulations")

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Reports or Certificates for Special Purpose issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1. Quality Control for firms that perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clause (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2024.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on use

9. This certificate is issued solely for the purpose complying with the aforesaid Listing Regulations, and may not be suitable for any other purposes.

For Mangla Associates
Chartered Accountants
(FRN 006796C)

Place : Noida
Dated : 29th May, 2024
UDIN: 24080173BKEJOZ8627

A.P. Mangla,
Partner
Membership No. 080173

ANNEXURE-C TO CORPORATE GOVERNANCE

The Board of Directors
SAL Automotive Limited
S.A.S.Nagar (Mohali)
Punjab

Certificate pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015

We, Rama Kant Sharma, Managing Director and Namrata Jain, ED-Finance & Chief Financial Officer, of SAL Automotive Limited, to the best of our knowledge and belief certify that:

- (a) We have reviewed the Balance Sheet and Profit and Loss Account of the Company for the year ended 31st March, 2024 and all its schedules and notes on accounts, as well as Cash Flow Statement and to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee
 - (i) Significant changes, if any, in internal control over financial reporting during the year;
 - (ii) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

Namrata Jain
ED- Finance & CFO

Rama Kant Sharma
Managing Director

Date : 29th May, 2024
Place : Ghaziabad

Date : 29th May, 2024
Place : Ghaziabad

ANNEXURE-D TO CORPORATE GOVERNANCE

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
SAL Automotive Limited
C-127, 4th Floor, Sat Guru Infotech,
Industrial Area, Phase VIII,
S.A.S. Nagar, Mohali.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SAL Automotive Limited having CIN: L45202PB1974PLC003516 and having registered office at C-127, 4th Floor, Sat Guru Infotech, Industrial Area, Phase VIII, S.A.S. Nagar, Mohali, Punjab (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of appointment in the company
1.	Mr. Rama Kant Sharma	00640581	03.02.2016
2.	Mr. Rajiv Sharma	07418337	03.02.2024
3.	Mr. Jamil Ahmad	07171910	03.02.2016
4.	Ms. Namrata Jain	07310940	03.02.2016
5.	Mr. Kailash Nath Agarwal	08829437	20.08.2020
6.	Mr. Uttam Sahay	08608518	31.01.2024

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Ajay K. Arora
(Proprietor)
M No. 2191
C P No. 993

Peer Review Cert No. 2120/2022

Date: 17.07.2024
Place: Chandigarh
UDIN: F002191F000762643

INDEPENDENT AUDITOR'S REPORT

To the Members of SAL Automotive Limited

Report on Audit of the Standalone Financial Statements

We have audited the standalone Indian Accounting Standards (Ind AS) financial statements of SAL AUTOMOTIVE LIMITED ("the company"), which comprise the Balance Sheet as at 31 March 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements, give the information required by the Companies, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS;

- a) of the state of affairs (financial position) of the Company as at March 31, 2024; and
- b) its profit (financial performance including other comprehensive income), and
- c) its Cash Flows and the changes in equity for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under these Standards are further described in the Auditor's Responsibilities section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibilities Report, Corporate Governance and Shareholder's information, but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company's or to cease operations, or has no realistic alternative to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

- A. Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standard on Auditing will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
- B. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
 - i) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and operating effectiveness of such controls.
 - iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern, If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements, or if, such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - v) Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- C. Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.
- D. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- E. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonable be thought to bear on our independence, and where applicable, related safeguards.

- F. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements for the year ended March 31, 2024, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure 'A' statement on the matters specified in paragraph 3 & 4 of the Order, to the extent applicable.
- 2) As required by section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) the Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the aforesaid standalone Ind As financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014
 - e) on the basis of written representations received from the directors as on 31st March 2024, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B'
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us.
 - i. the Company has disclosed the impact of pending litigations, if any on its financial positions in its Standalone financial statements.
 - ii. the Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.
 - iv.
 - a) the management of the company has represented that to the best of its knowledge and belief, the company has not advanced or leased or invested any funds (either from borrowed funds or share premium or any other sources or kind of funds), to or in any other person(s) or entity(ies), including foreign entities ("intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall whether directly or indirectly lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the company ("ultimate beneficiary") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries;
 - b) it has been represented by the management, that to the best of its knowledge and belief, the company has not received any funds from any person(s) or entity(ies) including foreign entities ("funding parties"), with the understanding, whether recorded in writing or otherwise, that the company shall whether, directly or indirectly lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the funding party ("ultimate beneficiary") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

- c) on the basis of such audit procedures that the auditors have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused them to believe that the representations under sub clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v The final dividend proposed in the previous year, declared and paid by the Company during the year, is in accordance with section 123 of the Act. As stated in Note 2.12 to the standalone financial statements, the Board of Directors of the company has proposed final dividend for the year which is subject to the approval of the members ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- vi Based on our examination, which includes test checks, the Company has used accounting software for maintaining its books of accounts for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further during the course of our audit we did not come across any instance of the audit trail feature being tempered with.

As proviso to Rule 3(1) of the Company's (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Company's (Audit & Auditor's) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ending March 31, 2024.

For **Mangla Associates**
Chartered Accountants
(FRN 006796C)

Place : Noida
Date : May 29, 2024
UDIN: 24080173BKEJOZ8627

(A.P. Mangla)
Partner
Membership No. 080173

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STAND ALONE FINANCIAL STATEMENT OF SAL AUTOMOTIVE LIMITED

- I. (a) (A) The Company is maintaining proper records to show full particulars, including quantitative details and situation of fixed assets (property, plant, and equipment)
(B) The Company is maintaining proper records showing full particulars of intangible assets.
- (b) As explained, the company has a regular programme of physical verification of its fixed assets (property, plant, and equipment) by which fixed assets (property, plant and equipment) are verified in a phased manner. In accordance with the programme, certain assets (property, plant and equipment) were verified during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, which are disclosed in the financial statements, are held in the name of the Company, except that the title deed is still in the name of old name of the company Punjab Scooters Ltd and the name is yet to be changed.
- (d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and its intangible assets, during the year. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
- e) According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company as at 31st March 2024 for holding any benami

SAL AUTOMOTIVE LIMITED

property under the Prohibition of Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i)(e) of the Order are not applicable to the Company.

- II. (a) According to the information and explanations given to us, Physical verification of inventory has been conducted during the year and at the year-end by the management. In our opinion, the coverage and procedure of such verification is reasonable. Further no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
- (b) The company has been sanctioned working capital limit in excess of 5 crores, from a bank on the basis of security of current assets, and according to the information and explanations given to us the quarterly returns/statements filed by the Company with the bank are in agreement with the books of account of the Company.
- III. (a) According to the information and explanations given to us, the Company, during the year, has not made any investments in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Party Partnerships or any other parties. Hence, the requirements under paragraph 3(iii) of the Order are not applicable to the Company.
- IV. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee, loan, security or made any investment which falls under the provisions of sections 185 and 186 of the Act.
- V. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits or deemed deposits covered by clause 3(v) of the order.
- VI. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act in respect of the products manufactured by the Company and are of the opinion that prima-facie the prescribed accounts have been made and maintained, We have, however, not made a detailed examination of the records with a view to determine whether they are accurate and complete.
- VII. (a) According to the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Goods and Service Tax, Provident Fund, Employee' State Insurance, Income Tax, Sales Tax, Duty of Customs, Duty of Excise, Value added tax, Cess and any other statutory dues, and other statutory dues as applicable.
- (b) According to the information and explanations given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, customs duty, cess and any other statutory dues on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount	Period to which the amount relates	Forum where dispute is pending
Central Excise and Service Tax Act 1994	Input credit of Service Tax	11, 41,954	2017-18	Commissioner (Appeals)- Central Goods and Service Tax has remanded the case to original Adjudicating officer, Patiala

- VIII. According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the income Tax Act, 1961 (43 of 1961). Hence the provisions stated in clause 3(viii) of the Order is not applicable to the Company.

- IX. (a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us the Company has not been declared a wilful defaulter by any lender.
- (c) According to the information and explanations given to us the short-term loans raised by the Company have been utilised for the purposes for which the loans were raised.
- (d) According to the information and explanations given to us funds raised by the Company on short terms basis have not been utilised for long term purposes.
- (e) According to the information and explanations given to us the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures.
- (f) According to the information and explanations given to us the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies.
- X. (a) According to the information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in clause 3(x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in clause 3(x)(b) of the Order are not applicable to the Company.
- XI. (a) In our opinion and as per information and explanations given and during the course of our examination of the books and records of the Company carried out in accordance with generally accepted auditing practices in India, we have neither come across any fraud by the Company nor or any material fraud on the Company by its officers or employees noticed or reported during the year.
- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of the audit of the standalone financial statements for the year ended March 31, 2024, accordingly the provisions stated in clause (xi)(b) of the Order is not applicable to Company.
- (c) In our opinion and as per information and explanations given to us, no whistle-blower complaints have been received by the Company during the year. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to Company.
- XII. In our opinion and according to the information and explanation given to us the Company is not a Nidhi Company. Accordingly, the provisions stated in clause 3(xii)(a) to (c) of the Order is not applicable to Company.
- XIII. According to the information and explanations given to us, and based on our examination of the records of the Company transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- XIV. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the internal auditors for the period under audit were considered by us.

SAL AUTOMOTIVE LIMITED

- XV. According to the information and explanations given to us, in our opinion during the year the Company had not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to company. Accordingly, provisions stated in clause 3(xv) of the Order are not applicable to the Company.
- XVI. (a) According to the information and explanations given to us, in our opinion the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in clause 3(xvi)(a) of the Order are not applicable to the Company.
- (b) In our opinion, the Company has not conducted any Non-Banking Financials or Housing Finance Activities without any valid Certificate of Registration from Reserve Bank of India. Hence the reporting under clause 3(xvi)(b) of the Order are not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under clause 3(xvi)(c) of the Order are not applicable to the Company.
- (d) The Company does not have any CIC as part of its group. Hence the Provisions stated in paragraph clause 3(xvi)(d) of the Order are not applicable to the Company.
- XVII. According to the information and explanations given to us the Company has not incurred cash losses during the current financial year and in the immediately preceding financial year.
- XVIII. There has been no resignation of the statutory auditor during the year, hence the provisions stated in clause 3(xviii) of the Order are not applicable to the Company.
- XIX. According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realization of financial assets and payment of liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, are of the opinion that this is not an assurance as to the future viability of the Company.
- We are further of the view that our reporting is based on the facts brought to our notice up-to the date of the audit report and we neither give any guarantee nor any assurance that all the liabilities due within a period of one year from the balance sheet date, will get discharged by the Company as and when they become due.
- XX. According to the information and explanations given to us, the Company is now covered under Section 135 of the Act, however, this being the first year the provisions of Corporate Social Responsibility Obligation shall be applicable in the succeeding year effective from 1st April 2024. Accordingly, the provisions of clause 3(xx)(a) to (b) of the Order are not applicable for the year to the Company.
- XXI. According to the information and explanations given to us, the Company does not have any Subsidiaries in India. Accordingly. Reporting under clause 3(xxi) of the Order is not applicable

Place : Noida
Date : May 29, 2024
UDIN: 24080173BKEJOZ8627

For Mangla Associates
Chartered Accountants
(FRN 006796C)

(A.P. Mangla)
Partner
Membership No. 080173

ANNEXURE 'B' TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIALS STATEMENTS OF SAL AUTOMOTIVE LIMITED

Report on the Internal Financial Control under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to standalone financial statements of SAL AUTOMOTIVE LIMITED (the 'Company') as of 31st March 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that are operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparations of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets

SAL AUTOMOTIVE LIMITED

of the company: (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Place : Noida
Date : May 29, 2024
UDIN : 24080173BKEJOZ8627

For Mangla Associates
Chartered Accountants
(FRN 006796C)

(A.P. Mangla)
Partner
Membership No. 080173

BALANCE SHEET as at 31st March, 2024

(Rs. in Lakhs)

Particulars	Notes	As at 31st March, 2024	As at 31st March, 2023
ASSETS			
Non-Current Assets			
Property, Plant and Equipment and Intangible Assets			
- Property, Plant and Equipment	2.1	3,134.64	2,964.97
- Capital Work in Progress	2.1	44.74	135.38
- Intangible Assets	2.2	24.32	9.13
- Lease Assets (Right to Use)	2.3	216.43	286.07
- Intangible Assets under Development			
- Financial Assets			
(a) Investments		-	-
(b) Loans		-	-
(c) Others	2.4	499.29	1,069.98
- Deferred Tax Assets (net of provisions) (Refer Note 1.9 (ii))	2.5 (a)	9.02	12.81
- Other Non-Current Assets	2.6	82.44	105.09
Current Assets			
- Inventories	2.7	2,168.07	2,431.98
- Financial Assets			
(a) Trade Receivables	2.8	3,676.36	3,701.05
(b) Cash & Cash Equivalents	2.9	67.64	17.15
(c) Bank Balances (other than covered in (b) above)	2.9	442.06	1,341.46
(d) Other Financial Assets	2.10	109.46	268.76
- Income Tax (net of provisions) [Refer Note 1.9 (i)]	2.5 (b)	-	45.96
- Other Current Assets	2.11	739.07	637.04
TOTAL ASSETS		11,213.54	13,026.83
EQUITY & LIABILITIES			
Equity			
- Share Capital	2.12	239.77	239.77
- Other Equity (Refer SOCE)	2.13	3,643.51	3,254.92
Non-Current Liabilities			
- Financial Liabilities			
(a) Interest Bearing Loans & Borrowings	2.14	15.08	888.21
(b) Lease Liabilities	2.3	165.95	233.86
(c) Others	2.15	5.13	5.98
- Provisions	2.16	142.37	199.38
Current Liabilities			
- Financial Liabilities			
(a) Interest Bearing Loans & Borrowings	2.17	2,436.45	2,711.83
(b) Trade Payable			
- MSME	2.18	316.67	209.88
- Others	2.18	3,740.52	4,813.35
(c) Lease Liabilities	2.3	67.51	61.19
(d) Others	2.19	9.97	13.97
- Provisions	2.20	158.05	87.65
- Current Tax Liabilities (net of provisions) [Refer Note 1.9(i)]	2.5 (b)	6.40	
- Other Current Liabilities	2.21	266.16	306.84
TOTAL EQUITY & LIABILITIES		11,213.54	13,026.83
Significant Accounting Policies	1		
Notes to Accounts	2		

As per our report of even date attached

The Notes referred to above form an integral part of these financial statements.

For **MANGLA ASSOCIATES****FOR AND ON BEHALF OF THE BOARD**

Chartered Accountants (FRN006796C)

A.P. MANGLA**RAJIV SHARMA****R.K. SHARMA**

Partner

Chairman

Managing Director

Membership No. 080173

UDIN: 24080173BKEJ0Z8627

NAMRATA JAIN
Executive Director- Finance**GAGAN KAUSHIK**
Company Secretary

Ghaziabad, 29th May, 2024

Ghaziabad, 29th May, 2024

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2024 (Rs. in Lakhs)

Particulars	Notes	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Income			
Income from Operations	2.22	30,751.91	30,378.92
Other Income	2.23	96.43	152.85
Total Income		30,848.34	30,531.77
Expenses			
Cost of Materials Consumed	2.24	23,882.91	24,828.84
Changes in Inventories of Finished Goods and Work-in-Progress	2.25	149.47	(283.30)
Employee Benefits Expense	2.26	3,871.87	3,374.35
Finance Costs	2.27	278.55	264.21
Depreciation & Amortization Expense	2.1, 2.2 & 2.3	410.61	307.52
Other Expenses	2.28	1,576.68	1,420.39
Total Expenses		30,170.09	29,912.01
Profit before exceptional items and tax		678.25	619.76
Exceptional items		-	-
Profit Before Tax		678.25	619.76
Tax Expense			
- Current Tax		155.93	17.51
- Deferred Tax (Net)	2.5 (c)	12.36	132.34
- Tax provision in earlier years (Short / Excess)		-	-
Net Profit / (Loss) for the period		509.96	469.91
Other Comprehensive Income			
- Items that will not be reclassified to profit & loss account			
(a) Remeasurement of post employment benefit obligation		(34.04)	(12.35)
(b) Change in revaluation surplus			
(c) Income Tax relating to above items		8.57	3.11
- Items that will be reclassified to profit & loss account			
Total Comprehensive Income for the period		484.49	460.67
Earnings Per Share		20.21	19.21

As per our report of even date attached

For **MANGLA ASSOCIATES**
Chartered Accountants (FRN006796C)

A.P. MANGLA
Partner
Membership No. 080173
UDIN: 24080173BKJEOZ8627

The Notes referred to above form an integral part of these financial statements.

FOR AND ON BEHALF OF THE BOARD

RAJIV SHARMA
Chairman

NAMRATA JAIN
Executive Director- Finance

R.K. SHARMA
Managing Director

GAGAN KAUSHIK
Company Secretary

Ghaziabad, 29th May, 2024

Ghaziabad, 29th May, 2024

1. COMPANY'S OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

SAL Automotive Limited (SAL) is a public limited company incorporated under the provisions of the Companies Act, 1956 on 20th November, 1974 having its registered office at C-127, IV Floor, Satguru Infotech, Phase VIII, Industrial Area, SAS Nagar, (Mohali), Punjab - 160071.

SAL has its principal place of manufacturing at Nabha located in the state of Punjab and other manufacturing plants are located at Dharwad in the state of Karnataka, Rudrapur in the state of Uttarakhand and Pune in the state of Maharashtra.

SAL is engaged in manufacturing business of Automobile Components, which includes Tractor seats, LCV seats, Seat mechanisms and Seat frames for passenger vehicles & commercial vehicles and Agriculture Implements which includes Rotavators, Tractor trailers, Box scraper and rotary tiller etc.

The company is listed at Bombay Stock Exchange Limited (BSE).

1.1 Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies Act 2013 as per the Section 133; read with rule 3 of Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy thereto in use.

1.2 Use of Estimates and Judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made. Differences between actual results and estimates are recognized in the period in which the results are known/materialized.

1.3 Revenue Recognition

- i) Sales Revenue is recognized at the time of dispatches to customers or their respective transporters for onward dispatches and upon transfer of ownership to customers. Hence, finished goods dispatched whose ownership has not been transferred to customers at the end of last working day of the period, have been considered as Finished Goods-In-Transit and are excluded from being recognized as operational revenue.
 - ii) Impact of variation in selling price with respect to goods sold, are recognized on a periodical basis based on the agreements with the customers. Sales Revenue is recorded in net of Trade Discounts, Rebates and any taxes or duties collected on behalf of the government, if any.
 - iii) In respect of Tools and fixtures developed to produce components exclusively for the customer concerned, revenue is recognized on completion of development process for production readiness.
 - iv) Incomes from services rendered are booked based on agreements / arrangements with the concerned parties, in proportion to the stage of completion of the transactions at the reporting date when the outcome of the transaction can be estimated reliably.
 - v) Interest on fixed deposits is recognized on a time proportion basis considering the underlying interest rate.
-

1.4 Inventories

- i) Stores, Spare Parts, Loose Tools, Raw Materials, Components and Packing Materials are valued at material cost determined on the basis of moving weighted average cost method with due provisioning for non-useable / obsolete items and impact of provisioning for price variation, if any.
- ii) Work-in-progress and Finished goods are valued at lower of cost or net realizable value as certified by Management, with due provisioning for slow moving / obsolete items. Cost includes material cost and an appropriate portion of manufacturing overheads, wherever applicable, incurred in bringing them to their present location and condition. Finished goods include government taxes, wherever applicable.
- iii) Finished Goods - In - Transit, whose ownership has not been transferred to customers at the end of last working day of the period and are not recognized for Sales revenue, are valued at cost plus taxes as applicable.
- iv) Scrap / damaged goods value is incorporated in books based on expected realizable value.
- v) Rejected goods pending for quality approval are valued at 10% of the actual cost till further disposal/ rework.

1.5 Property, Plant and Equipment

The Cost of an item of Property, Plant and Equipment comprises:

- (a) its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates.
- (b) any attributable expenditure directly attributes for bringing an asset to the location and the working condition for its intended use and.
- (c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or because of having used the item during a particular period for purposes other than to produce inventories during that period.
- (d) Depreciation is provided on Straight Line Method based on useful lives of such assets specified in Schedule II to the Companies Act, 2013 except the following assets:
 - i) Vehicles (cars) where depreciation is charged @ 25%.
 - ii) Capital spares are amortized in a systematic manner over the useful life of the assets to which it relates.
 - iii) Assets individually costing up to Rs. 5000/- are depreciated at 100% within one year from the date of purchase.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

1.6 Intangible Assets

Intangible assets are stated at cost less accumulated amount of amortization. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on several factors including the effects of obsolescence, etc.

Intangible Assets (Others than Software) are amortized over a period of 6 years, which is the estimated useful life of the asset. Software expenditure capitalized during the year is amortized over 3 years from the date of its capitalization.

1.7 Employees Benefits

(i) Defined Contribution Plans

The Company's contribution to the Provident Fund is considered as defined contribution plan and is charged as an expense to the Statement of Profit and Loss for the year when the contributions are due. The Company contributes to Life Insurance Corporation of India to cover its liability towards its master policies of employee's superannuation and gratuity. Payment of gratuity at the time of retirement is routed through the Gratuity Fund created by the company with LIC.

(ii) Defined Benefit Plans

The company operates a defined benefit plan for its employees in the form of gratuity fund. The cost of providing benefits under the plan is determined based on actuarial valuations being carried out at each Balance Sheet date. Re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognized in Other Comprehensive Income which are not reclassified to profit or loss in subsequent periods.

(iii) Short-term / Long-term employee benefits

All employee benefits payable within twelve months of receiving the employee services are classified as Short-term employee benefits and benefits payable after twelve months of receiving the employee services are classified as Long-term employee benefits.

The undiscounted amount of short-term employee benefits expected to be paid in exchange of services rendered by employees is recognized during the period when the employee renders services. These benefits include salaries, bonuses, and leave travel allowance and performance incentives.

The employees of the Company are entitled to compensate them for the absences. The Company has a policy for leave encashment, whereby the balance of leave is either availed or encashed in the following year, and hence the same is classified as short term. The short-term leave encashment liability has been measured based on actuarial valuations on the basis of actual leave balance outstanding at the year end.

1.8 Earnings per Share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

Dilutive potential equity shares are determined independently for each period presented.

1.9 Income Taxes

- (i) **Current Tax** is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act 1961. Advance tax and provision for current tax are presented in the balance sheet after off-setting advance tax paid and income tax provisions.
- (ii) **Deferred Tax** is recognised, subject to consideration of prudence, on timing differences, being the difference between carrying amount and tax base of all assets and liabilities that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax charge or credit is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred Tax liabilities are recognised for all timing differences.

Deferred Tax assets arising from unabsorbed depreciation or carry forward losses are recognised only if there is virtual certainty of that there will be sufficient future taxable income available to realise such assets.

Deferred Tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised.

Deferred Tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

Deferred Tax Assets are reviewed at each balance sheet date for their realizability.

1.10 Foreign Currency Transactions

Foreign currency transactions are recorded at exchange rates prevailing at the date of the transaction. Exchange differences, if any, arising from settlement of transactions except those relating to fixed assets are recognized as income or expense in the year in which they arise.

In the case of fixed assets, the cost is adjusted for exchange differences arising on payment of liabilities incurred for the purpose of acquiring such fixed assets.

1.11 Dividends

Dividends are recommended by the board in the board meeting while approving annual financial results and subsequently approved by the shareholders in the annual general meeting. Post approval of dividend in AGM, dividends are paid and recorded in books accordingly.

1.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are recognized in the balance sheet when the company becomes a party to the contractual provisions of the financial instrument. The company determines the classification of its financial instruments at initial recognition.

1.13 Impairment of assets

Financial assets: The company recognizes loss allowances using the expected credit loss (ECL) model for financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables is measured at an amount equal to lifetime ECL and charged to the statement of profit & loss account subject to the provisions created so far.

For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit or loss.

Non-financial assets: Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

1.14 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, balances with banks in Current Accounts, demand deposits with banks/corporates and short-term highly liquid investments (original maturity less than 3 months) that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value.

1.15 Cash Flow Statement

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) - 7 "Statement of Cash flows" using the indirect method for operating activities.

1.16 Provisions

A provision shall be recognized when:

- (a) an entity has a present obligation as a result of a past event
- (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and
- (c) a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

1.17 Product Warranty

In respect of warranty given by the company on sale of rotavators, the estimated cost of warranty is provided at the time of sale. The estimate for accounting of warranty is reviewed and revisions are made on a quarterly basis. In respect of seat & seat mechanism, warranty cost is recognized as per actuals as and when incurred.

1.18 Segment Reporting

The Company identifies primary segments based on the dominant nature of products, risks and returns, category of customers dealt with and the internal reporting system, organization, and management structure.

The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The Company's business is primarily dominated by Automobile components and Agriculture Implements. Revenue and expenses directly attributable to segments are reported under each reportable segment. All other income and expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. In addition, corporate assets or liabilities which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

1.19 Leases

Transition to Ind AS 116 notified under Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards). Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors.

The Company recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements where the lease period is more than 12 months except for leases with a term of twelve months or less (short-term leases) and low value leases.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the company changes its assessment whether it will exercise an extension or a termination option.

1.20 Borrowing Costs

Borrowing costs directly attributable to acquisition or construction or production of qualifying assets, which necessarily take a substantial period to get ready for their intended use are capitalized as part of cost of the asset. Other borrowing costs are recognized as expense in the period in which they are incurred.

Statement of Changes in Equity (SOCE)

A. CHANGES IN EQUITY SHARE CAPITAL

(Rs in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Outstanding at the beginning of the year	239.77	239.77
Changes during the year	-	-
Outstanding at the end of the year	239.77	239.77

B. CHANGES IN OTHER EQUITY

(Rs in Lakhs)

Particulars	As at 31st March, 2024				As at 31st March, 2023			
	General Reserve	Retained Earnings	OCI	Total	General Reserve	Retained Earnings	OCI	Total
Opening Balance	1,872.24	1,371.16	11.52	3,254.92	1,872.24	901.25	20.76	2,794.25
Profit / (Loss) after tax for the period	-	509.96	(25.47)	484.49	-	469.91	(9.24)	460.67
Dividend paid on Equity Shares	-	(95.90)	-	(95.90)	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-	-	-	-
Closing Balance	1,872.24	1,785.22	(13.95)	3,643.51	1,872.24	1,371.16	11.52	3,254.92

For **MANGLA ASSOCIATES**
Chartered Accountants (FRN006796C)

A.P. MANGLA
Partner
Membership No. 080173
UDIN: 24080173BKEJOZ8627

Ghaziabad, 29th May, 2024

FOR AND ON BEHALF OF THE BOARD

RAJIV SHARMA
Chairman

NAMRATA JAIN
Executive Director- Finance

R.K. SHARMA
Managing Director

GAGAN KAUSHIK
Company Secretary

Ghaziabad, 29th May, 2024

SAL AUTOMOTIVE LIMITED

2.1 PROPERTY, PLANT AND EQUIPMENT as at 31st March, 2024 (Refer Note 1.5) (Rs in Lakhs)

Description of Assets	Land	Buildings	Plant and Equipment	Electrical Installations	Office Equipment	Furniture and Fixtures	Vehicles	Total
Gross Carrying Value as at 1st April, 2023	2.73	1,799.05	2,435.78	348.04	277.51	67.19	249.23	5,179.53
Additions during the year		113.52	300.48	11.78	39.69	10.22	46.25	521.94
Disposals / Adjustments during the year					(0.62)		(57.28)	(57.90)
Gross Carrying Value as at 31st Mar, 2024	2.73	1,912.57	2,736.26	359.82	316.58	77.41	238.20	5,643.57
Accumulated Depreciation as at 1st April, 2023	-	408.05	1,299.20	145.71	173.67	29.96	157.97	2,214.56
Depreciation expense for the year		79.89	166.58	22.91	34.58	6.58	27.82	338.36
Adjustment on disposals during the year					(0.12)		(43.87)	(43.99)
Accumulated Depreciation as at 31st Mar, 2024	-	487.94	1,465.78	168.62	208.13	36.54	141.92	2,508.93
Net Carrying Value as at 31st Mar., 2024	2.73	1,424.63	1,270.48	191.20	108.45	40.87	96.28	3,134.64
Net Carrying Value as at 31st Mar., 2023	2.73	1,391.00	1,136.58	202.33	103.84	37.23	91.26	2,964.97
Capital Work in Progress as at 31st Mar., 2024*								44.74
Capital Work in Progress as at 31st Mar, 2023								135.38

* Rs. 26.62 Lakhs is fresh addition in CWIP and Rs. 117.26 Lakhs has been capitalised during FY 2023-24

2.2 INTANGIBLE ASSETS as at 31st March, 2024 (Refer Note 1.6) (Rs in Lakhs)

Description of Assets	Software	Design & Development	Patents	Total
Gross Carrying Value as at 1st April, 2023	93.14	67.45	0.09	160.68
Additions during the year	17.80	-	-	17.80
Disposals / Adjustments during the year	-	-	-	-
Gross Carrying Value as at 31st Mar., 2024	110.94	67.45	0.09	178.48
Accumulated Depreciation as at 1st April, 2023	87.45	64.04	0.06	151.55
Depreciation expense for the year	2.61	-	-	2.61
Adjustment on disposals during the year	-	-	-	-
Accumulated Depreciation as at 31st Mar., 2024	90.06	64.04	0.06	154.16
Net Carrying Value as at 31st Mar., 2024	20.88	3.41	0.03	24.32
Net Carrying Value as at 31st Mar., 2023	5.69	3.41	0.03	9.13

2.3 LEASES

Effective from 01 April, 2019, the company has adopted Ind AS - 116, "Leases". The Company recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements where lease tenure is more than 12 months.

LEASE ASSETS (Right to Use)		(Rs. in Lakhs)
Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening Balance	286.07	67.69
Additions during the year	-	257.92
Amortisation during the year	(69.64)	(39.54)
Closing Balance	216.43	286.07
LEASE LIABILITIES		(Rs in Lakhs)
Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening Balance	295.05	70.68
Additions during the year	-	257.92
Accretion of Interest	27.21	16.05
Lease Payments	(88.80)	(49.60)
Closing Balance	233.46	295.05
Current Liabilities	67.51	61.19
Non-Current Liabilities	165.95	233.86
Total	233.46	295.05

a) Contractual maturities of lease liabilities on an undiscounted basis is given below.

Particulars	As at 31st March, 2024	As at 31st March, 2023
Less than One Year	88.80	88.80
One Year to Four Years	189.80	278.60

b) Rental Expense related to short term leases amounting to Rs.88.80 Lakhs has been accounted for during the year.(Previous Year - Rs 62.33 Lakhs)

2.4 NON-CURRENT FINANCIAL ASSETS (Rs. in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Deposits Others (unsecured considered good)	24.40	53.06
Deposits with Govt Authorities	46.66	34.26
Deposits with Banks	-	126.54
Deposits with Banks against OD Limit and Demand Loans	428.23	856.12
	499.29	1,069.98

Deposits include refundable deposits against rental shed, deposits with Govt. Authorities and earnest money deposits with various State Road Transport Undertakings.

SAL AUTOMOTIVE LIMITED

2.5 (a) DEFERRED TAX ASSET / (LIABILITY)

(Rs. in Lakhs)

Particulars	For the year ended	
	31st March, 2024	31st March, 2023
Deferred Tax Liabilities		
– PPE	(91.97)	(71.87)
Deferred Tax Assets		
– Unabsorbed Depreciation	–	–
– Provision for Gratuity	30.72	23.75
– Provision for Leave Encashment	42.22	42.47
– Provision for Bonus	6.82	5.83
– Provision for Warranty	5.36	3.99
– Provision for Doubtful Debts / Advances	15.87	8.64
Deferred Tax Assets / (Liabilities)	9.02	12.81

2.5 (b) Income Tax Recognised in Balance Sheet

(Rs. in Lakhs)

Particulars	For the year ended	
	31st March, 2024	31st March, 2023
– Income Tax (net of provisions)	(6.40)	49.07
	(6.40)	49.07

2.5 (c) Income Tax Recognised in Profit and Loss Account

(Rs. in Lakhs)

Particulars	For the year ended	
	31st March, 2024	31st March, 2023
– Current Tax	155.93	17.51
– Deferred Tax	3.79	129.23
	159.72	146.74

2.5 (d) Reconciliation of income tax provision to the amount computed by applying the statutory income tax rate to the income before income tax is summarised below:-

(Rs. in Lakhs)

Particulars	For the year ended	
	31st March, 2024	31st March, 2023
Profit before Tax	678.25	619.76
Income Tax expense	170.72	155.99
Income not considered for tax purposes	–	–
Effect of estimated non-deductible expenses	–	–
Others (including temporary difference)	(14.79)	(138.48)
Income Tax recognised in profit & loss account	155.93	17.51

2.6 NON CURRENT OTHER ASSETS**(Rs. in Lakhs)**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Capital Advances	64.03	86.14
Prepaid Expenses	18.41	18.95
	<u>82.44</u>	<u>105.09</u>

2.7 INVENTORIES (Refer Note 1.4)**(Rs. in Lakhs)**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Raw Materials & Components *	1,235.43	1,374.28
Work-in-Progress	268.76	448.48
Finished Goods	464.76	440.08
Goods in Transit	79.83	74.26
Stores and Spares	93.09	60.88
Loose Tools	26.20	34.00
	<u>2,168.07</u>	<u>2,431.98</u>

Inventory as at 31st March, 2024 has been physically verified and certified by the management.

* Includes Goods in Transit of **Rs 51.98 Lakhs** (2023 - Rs 15.48 Lakhs)

The amount of inventories includes an amount of **Rs 123.12 Lakhs** (2023 - Rs. 77.71 Lakhs) in respect of slow & non moving items which has been reduced by **Rs 38.54 Lakhs** (2023 - Rs. 26.29 Lakhs) to arrive at its net realizable value.

2.8 TRADE RECEIVABLES**(Rs. in Lakhs)**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Debts outstanding from the date they are due for payment (Refer Note 2.47)		
Unsecured		
For more than six months		
– Considered Doubtful	39.70	13.89
Less : Provision for doubtful debts (Refer Notes 1.13 and 2.43)	(39.70)	(13.89)
– Considered good	152.41	115.04
For less than six months		
– Considered good	3,523.95	3,586.01
	<u>3,676.36</u>	<u>3,701.05</u>

SAL AUTOMOTIVE LIMITED**AGEING SCHEDULE FOR TRADE RECEIVABLES AS AT 31st Mar, 2024**

Particulars	Not yet due	Outstanding from due dates of payments					Total
		< 6 months	6 months - 1 Year	1 - 2 Years	2-3 Years	> 3 Years	
(i) Undisputed - Having significant increase in credit risk	2,939.02	584.88	40.67	52.86	18.60	40.33	3,676.36
(ii) Undisputed - Credit Impaired							
(iii) Disputed - Considered Good							
(iv) Disputed - Having significant increase in credit risk							
(v) Disputed - Credit Impaired		0.06	0.10	0.01	0.08	39.45	39.70
Total	2,939.02	584.94	40.77	52.87	18.68	79.78	3,716.06

AGEING SCHEDULE FOR TRADE RECEIVABLES AS AT 31st Mar,2023

Particulars	Not yet due	Outstanding from due dates of payments					Total
		< 6 months	6 months - 1 Year	1 - 2 Years	2-3 Years	> 3 Years	
(i) Undisputed - Having significant increase in credit risk	2,803.96	782.05	23.89	22.31	34.78	34.06	3,701.05
(ii) Undisputed - Credit Impaired							
(iii) Disputed - Considered Good							
(iv) Disputed - Having significant increase in credit risk							
(v) Disputed - Credit Impaired					0.66	13.23	13.89
Total	2,803.96	782.05	23.89	22.31	35.44	47.29	3,714.94

SAL AUTOMOTIVE LIMITED

2.9 CASH & BANK BALANCES

(Rs. in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Cash & Cash Equivalents		
– Cash in hand	10.97	8.34
– Cheques & Drafts in hand	–	–
– Fixed Deposits with Banks maturing within 3 months	–	–
– Balance with Banks	56.67	8.81
Bank Balances other than Cash & Cash Equivalents		
– Earmarked Balances with Banks - Unpaid/Unclaimed Dividend	6.05	6.21
– Fixed Deposits with Banks against OD Limit and Demand Loans	380.23	1,303.21
– Fixed Deposits with Banks maturing within 12 months	55.78	32.04
	<u>509.70</u>	<u>1,358.61</u>

Cash and cash equivalents comprise cash balances on hand, bank balance and term deposits with banks. Cash and cash equivalents as of 31st March, 2024 include restricted bank balances of **Rs.386.28 Lakhs** (2023 - Rs.1309.42 Lakhs). The restrictions are primarily on account of deposits with bank held as security against interest and repayment of borrowings lying in the form of OD limit , term loans and balance with banks against payment of unpaid / unclaimed dividends.

2.10 OTHER FINANCIAL ASSETS

(Rs. in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Insurance Claim recoverable	1.33	1.67
Other Recoverable	13.10	3.70
Loans & Advances to Employees	9.89	13.65
Interest Accrued on Fixed Deposits	56.21	223.47
Deposits Others	28.93	3.22
Deposits with Govt. Authorities	–	23.05
	<u>109.46</u>	<u>268.76</u>

2.11 OTHER CURRENT ASSETS

(Rs. in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Prepaid Expenses	32.12	17.00
Balance with Govt. Authorities (other than income tax)	474.68	396.98
Advances to Suppliers	211.27	190.95
Value Added Tax Recoverable	21.00	32.11
	<u>739.07</u>	<u>637.04</u>

SAL AUTOMOTIVE LIMITED

2.12 EQUITY SHARE CAPITAL (refer SOCE)

(Rs. in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Authorised		
Equity Shares, Rs. 10/- par value		
30,00,000 (2023 - 30,00,000) Equity Shares	300.00	300.00
Redeemable Cumulative Preference Shares, Rs. 100/- par value		
50,000 (2023 - 50,000) Redeemable Cumulative Preference Shares	50.00	50.00
	<u>350.00</u>	<u>350.00</u>
Issued, Subscribed & Paid-up		
Equity Shares, Rs. 10/- par value		
23,97,713 (2023 - 23,97,713) Equity Shares fully paid-up	239.77	239.77
	<u>239.77</u>	<u>239.77</u>

The Company has issued only one class of shares referred to as Equity Shares having a par value of Rs. 10/-. Each Equity Shareholder is entitled to one vote per share.

Dividend Paid : The Board of Directors in their meeting held on 26th May, 2023 opted for proposing a dividend of Rs 4.00 per Equity Share for the financial year ended 31-03-2023. Dividend as proposed by the board of directors was approved by the shareholders in their Annual General Meeting held on 12th Sep., 2023.

Proposed Dividend : The company declares and pays dividend in Indian Rupees. The Board of Directors in their meeting held on 29th May'2024 proposed a Dividend of **Rs 4.50 per Equity Share** for the financial year ended **31-03-2024**. Dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Upon approval of the proposed dividend in the Annual General Meeting, same would result in a cash outflow of **Rs 107.90 Lakhs** being dividend is taxable in the hands of shareholders.

Shareholding of the promoters as at 31-03-2024 :

– Name of Promoter	b4S Solutions Private Limited
– Nos. of Shares Held	17,98,285
– % of total shares	75%
– % change during the year	Nil

Equity Shareholders holding more than 5% shares :

Particulars	As at 31st March, 2024		As at 31st March, 2023	
Name	No. of Shares held	% of Shareholding	No. of Shares held	% of Shareholding
b4S Solutions Private Limited	17,98,285	75%	17,98,285	75%

Reconciliation of number of Equity Shares outstanding and the amount of Share Capital :

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	No. of Shares held	Share Capital	No. of Shares held	Share Capital
		(Rs. in Lakhs)		(Rs. in Lakhs)
Number of equity shares at the beginning of the year	23,97,713	239.77	23,97,713	239.77
Movement in equity shares during the year	–	–	–	–
Number of equity shares at the closing of the year	23,97,713	239.77	23,97,713	239.77

In the last 5 years, the Company has not :

- allotted any shares as fully paid-up pursuant to contract(s) without being received in cash,
- allotted any bonus shares,
- bought back its shares.

2.13 OTHER EQUITY (refer SOCE)

(Rs. in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
General Reserve	1,872.24	1,872.24
Retained Earnings	1,771.27	1,382.68
	<u>3,643.51</u>	<u>3,254.92</u>

2.14 NON-CURRENT BORROWINGS

(Rs. in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Secured Loans		
Loan from Banks	21.12	212.92
Less : Current Maturities of Long Term Loan (Ref Note No. 2.16)	<u>(6.04)</u>	<u>15.08</u>
Drop Line Overdraft - Secured against Factory Land	871.74	–
Less : Current Maturities of Long Term Overdrafts (Ref Note No. 2.16)	<u>(871.74)</u>	<u>1,298.51</u>
	<u>15.08</u>	<u>(416.67)</u>
		<u>881.84</u>
		<u>888.21</u>

Loan from Bank is in nature of Vehicle Loan with ICICI Bank is repayable over a period of maximum upto June 2028.

Drop Line Overdrafts with ICICI Bank are repayable over a period of maximum upto May, 2026 and carry interest rates which are linked to Repo rate with spread of 3.00% Per annum.

2.15 NON-CURRENT FINANCIAL LIABILITIES

(Rs. in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Capital Subsidy	5.98	6.83
Less : Current Maturities of Long Term Subsidy	<u>(0.85)</u>	<u>5.13</u>
	<u>5.13</u>	<u>(0.85)</u>
		<u>5.98</u>

SAL AUTOMOTIVE LIMITED**2.16 NON-CURRENT PROVISIONS****(Rs. in Lakhs)**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for Employee Benefits (Refer Note 1.7)		
– Provision for Gratuity (Refer Note 2.38)	22.87	82.01
– Provision for Leave Encashment (Refer Note 2.39)	119.50	117.37
	<u>142.37</u>	<u>199.38</u>

2.17 CURRENT FINANCIAL LIABILITIES**(Rs. in Lakhs)**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current Maturities of Long Term Loan (Ref Note No. 2.14)	6.04	206.55
Current Maturities of Long Term Drop Line Overdrafts (Ref Note No 2.14)	871.74	416.67
Bank Borrowings:		
– Overdrafts -Secured against FDRs	751.49	1,459.68
– Cash Credits - Secured against Factory Land *	807.18	628.93
	<u>2,436.45</u>	<u>2,711.83</u>

* Company maintains Cash Credit and Drop Line Overdraft Limits with ICICI Bank Ltd and submits monthly statement of current assets with ICICI Bank in the form as prescribed by the bank.

2.18 TRADE PAYABLES**(Rs. in Lakhs)**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade Payables - Micro & Small Enterprises (Refer Note 2.46)	316.67	209.88
Trade Payables - Other than Micro & Small Enterprises (Refer Note 2.46)	3,684.26	4,739.40
Other Accruals	56.26	73.95
	<u>4,057.19</u>	<u>5,023.23</u>

"DISCLOSURE RELATED TO MICRO AND SMALL ENTERPRISES

Categorization of Micro and Small Enterprises has been revised as per the provisions of amended MSMED Act effecting from July'20. Company has revalidated the MSMED suppliers based on the UDYAM Aadhar Certificates as per the new guidelines and outstanding dues at the year end have been calculated accordingly.

(Rs. in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
a) Dues remaining unpaid as at 31st March		
– Principal	26.81	6.28
– Interest on above	0.15	0.01
b) Interest paid in terms of section 16 of the Act along with the amount of payments made to the supplier beyond the appointed date during the year		
– Principal paid beyond the appointed date	204.19	1905.91
– Interest paid in terms of section 16 of the Act	3.23	–
c) Amount of interest due and payable for the period of delay in payments made beyond the appointed date during the year	–	12.90
d) Further interest due and payable even in the succeeding year, until such date when the interest due as above are actually paid to the small enterprises.	–	5.66
e) Amount of interest accrued and remaining unpaid as at 31st March	3.38	18.56

AGEING SCHEDULE FOR TRADE PAYABLES AS AT 31st Mar, 2024

Particulars	Not yet Dues	Outstanding from due dates of payments				
		< 1 Year	1-2 Years	2-3 Years	> 3 Years	Total
(i) MSME	289.86	26.81	-	-	-	316.67
(ii) Others	2193.97	1515.08	22.09	9.38	-	3740.52
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	2483.83	1541.89	22.09	9.38	-	4057.19

AGEING SCHEDULE FOR TRADE PAYABLES AS AT 31st Mar, 2023

Particulars	Not yet dues	Outstanding from due dates of payments				
		< 1 Year	1-2 Years	2-3 Years	> 3 Years	Total
(i) MSME	203.60	6.28	-	-	-	209.88
(ii) Others	3858.74	945.23	9.38	-	-	4813.35
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	4062.34	951.51	9.38	-	-	5023.23

SAL AUTOMOTIVE LIMITED

2.19 OTHER CURRENT FINANCIAL LIABILITIES

(Rs. in Lakhs)

Particulars	As at 31st	
	March, 2024	March, 2023
Deposits & Earnest Money	3.07	6.91
Unpaid / Unclaimed Dividend *	6.05	6.21
Others	0.85	0.85
	<u>9.97</u>	<u>13.97</u>

* Rs 0.77 Lakhs (2023 - Rs 0.74 Lakhs) credited to Investor Education and Protection Fund during the Year.

2.20 CURRENT PROVISIONS

(Rs. in Lakhs)

Particulars	As at 31st	
	March, 2024	March, 2023
Provision for Employee Benefits		
– Provision for Gratuity	65.15	-
– Provision for Leave Encashment	48.25	51.37
Others		
– Warranty Claim (Refer Note 1.17 & 2.42)	21.30	15.84
– Provision against doubtful advances	23.35	20.44
	<u>158.05</u>	<u>87.65</u>

2.21 OTHER CURRENT LIABILITIES

(Rs. in Lakhs)

Particulars	As at 31st	
	March, 2024	March, 2023
Advances from Customers	84.12	136.65
Statutory Dues Payable	41.93	43.52
Employees Dues Payable	140.11	126.67
	<u>266.16</u>	<u>306.84</u>

2.22 TOTAL INCOME FROM OPERATIONS

(Rs. in Lakhs)

Particulars	For the year ended	
	31st March, 2024	31st March, 2023
Sale of Products (Refer Note 2.37 A)	30,351.65	30,005.29
Other Operating Income		
– Sale of Scrap	380.15	364.74
– Job Charges	20.11	8.89
	<u>30,751.91</u>	<u>30,378.92</u>

2.23 OTHER INCOME

(Rs. in Lakhs)

Particulars	For the year ended	
	31st March, 2024	31st March, 2023
Interest Income	78.76	142.57
Miscellaneous Income*	17.67	10.28
	<u>96.43</u>	<u>152.85</u>

*Includes Rs 3.12 Lakhs related to written back of excess provisions and Rs 0.40 lakhs related to liabilities. (2023 - Rs.3.08 Lakhs related to excess provision & Rs 2.65 Lakhs related to liabilities Written Back).

SAL AUTOMOTIVE LIMITED

2.24 COST OF MATERIALS CONSUMED (Refer Note 2.37 B) (Rs. in Lakhs)

Particulars	For the year ended	
	31st March, 2024	31st March, 2023
Opening Stock	1,408.28	770.20
Add : Purchases*	23,381.42	25,188.94
Job Charges	354.84	277.98
	<u>25,144.54</u>	<u>26,237.12</u>
Less : Closing Stock*	<u>(1,261.63)</u>	<u>(1,408.28)</u>
	<u>23,882.91</u>	<u>24,828.84</u>

* Includes Goods in Transit of **Rs 51.98 Lakhs** (2023 - Rs 15.48 Lakhs)

2.25 CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS (Rs. in Lakhs)

Particulars	For the year ended	
	31st March, 2024	31st March, 2023
Opening Stock		
– Work in Progress	448.48	381.30
– Finished Goods	514.34	298.22
	<u>962.82</u>	<u>679.52</u>
Closing Stock		
– Work in Progress	268.76	448.48
– Finished Goods	544.59	514.34
	<u>813.35</u>	<u>962.82</u>
	<u>149.47</u>	<u>(283.30)</u>

2.26 EMPLOYEE BENEFITS EXPENSE (Rs. in Lakhs)

Particulars	For the year ended	
	31st March, 2024	31st March, 2023
Salaries & Wages	3,462.81	3,000.52
Contribution to Provident & Other Funds	110.96	101.94
Gratuity	29.44	29.33
Workmen & Staff Welfare	268.66	242.56
	<u>3,871.87</u>	<u>3,374.35</u>

2.27 FINANCE COSTS (Rs. in Lakhs)

Particulars	For the year ended	
	31st March, 2024	31st March, 2023
Processing Charges	2.34	2.90
Interest Charges	274.63	261.30
Vehicle Loan Interest	1.58	0.01
	<u>278.55</u>	<u>264.21</u>

SAL AUTOMOTIVE LIMITED**2.28 OTHER EXPENSES****(Rs. in Lakhs)**

Particulars	For the year ended	
	31st March, 2024	31st March, 2023
Power, Fuel & Water Charges	590.50	543.09
Consumption of Stores & Spares	24.80	28.60
Rent	72.01	62.33
Rates and Taxes	23.09	22.12
Insurance	23.55	12.36
Repairs and Maintenance		
– Buildings	9.69	8.38
– Machinery	180.26	127.59
– Others	82.62	77.62
Postage & Telephone	10.23	6.21
Printing & Stationery	14.77	16.46
Legal and Professional Charges	33.72	26.93
Advertisement	9.36	9.67
Freight Outward	195.45	199.52
Business Promotion Expenses	2.49	8.63
Festival Expenses	18.35	16.78
Travelling & Conveyance Expenses	90.74	83.65
Provisions for doubtful debts & Advances	28.71	13.89
Auditors' Remuneration		
– Statutory Audit Fees	3.00	2.50
– Other Services	4.07	2.95
– Reimbursement of Expenses	1.24	1.74
– Tax Audit Fees	0.60	0.50
Cost Auditor's Fees	0.84	0.70
Secretarial Audit Fee	0.84	0.60
Internal Auditor's Fee	5.40	4.50
Internal Auditor's Expenses	0.45	0.75
Directors' Sitting Fees	17.60	10.68
Design & Development Expenses	16.31	11.03
Warranty Claims	9.17	15.41
Loss on Sale of Fixed Assets	1.30	-
Bank Charges	1.31	0.72
Interest & Penalties	0.93	0.10
Testing Charges	3.05	5.03
Security Services	80.50	63.00
Miscellaneous Expenses	19.73	36.35
	<u>1,576.68</u>	<u>1,420.39</u>

2.29 CAPITAL MANAGEMENT

Equity share capital and other equity are considered for the purpose of company's capital management.

The company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to the shareholders. The capital structure of the company is based on management's judgment of its strategic and day to day needs with a focus on total equity so as to maintain investors, creditors and market confidence.

The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

A. Debt/Equity Ratio (Rs. in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
– Net Debts	2,451.53	3,600.04
Total	<u>2,451.53</u>	<u>3,600.04</u>
– Total Equity		
– Share Capital	239.77	239.77
– Other Equity Capital	3643.51	3254.92
Total	<u>3883.28</u>	<u>3494.69</u>
Net Debts to Equity Ratio	0.63	1.03

B. Dividends (Rs. in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
– Final Dividend for the year ended 31st March, 2023 @ Rs 4 per equity share	95.91	–
– Final Dividend for the year ended 31st March, 2022 of Rs 3.50 per share	–	–

In addition to above paid dividends, dividend of Rs 4.50 per equity share proposed by the board of directors for the year ended 31st March, 2024 is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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2.30 FINANCIAL INSTRUMENTS

(Refer Note 1.13)

Categories of Financial Assets and Liabilities as at 31st March, 2024

(Rs. in Lakhs)

Particulars	Amortised Cost	Fair Value through Profit & Loss	Fair Value through OCI	Total Carrying Value	Total Fair Value
Non-Current Assets					
- Loans	-	-	-	-	-
- Other Financial Assets	499.29	-	-	499.29	499.29
	<u>499.29</u>	<u>-</u>	<u>-</u>	<u>499.29</u>	<u>499.29</u>
Non Current Liabilities					
- Loans	15.08	-	-	15.08	15.08
- Other Financial Liabilities	5.13	-	-	5.13	5.13
	<u>20.21</u>	<u>-</u>	<u>-</u>	<u>20.21</u>	<u>20.21</u>
Current Assets					
- Trade Recievables	3676.36	-	-	3676.36	3676.36
- Cash & Cash Equivalentts	509.70	-	-	509.70	509.70
- Other Financial Assets	109.46	-	-	109.46	109.46
	<u>4295.52</u>	<u>-</u>	<u>-</u>	<u>4295.52</u>	<u>4295.52</u>
Current Liabilities					
- Trade Payables	4057.19	-	-	4057.19	4057.19
- Loans	6.04	-	-	6.04	6.04
- Other Financial Liabilities	2440.38	-	-	2440.38	2440.38
	<u>6503.61</u>	<u>-</u>	<u>-</u>	<u>6503.61</u>	<u>6503.61</u>

Categories of Financial Assets and Liabilities as at 31st March, 2023

(Rs. in Lakhs)

Particulars	Amortised Cost	Fair Value through Profit & Loss	Fair Value through OCI	Total Carrying Value	Total Fair Value
Non-Current Assets					
- Loans	-	-	-	-	-
- Other Financial Assets	1069.98	-	-	1069.98	1069.98
	<u>1069.98</u>	<u>-</u>	<u>-</u>	<u>1069.98</u>	<u>1069.98</u>
Non Current Liabilities					
- Loans	6.37	-	-	6.37	6.37
- Other Financial Liabilities	887.82	-	-	887.82	887.82
	<u>894.19</u>	<u>-</u>	<u>-</u>	<u>894.19</u>	<u>894.19</u>
Current Assets					
- Trade Recievables	3701.05	-	-	3701.05	3701.05
- Cash & Cash Equivalentts	1358.61	-	-	1358.61	1358.61
- Other Financial Assets	268.76	-	-	268.76	268.76
	<u>5328.42</u>	<u>-</u>	<u>-</u>	<u>5328.42</u>	<u>5328.42</u>
Current Liabilities					
- Trade Payables	5023.23	-	-	5023.23	5023.23
- Loans	206.55	-	-	206.55	206.55
- Other Financial Liabilities	2519.25	-	-	2519.25	2519.25
	<u>7749.03</u>	<u>-</u>	<u>-</u>	<u>7749.03</u>	<u>7749.03</u>

Financial Risk Management Framework

Company activities expose to financial risks viz Credit risks and Liquidity risks.

Credit Risk: -

Credit Risk is the risk of financial loss to the company if a customer or counter party to financial instrument fails to meet its contractual obligations, and arises principally from the company's recoverable from customers, deposits with banks and other financial instruments. The carrying amount of financial assets represents the maximum credit risk exposures.

Credit Risk management

- Majority of the company's receivables pertains to OEMs. Based on the overall credit worthiness of receivables and looking into their past record, company expect minimum risks with regard to its outstanding receivables. There is standard mechanism to periodically track the outstanding amounts and assess the same with regard to its realization and creates the provision against dues doubtful to realize. Company expects all the debtors to be realized in full except the provisions stated in the financials.
- Credit risk on cash and cash equivalents is limited as company generally invests in Fixed deposits with banks.

Liquidity Risk: -

Liquidity risk is the risk that the company will encounter the difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities, when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

Liquidity Risk management

The company's primary source of liquidity includes bank deposits, credit facilities from bank and cash flows from operating activities. The company manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows and by matching profiles of financial assets and liabilities.

Financial Liabilities include trade payables, capital subsidy, unpaid / unclaimed dividends etc which are in the normal course of business having maturity of less than 1 year and interest bearing loans.

Company believes its revenue, along with proceeds from financing activities will continue to provide the necessary funds to cover its short-term liquidity needs. In addition, the company projects cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios and maintaining debt financing plans.

Following is the tabulated summary of balance contractual maturity for its financial liabilities with agreed repayment periods based on the date on which these are required to pay.

As at 31st March, 2024 (Rs. in Lakhs)

Particulars	Less than One year	One to Three Years	More than 3 years
- Trade Payables	4025.72	31.47	-
- Other Financial Liabilities	2446.42	-	-
	<u>6472.14</u>	<u>31.47</u>	<u>-</u>

As at 31st March, 2023 (Rs. in Lakhs)

Particulars	Less than One year	One to Three years	More than 3 years
- Trade Payables	5013.85	9.38	-
- Other Financial Liabilities	2725.80	-	-
	<u>7739.65</u>	<u>9.38</u>	<u>-</u>

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The Company had a working capital of Rs. 706.62 Lakhs including unrestricted cash and cash equivalents of Rs.123.42 Lakhs as at 31st March, 2024.

The Company had a working capital of Rs.1308.67 Lakhs including unrestricted cash and cash equivalents of Rs.49.19 Lakhs as at 31st March, 2023. Accordingly, company does not perceive any liquidity risks.

2.31 ADDITIONAL DISCLOSURE AS PER MCA NOTIFICATION DATED 24.03.2021

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current Ratios (Times) (Current Assets / Current Liabilities)	1.10	1.16
Debt- Equity Ratio (Times) [(Long-term borrowing including current maturities + short-term borrowing) / Total equity]	0.63	1.03
Debt Service Coverage ratio (Times) [(Earnings before interest, depreciation, tax and exceptional items) / (Interest expense on short-term and long-term borrowings + scheduled principal repayment of long-term borrowing during the year)]	0.82	2.60
Return on Equity ratio (%) %(Net Profits after taxes / Average Shareholder's Equity)	13.1%	14.1%
Inventory Turnover ratio (Times) (Cost of material consumed / Average inventories)	10.45	12.50
Trade Receivable Turnover Ratio (Times) (Revenue from sales of goods service / Average trade receivables)	8.34	8.46
Trade Payable Turnover Ratio (Times) (Cost of goods purchased / Average trade payable)	5.23	5.62
Net Capital Turnover Ratio (Times) (Revenue from contract with customers / Average working capital)	30.52	27.26
Net Profit ratio % (Profit / (loss) for the period / Revenue from operations)	1.6%	1.5%
Return on Capital Employed (%) (Earnings before interest and taxes / Average capital employed)	16.6%	17.2%
Return on Investment (%) (Return on Investment made in FDRs/Average Value of Investment made in FDRs)	5.0%	6.2%

Explanation for change in the ratios by more than 25%:

- (i) **Debt - Equity Ratio (Times):** - The debt to equity ratio for current year @ 0.63 improved against 1.03 reported in previous year primarily due to voluntarily repayment of borrowings during the year.
- (ii) **Debt Service Coverage Ratio (Times):** - The debt service coverage ratio for current year @ 0.82 improved against 2.60 reported in previous year primarily due to voluntarily repayment of borrowings during the year.

2.32 CONTINGENT LIABILITIES

(Not provided for in Accounts as certified by the Management)

Particulars	As at 31st March	
	2024 (Rs. in lakhs)	2023 (Rs. in lakhs)
Claims against the company, not acknowledged as debts*		
Telephone & Telex	–	1.47
Employees / Workers	13.00	13.00
Pending C/H-Forms (Tax Value)	3.86	11.73

* Amounts have been identified based on current status of the cases and does not include interest & other charges, if any.

2.33 CAPITAL COMMITMENTS

Particulars	As at 31st March	
	2024 (Rs. in lakhs)	2023 (Rs. in lakhs)
Estimated amount of contracts remaining to be executed on capital account (Net of advances)	51.35	176.60

2.34 CURRENT ASSETS / CURRENT LIABILITIES

All current assets, loans and advances are in the ordinary course of business and have a value on realisation at least equal to the amount at which they are stated in the financials.

2.35 SEGMENT REPORTING

Company's principal business covers two primary business segments, viz. "Automobile Components" and "Agriculture Implements". Segment revenue, segments results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments and also include amount allocable on reasonable basis. Items which are not directly relatable to the identified segments are shown as unallocated. The disclosure requirements of Ind AS – 108 "Operating Segments" are given below: -

Particulars	For the year ended 31st March	
	2024 (Rs. in lakhs)	2023 (Rs. in lakhs)
Segment Revenue :-		
– Automobile Components	14649.84	13835.60
– Agriculture Implements	16102.07	16543.32
Total	<u>30751.91</u>	<u>30378.92</u>
Segment Results [before finance cost and other unallocable income /(loss)]: -		
– Automobile Components	1060.33	992.75
– Agriculture Implements	356.96	167.71
Total	<u>1417.29</u>	<u>1160.46</u>
Less :		
– Finance Cost	278.55	264.21
– Unallocable Expense (net of Income)	460.49	276.49
Total	<u>678.25</u>	<u>619.76</u>

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Segment Assets :-

– Automobile Components	6076.17	5828.03
– Agriculture Implements	3889.51	4198.49
– Unallocable	1247.86	3000.33
Total	11213.54	13026.85

Segment Liabilities :-

– Automobile Components	3215.27	3030.55
– Agriculture Implements	1657.06	2887.59
– Unallocable	2457.93	3614.01
Total	7330.26	9532.15

2.36 RELATED PARTY DISCLOSURES

Related party disclosures for the year ended 31st March, 2024 are as follows:-

– Holding Company	b4S Solutions Pvt. Ltd.
– Associate Company	Bhardwaj Packaging and Components Pvt. Ltd.
– Associate Company	SAB Motors Pvt. Ltd.
– Associate Company	ASB Automobiles Pvt. Ltd.
– Associate Company	Insulation & Electrical Products Pvt. Ltd.
– Key Management Personnel (Chairman)	Shri Rajiv Sharma
– Key Management Personnel (Managing Director)	Shri Rama Kant Sharma
– Key Management Personnel (Executive Director - Finance)	Smt. Namrata Jain
– Key Management Personnel (Independent Director)	Shri Jamil Ahmad
– Key Management Personnel (Independent Director)	Shri K.N. Aggarwal
– Key Management Personnel (Independent Director)	Shri Uttam Sahay
– Key Management Personnel (Company Secretary)	Shri Gagan Kaushik
– Key Management Personnel (Financial Controller)	Shri Kulvinder Singh

Enterprises over which KMP's exercise significant influence

– Associate Company	b4S Infratech Pvt Ltd
– Associate Company	Forus Trading LLP
– Associate Company	Vascoda Holiday Resort Private Limited
– Associate Company	b4S Motors private Limited
– Associate Company	Saral Network Services Private Limited
– Associate Company	Bhardwaj Networks
– Associate Company	Bhardwaj Enterprises
– Associate Company	Can – N – Cans
– Associate Company	Aakash Enterprises
– Associate Company	Bhardwaj Trading Company
– Associate Company	Rams Services
– Associate Company	Meraki Hospitality

Relatives of Director's and KMP's

– Close relation with Shri Rajiv Sharma	Anuradha Sharma
– Close relation with Shri Rajiv Sharma	Tushar Sharma
– Close relation with Shri Rajiv Sharma	Adithya Sharma
– Close relation with Shri Rajiv Sharma	S.B. Sharma
– Close relation with Shri Rajiv Sharma	Saroj Sharma
– Close relation with Shri Rajiv Sharma	Usha Sharma
– Close relation with Shri Rama Kant Sharma	Kusum Lata Sharma
– Close relation with Shri Rama Kant Sharma	Aakash Bhardwaj
– Close relation with Shri Rama Kant Sharma	Sagar Bhardwaj
– Close relation with Shri Rama Kant Sharma	Shiv Kant Sharma
– Close relation with Shri Rama Kant Sharma	Rajeev Bhardwaj
– Close relation with Smt. Namrata Jain	Viraja Gupta
– Close relation with Smt. Namrata Jain	Sunil Jain
– Close relation with Smt. Namrata Jain	Sarita Jain
– Close relation with Smt. Namrata Jain	Bharkha Jain
– Close relation with Shri Jamil Ahmad	Zubaida Khatoon
– Close relation with Shri Jamil Ahmad	S.M. Tariq
– Close relation with Shri Jamil Ahmad	S.M. Khalid
– Close relation with Shri Jamil Ahmad	Maryam Sayeda
– Close relation with Shri Jamil Ahmad	Sara Sayeda
– Close relation with Shri Jamil Ahmad	Sheheen Tabassum
– Close relation with Shri Jamil Ahmad	Yasmmen Tabassum
– Close relation with Shri Jamil Ahmad	Sardar Ali
– Close relation with Shri Jamil Ahmad	Mohammad Saif
– Close relation with Shri Jamil Ahmad	Mohd. Yasin
– Close relation with Shri Jamil Ahmad	Aqil Ahmad
– Close relation with Shri Jamil Ahmad	Mohd. Mustaqim
– Close relation with Shri K.N. Aggarwal	Neelam
– Close relation with Shri K.N. Aggarwal	Shubham Shah
– Close relation with Shri K.N. Aggarwal	Ramya Shah
– Close relation with Shri Uttam Sahay	Awantika Sahay
– Close relation with Shri Uttam Sahay	Jayati Sahay
– Close relation with Shri Uttam Sahay	Pramod Bihari Sahay
– Close relation with Shri Gagan Kaushik	Neha Kaushik
– Close relation with Shri Gagan Kaushik	Shiv Kumar Kaushik
– Close relation with Shri Gagan Kaushik	Madhubala Sharma
– Close relation with Shri Kulvinder Singh	Amanpreet Kaur
– Close relation with Shri Kulvinder Singh	Sukhwinder Singh
– Close relation with Shri Kulvinder Singh	Swaran Kaur

SAL AUTOMOTIVE LIMITED

A) Transactions with Related Parties:	Holding Company (Rs. in Lakhs)	Associate Company (Rs. in Lakhs)
a) Purchase of Raw Material / Tools & Dies	-	807.44
– Bhardwaj Packaging & Components Pvt. Ltd.	-	(598.83)
– Insulation & Elctrical Products Pvt. Ltd.	-	47.53
	-	(52.60)
	-	759.91
	-	(546.23)
b) Purchase of Fixed Assets	48.76	23.36
– SAB Motors Pvt. Ltd.	(40.06)	-
– b4S Solutions Pvt. Ltd.	-	23.36
	-	-
	48.76	-
	(40.06)	-
c) Expenditure in respect of services received	1,239.60	3.95
– b4S Solutions Pvt. Ltd.	(1,034.96)	(4.32)
– SAB Motors Pvt. Ltd.	1,239.60	-
	(1,034.96)	-
	-	3.95
	-	(4.32)
d) Dividend Paid	71.93	-
– b4S Solutions Pvt.Ltd.	-	-
	71.93	-
	-	-

Note : Previous Year Figures are in Bracket.

B) Closing Balances : Payables / (Receivables) :-

Particulars	As at 31st March	
	2024 (Rs. in Lakhs)	2023 (Rs. in Lakhs)
b4S Solutions Pvt. Ltd.	65.48	169.66
Bhardwaj Packaging and Components Pvt. Ltd.	2.53	5.43
SAB Motors Pvt. Ltd.	6.81	0.43
Insulation & Electrical Products Pvt. Ltd.	49.49	55.20
	124.31	230.72

C) Key Management Personnel

Particulars	For the Year ended 31st March	
	2024 (Rs. in Lakhs)	2023 (Rs. in Lakhs)
Remuneration (short-term employee benefits)*	178.63	121.77
Director's Sitting Fee	17.60	10.68
Reimbursement of Expenses	11.15	6.49

The above said remuneration is excluding provision for Gratuity & Leave Encashment, where the actuarial valuation is done on overall company basis

D) Other than above

Particulars	For the Year ended 31st March	
	2024 (Rs. in Lakhs)	2023 (Rs. in Lakhs)
Remuneration (Short term employee benefits)	6.83	-

2.37 EARNING PER SHARE (EPS)

Particulars	For the Year ended 31st March	
	2024 (Rs. in Lakhs)	2023 (Rs. in Lakhs)
a) Profit attributable to equity shareholder (Rs. Lakhs)	484.49	460.67
b) Basic/Weighted average number of equity shares	23,97,713	2,397,713
c) Basic / Diluted Earnings Per Share (a/b)	20.21	19.21

2.38 PRODUCT SALES & CONSUMPTION OF MATERIALS

Information about Production, Sales & Stocks, as certified by the management.

A. Production, Sales & Stock of Finished Goods

Particulars	Units	For the Year ended 31st March	
		2024	2023
i) Seats-Others			
Opening Stock	Nos	430	349
Production	"	11760	11814
Sales	"	12045	11733
Closing Stock	"	145	430
ii) Seats for Tractors			
Opening Stock	Nos	1631	1217
Production	"	192643	207724
Sales	"	193367	207310
Closing Stock	"	907	1631
iii) Seat Components			
Opening Stock	Nos	66018	44723
Production	"	2205280	1867488
Sales	"	2196972	1846193
Closing Stock	"	74326	66018
iv) Agriculture Implements			
Opening Stock	Nos	210	1
Production	"	24470	23977
Sales	"	24540	23768
Closing Stock	"	140	210
v) Sales of Products		Rs in Lakhs	Rs in Lakhs
Seat Components		2267.65	2248.25
Seat - Others		291.13	380.89
Tractor Seat and Parts		7786.36	8222.40
Seat Frames		4011.30	2553.55
Agriculture Implements		15882.75	16364.25
Others incl Tools & Dies		112.46	235.95
		<u>30351.65</u>	<u>30005.29</u>

SAL AUTOMOTIVE LIMITED

B a) Consumption of Raw Material & Components

Particulars	Units	For the Year ended 31st March			
		2024		2023	
		Qty. (Rs. in Lakhs)		Qty. (Rs. in Lakhs)	
PU Foam Material	MT	222.66	478.10	221.03	511.19
CRCA COIL & Strip	MT	938.74	801.78	958.72	858.37
Paints & Chemicals	MT	240.01	434.88	282.68	543.07
HR Sheet, Pipe, Tube, Flat etc	MT	7801.88	4924.96	6949.21	5157.98
PVC Cloth/Trim & Components			464.44		383.11
Bought out Parts for Seat Mechanism			1121.02		1318.14
Bought out Parts for Seats			3045.80		3594.47
Bought out Parts for Seat Frames			1135.51		811.90
Bought out Parts for Agricultural Implements			10307.24		10646.99
Packing Materials			84.91		206.27
Job Work Charges			354.84		277.98
Others			729.43		519.37
			23882.91		24828.84

Notes :

- (i) It is not feasible to furnish quantitative information of all the components in view of large number of items varied in size and nature.
- (ii) Quantities and values of all items in Analysis of Raw Materials consumed represent the issues from stores made during the year. The figure of others is a balancing figure, based on total consumption shown as above and includes adjustments for excess / shortage found on physical verification.

b) Value of imported and indigenous Raw Materials & Components, Stores and Spares etc. consumed & percentage of each to total consumption

Particulars	For the Year ended 31st March			
	2024		2023	
	%age	(Rs. Lakhs)	%age	(Rs. Lakhs)
a) Raw Material & Components				
i) Imported	-	-	-	-
ii) Indigenous	100	23882.91	100	24828.84
	100	23882.91	100	24828.84
b) Stores & Spares				
i) Imported	-	-	-	-
ii) Indigenous	100	24.80	100	28.60
	100	24.80	100	28.60

2.39 EMPLOYEE DEFINED BENEFITS:

(Defined benefit plans - as per Actuarial Valuations)

Particulars	As at 31st March	
	2024 (Rs. in Lakhs)	2023 (Rs. in Lakhs)
i) Expenses Recognised in the Statement of Profit & Loss Account		
a) Past Service Cost	-	-
b) Current Service Cost	24.46	23.30
c) Net Interest Cost / (Income)	3.96	5.13
d) Defined benefit cost recognised during the year	28.42	28.43
ii) Amount to be Recognised in the Balance Sheet		
a) Present Value of Obligation at the end of the year	(262.99)	(310.61)
b) Fair Value of Plan Assets at the end of the year	174.97	228.60
c) Funded Status [Surplus / (Deficit)]	(88.02)	(82.01)
d) Net Liability arising from Obligation	88.02	82.01
iii) Change in the Present Value of Obligations		
a) Present value of obligations at the beginning of the year	310.61	326.18
b) – Interest Cost	18.28	20.99
– Past Service Cost	-	-
– Current Service Cost	24.46	23.30
c) Benefits Paid	(125.16)	(72.49)
d) Remeasurement (Gain) / Loss		
– Experience Adjustment	33.68	3.89
– Difference in Present Value of Obligations	1.12	8.74
e) Present value of Obligations at the end of the year	262.99	310.61
iv) Change in the Present Value of Plan Assets		
a) Fair Value of Plan Assets at the beginning of the year	228.61	225.55
b) Expected Return on Plan Assets	14.32	15.86
c) Contribution by the Employer	56.45	59.41
d) Withdrawal	(125.16)	(72.49)
e) Remeasurement Gain / (Loss) : Return on Plan Assets	0.75	0.28
f) Fair Value of Plan Assets at the end of the year	174.97	228.61
v) The major categories pf plan assets as a percentage of total plan funded with LIC	100%	100%

SAL AUTOMOTIVE LIMITED

vi) Actuarial Assumptions

a) Imputed Rate	7.24%	7.37%
b) Expected rate of return on plan assets	7.37%	7.24%
c) In-Service Mortality	IAL 2012-14 Ultimate	IAL 2012-14 Ultimate
d) Turnover Rate	12% / 5%	12% / 5%
e) Salary Rise - Officers / Workers	8% / 5%	8% / 5%
f) Remaining Working Life	22.68 Yrs	21.97 Yrs

The Sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(Rs. in Lakhs)

Principal Assumptions	Changes in Assumptions	Increase / (Decrease) Impact on defined obligations		
		Increase in Assumption	Decrease in Assumption	
Discount Rate	2024	1.00%	(8.30)	9.06
	2023	1.00%	(8.66)	9.39
Salary Growth Rate	2024	1.00%	8.26	(7.78)
	2023	1.00%	8.72	(8.21)

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous period.

2.40 COMPENSATED ABSENCES (UNFUNDED)

The leave obligations cover the Company's liability for sick and casual leaves. The Company does not have an unconditional right to defer settlement for the obligations shown as current provision balance above.

However, based on the past experience, the company does not expect all employees to take the full amount of accrued leave or require payments within the next 12 months, therefore based on the independent actuarial report only a certain amount of provision has been presented as current and remaining as non-current. An amount of **Rs.56.36 Lakhs** (2023 Rs. 27.19 Lakhs) has been recognized in the statement of profit & loss.

Particulars	As at 31st March	
	2024 (Rs. in Lakhs)	2023 (Rs. in Lakhs)
Current	48.25	51.37
Non-Current	119.50	117.37

2.41 RESEARCH AND DEVELOPMENT EXPENDITURE

Particulars	For the Year Ended 31st March	
	2024 (Rs. in Lakhs)	2023 (Rs. in Lakhs)
(a) Revenue Expenditure (Charged to Statement of Profit & Loss)	16.31	11.03
(b) Capital Expenditure (Capitalised under CWIP / Assets)	13.50	—
	<u>29.81</u>	<u>11.03</u>

2.42 MOVEMENT IN PROVISIONS FOR WARRANTY OBLIGATIONS

Particulars	For the Year ended 31st March	
	2024 (Rs. in Lakhs)	2023 (Rs. in Lakhs)
(a) As at the beginning of the year	15.84	6.99
(b) Provided during the year	5.46	8.85
(c) Reversed during the Year	-	-
(d) Utilised during the Year	-	-
(e) As at the end of the year	21.30	15.84

2.43 MOVEMENT IN PROVISIONS FOR DOUBTFUL DEBTS AND ADVANCES

Particulars	For the Year ended 31st March	
	2024 (Rs. in Lakhs)	2023 (Rs. in Lakhs)
(a) As at the beginning of the year	34.33	20.44
(b) Provided during the year	28.71	13.89
(c) Written off during the year	-	-
(d) As at the end of the year	63.04	34.33

2.44 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

a) **Derivative Outstanding :-**

Currency	Payable / Receivable	As at 31.03.2024	As at 31.03.2023
US\$	-	-	-

b) **Unhedged Foreign Currency Exposures :-**

Currency	Payable / Receivable	As at 31.03.2024	As at 31.03.2023
US\$ / INR	Payable	-	-
US\$ / INR	Receivable	-	-

2.45 AGEING SCHEDULE FOR CAPITAL WORK IN PROGRESS

(Rs. in lakhs)

Particulars	< 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
(i) Projects in Progress	26.61	18.13	-	-	44.74
(ii) Projects temporarily Suspended	-	-	-	-	-
Total	26.61	18.13	-	-	44.74

2.46 Previous year figures have been regrouped/ recasted / rearranged wherever necessary to make them comparable.

SAL AUTOMOTIVE LIMITED

As per our report of even date attached

For MANGLA ASSOCIATES
Chartered Accountants (FRN006796C)

A.P. MANGLA
Partner
Membership No. 080173
UDIN: 24080173BKEJOZ8627

Ghaziabad, 29th May, 2024

The Notes referred to above form an integral part of these financial statements.

FOR AND ON BEHALF OF THE BOARD

RAJIV SHARMA
Chairman

NAMRATA JAIN
Executive Director- Finance

R.K. SHARMA
Managing Director

GAGAN KAUSHIK
Company Secretary

Ghaziabad, 29th May, 2024

CASH FLOW STATEMENT for the period ended 31st March, 2024 (Rs. in Lakhs)

Particulars	For the Year ended	
	31st March, 2024	31st March, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	678.25	619.76
Adjustments for :		
Depreciation	410.61	307.52
Interest	278.55	264.21
Interest Income	(78.76)	(142.57)
Profit / Loss on Fixed Assets Disposed / Write off	1.30	-
Actuarial Gain / (Loss) on re-measurement of defined benefit Liability	<u>(34.04)</u>	<u>(12.35)</u>
	<u>577.66</u>	<u>416.81</u>
Operating Profit before Working Capital Changes	1,255.91	1,036.57
Adjustments for:		
Trade Receivables	24.69	(220.06)
Inventories	263.91	(936.86)
Loans & Advances	650.61	815.30
Provision for Earned Leave & Gratuity	5.02	(21.45)
Provision for Doubtful Debts, Warranty & Advances	(37.16)	(19.79)
Trade Payables	<u>(966.04)</u>	<u>987.25</u>
	<u>(58.97)</u>	<u>604.39</u>
Cash Generated From Operations	1,196.94	1,640.96
Direct taxes refund/(paid)	(103.57)	20.26
Net Cash From Operating Activities	<u>1,093.37</u>	<u>1,661.22</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property Plant & Equipment	(420.43)	(1,124.33)
Sale of Property, Plant & Equipment	11.15	-
Interest received	78.76	142.57
Net Cash Used in Investing Activities	<u>(330.52)</u>	<u>(981.76)</u>

SAL AUTOMOTIVE LIMITED**(Rs. in Lakhs)**

Particulars	For the Year ended		
	31st March, 2024	31st March, 2023	
C. CASH FLOW FROM FINANCING ACTIVITIES			
Bank Loans	240.58		1,105.34
Repayment of Corporate Loans	(1,389.09)		(219.78)
Dividend paid	(95.90)		-
Lease Payments	(88.80)		(49.60)
Interest Paid	(278.55)	(1,611.76)	(264.21)
			<u>571.75</u>
Net Cash Used in Financing Activities		(1,611.76)	<u>571.75</u>
Net Increase/(Decrease) in Cash & Cash Equivalents		(848.91)	<u>1,251.21</u>
Opening Cash & Cash Equivalents		1,358.61	107.40
Closing Cash & Cash Equivalents		509.70	1,358.61

Notes:

- 1) The above Cash Flow Statement has been prepared in accordance with Ind AS - 7 "Statement of Cash Flow" using indirect method for operating activities.
- 2) Figures in bracket indicate the cash outgo.
- 3) Previous year figures have been regrouped wherever found necessary.

This is the Cash Flow Statement referred to in our report of even date.

For **MANGLA ASSOCIATES**
Chartered Accountants (FRN006796C)

FOR AND ON BEHALF OF THE BOARD

A.P. MANGLA
Partner
Membership No. 080173
UDIN: 24080173BKEJOZ8627

RAJIV SHARMA
Chairman

NAMRATA JAIN
Executive Director- Finance

R.K. SHARMA
Managing Director

GAGAN KAUSHIK
Company Secretary

Ghaziabad, 29th May, 2024

Ghaziabad, 29th May, 2024