

**SAL AUTOMOTIVE LIMITED**  
(Formerly, Swaraj Automotives Ltd.)

**Works :**  
Kakrala Rd. Nabha-147201  
Distt. Patiala, Punjab (INDIA)  
Tel.: 87250-48988, 01765-221286  
E-mail : info@salautomotive.in  
CIN : L45202PB1974PLC003516



SAL/02/SP/BSE/2022-23

30<sup>th</sup> August, 2022

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

**Sub.: Annual Report along with the Notice of the 47<sup>th</sup> 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 2021-22 including the Notice of the Company's 47<sup>th</sup> Annual General Meeting (AGM), which is also being sent through electronic mode to the Members.

The 47<sup>th</sup> AGM of the Company will be held on **Monday, 26<sup>th</sup> September, 2022 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](http://www.salautomotive.in)

You are requested to kindly take the same on records.

For **SAL Automotive Limited**

  
**Gagan Kaushik**  
**(Company Secretary)**  
**F8080**

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**Works Dharwad:** 183 / I, Belur Industrial Area, Dharwad, Distt. Dharwad, Karnataka -580011  
**Works Rudrapur :** 11-A, Vill-Rameshwarpur, Rudrapur, Distt. Udham Singh Nagar, Uttrakhand-263148  
**Regd. Office :** C-127, IV Floor, Satguru Infotech, Phase - VIII, Industrial Area, SAS Nagar (Mohali), Punjab - 160071  
**Website :** www.salautomotive.in



# ANNUAL REPORT 2022



**SAL AUTOMOTIVE LIMITED**  
(Formerly Swaraj Automotives Limited)

## **SAL Automotive Limited** (Formerly Swaraj Automotives Ltd.)

**Company Secretary**  
GAGAN KAUSHIK

**Chief Financial Officer**  
JAGDISH LAL RAHEJA

**Auditors**  
M/S MANGLA ASSOCIATES  
Chartered Accountants

**Bankers**  
STATE BANK OF INDIA  
AXIS BANK LIMITED  
ICICI BANK LIMITED

**Registered Office**  
C-127, IV Floor, Satguru Infotech  
Phase VIII, Industrial Area,  
S.A.S.Nagar (Mohali)  
Punjab -160 062

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

### **Website**

[www.salautomotive.in](http://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

K.N. AGRAWAL

NAMRATA JAIN



**ANNUAL GENERAL MEETING**  
on Monday, 26th September, 2022  
Through Video Conferencing

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## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 47th Annual General Meeting of SAL Automotive Limited ("Company") will be held on Monday, 26th September, 2022 at 3:00 PM (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 31st March, 2022 and the Reports of the Auditors' and the Directors' thereon.
2. To appoint a Director in place of Ms. Namrata Jain (DIN 07310940) who retires by rotation and, being eligible, offers herself for re-appointment.
3. To re-appoint M/s. Mangla Associates, Chartered Accountants (ICAI Firm Registration No.: 006796C) as Statutory Auditors of the Company for a period of 5 years.

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. Mangla Associates, Chartered Accountants (ICAI Firm Registration No.: 006796C), be and are hereby re-appointed as the Statutory Auditors of the Company for a continuous term of five years to hold office from the conclusion of this Annual General Meeting till the conclusion of Annual General Meeting of the Company to be held in the calendar year 2027, on such terms and conditions including remuneration (plus taxes, as applicable and reimbursement of out-of-pocket expenses, if any,) as may be fixed by the Board of Directors of the Company, based on the recommendations of the Audit Committee and/or provided in the explanatory statement.

RESOLVED FURTHER THAT the Board of Directors (which term shall be deemed to include any committee thereof) of the Company be and is hereby authorized to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds and things, as may be necessary, expedient and desirable, for the purpose of giving effect to this resolution".

### **SPECIAL BUSINESS**

4. 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 thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee, the remuneration payable to M/s Aggarwal Vimal & Associates, Cost Accountants having Firm Registration No. 000350, 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 31st March, 2023, amounting to Rs. 70,000/- (Rupees Seventy 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 and confirmed.

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

BY ORDER OF THE BOARD  
FOR SAL Automotive Limited

## **SAL AUTOMOTIVE LIMITED**

(Formerly Swaraj Automotives Limited)

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Phase-VIII, Industrial Area,  
S.A.S. Nagar (Mohali), Punjab - 160 062  
Tel: 0172-4650377, Fax: 0172-4650377  
Email: kaushik.gagan@salautomotive.in  
Website: www.salautomotive.in  
CIN: L45202PB1974PLC003516  
Place : Ghaziabad  
Date : 10th August, 2022

(GAGAN KAUSHIK)  
**Company Secretary**  
**Membership No. 8080**

### **NOTES**

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act") with respect to the special business set out in the Notice is annexed.
2. In view of the COVID-19 pandemic, social distancing is to be a pre-requisite and pursuant to the General Circular No. 2/2022 date May 05, 2022, 20/2021 dated December 8, 2021 along with General Circular Nos. 10/2021 dated June 23, 2021, 39/2020 dated December 31, 2020, 33/2020 dated September 28, 2020, 22/2020 dated June 15, 2020, 17/2020 dated April 13, 2020 and 14/2020 dated April 8, 2020, issued by the Ministry of Corporate Affairs (collectively referred to as 'MCA Circulars'), Annual General Meeting of a company to be held in calendar year 2022 can be held through video conferencing (VC) or other audio visual means (OAVM) and members of the Company joining through VC/ OVAM shall be reckoned for the purpose of quorum under section 103 of the Act. Further, all resolutions in the meeting shall be passed through the facility of e-voting/electronic system.
3. In accordance with the MCA Circulars, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. The proxy form and attendance slip are thereby not forming part of this Notice.
4. As per the MCA Circulars read with the Circulars dated May 12, 2020, January 15, 2021 and May 13, 2022 issued by the Securities and Exchange Board of India ('SEBI Circulars'), physical copies of the Notice of this AGM and Annual Report 2022-23 including financial statements (along with Board's report, Auditor's report or other documents required to be attached therewith), shall be sent only by email to the members (at their registered email) as on 26/08/2022 to those members 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. However, a shareholder may demand the physical copy of the Notice of this AGM and Annual Report 2022-23 by writing us at kaushik.gagan@salautomotive.in.
5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at salautomotive.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com
6. Those members whose email IDs are not registered, are requested to register their email ID with Registrar & Share Transfer Agent i.e. MCS Share Transfer Agent Limited by writing an email either to the R&TA at admin@mcsregistrars.com or to the Company at kaushik.gagan@salautomotive.in carrying the following details:
  - I. Name as registered with the R&TA;
  - II. Address;
  - III. E- mail;
  - IV. Copy of PAN;
  - V. DPID/Client ID or Folio Number; and
  - VI. Number of shares held.

7. Post successful registration of the email, the member would get soft copy of the Annual Report 2021-22 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](mailto:admin@mcsregistrars.com) or [kaushik.gagan@salautomotive.in](mailto:kaushik.gagan@salautomotive.in)
8. Those members who have already registered their email addresses are requested to keep their email addresses validated with their Depository Participants / the Company's Registrar and Share Transfer Agent, MCS Share Transfer Agent Limited to enable servicing of notices / documents / Annual Reports electronically to their email address.
9. 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.
10. 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.
11. 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, 2022 on the website of the Company ([www.salautomotive.in](http://www.salautomotive.in)), as also on the website of the IEPF Authority.
12. 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](http://www.iepf.gov.in).
13. Please note that the Notice calling the AGM along with Annual Report 2021-22 has also been uploaded on the website of the Company at [www.salautomotive.in](http://www.salautomotive.in). The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the same is also available on the website of NDSL (agency for providing the Remote Voting facility) i.e. <https://www.evoting.nsdl.com>.
14. 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, shall be open for inspection on the website of the Company at [www.salautomotive.in](http://www.salautomotive.in).
15. Information regarding particulars of the Director seeking appointment/ re-appointment in terms of Secretarial Standard- 2, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and 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.
16. 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.
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](mailto:kaushik.gagan@salautomotive.in) to enable the Company to collect the relevant information and redress the queries.
18. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st 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 R&TA for assistance in this regard.

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19. SEBI vide its Circular dated November 03, 2021 has made it mandatory for the shareholders holding shares in physical form to furnish PAN, KYC details and Nomination in the prescribed forms to the RTA of the Company. In case of failure to provide required documents and details as per the aforesaid Circular, all folios of such shareholders shall be frozen on or after April 01, 2023 by the RTA. Further, such frozen securities shall be referred by the RTA or the Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as of December 31, 2025.

In order to avoid freezing of folios, 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. A copy of such forms can be downloaded from the website of the Company at [www.salautomotive.in](http://www.salautomotive.in).

20. In case of any query / assistance, members are requested to contact our RTA, at [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com), +91-11-41406149.
21. 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 MCS. 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 MCS 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 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.
  - 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](mailto:kaushik.gagan@salautomotive.in) on or before 20/09/2022. 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. Those members who have registered themselves as a “speaker shareholder” will only be allowed to express their views/ask questions during the meeting.
  - viii. 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
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member using remote e-voting system as well as venue 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 Friday, September 23, 2022 (9:00 AM) (IST) and ends on Sunday, September 25, 2022 (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 Monday, September 19, 2022, 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](mailto: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. Monday, September 19, 2022.
- 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:

**SAL AUTOMOTIVE LIMITED***(Formerly Swaraj Automotives Limited)*

Type of shareholders	Login Method
Individual shareholders holding securities in dematerialized mode with NSDL	<p><b>A. NSDL IDeAS facility</b>            If you are already registered, follow the below steps:</p> <ol style="list-style-type: none"> <li>1. Visit the e-Services website of NSDL. Open web browser and type the following URL: <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a> either on a computer or on a mobile.</li> <li>2. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section.</li> <li>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.</li> <li>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.</li> <li>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.</li> </ol> <p>If you are not registered, follow the below steps:</p> <ol style="list-style-type: none"> <li>1. Option to register is available at <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a>.</li> <li>2. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Please follow steps given in points 1-5.</li> </ol> <p><b>B. E-voting website of NSDL</b></p> <ol style="list-style-type: none"> <li>1. Open web browser and type the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a computer or on a mobile phone.</li> <li>2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.</li> <li>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.</li> <li>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.</li> </ol> <p><b>C.</b> Shareholders/Members can also download NSDL mobile app "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center; margin-top: 20px;"> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p><b>App Store</b></p> </div> <div style="text-align: center;">  <p><b>Google Play</b></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> </div>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>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.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>4. Alternatively, the user can directly access e-voting page by providing demat account number and PAN from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> 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.</li> </ol>
Individual shareholders (holding securities in dematerialized mode) login through their DPs	<ol style="list-style-type: none"> <li>1. You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-voting facility.</li> <li>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.</li> <li>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.</li> </ol>

**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	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

## SAL AUTOMOTIVE LIMITED

(Formerly Swaraj Automotives 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](mailto: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](https://www.evoting.nsdl.com/).

- b. "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto: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 121467 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](mailto:evoting@nsdl.co.in), toll free no: 1800 1020 990/1800 224 430.
  3. Members may send a request to [evoting@nsdl.co.in](mailto: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.
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### **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](mailto: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](mailto: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](mailto: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](mailto:evoting@nsdl.co.in)/ 1800 1020 990 and 1800 224 430 or contact Amit Vishal, Assistant Vice President - NSDL at [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in) / or Sanjeev Yadav, Assistant Manager-NSDL at [sanjeevy@nsdl.co.in](mailto: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 Friday, September 23, 2022 (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](http://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. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of AGM, i.e. Monday, September 26, 2022.
27. Shareholders are requested to fill in and submit the Feedback Form available in the 'Investor' section on the Company's website [www.salautomotive.in](http://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 - 160 062  
Tel: 0172-4650377, Fax: 0172-4650377  
Email: [kaushik.gagan@salautomotive.in](mailto:kaushik.gagan@salautomotive.in)  
Website: [www.salautomotive.in](http://www.salautomotive.in)  
CIN: L45202PB1974PLC003516  
Place : Ghaziabad  
Date : 10th August 2022

BY ORDER OF THE BOARD  
FOR SAL Automotive Limited

(Gagan Kaushik)  
Company Secretary  
Membership No. : 8080

## SAL AUTOMOTIVE LIMITED

(Formerly Swaraj Automotives Limited)

### ANNEXURE TO NOTICE

#### Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the items of the Special Business

##### Item No. 34

The term of the existing Statutory Auditors of the Company, M/s. Mangla Associates, Chartered Accountants (ICAI Firm Registration No.: 006796C), would expire on the conclusion of the forthcoming Annual General Meeting ("AGM") of the Company. They were appointed as the Statutory Auditors of the Company by the shareholders of the Company at their AGM held on 11/08/2017 for a period 5 years till the conclusion of ensuing AGM.

The Board of Directors at their meeting held on 10/08/2022, based on the recommendations of the Audit Committee, have proposed to the shareholders the re-appointment of M/s. Mangla Associates, Chartered Accountants (ICAI Firm Registration No.: 006796C), as the Statutory Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of this AGM till the conclusion of AGM of the Company to be held in the year 2027.

For recommending the re-appointment of M/s. Mangla Associates as the Statutory Auditors of the Company for the above stated term, the Audit Committee and the Board of Directors have considered various factors such as eligibility, integrity, independence of the firm, experience in conducting the audit of listed companies of similar size, nature of operations and industry, experience and competency of the audit team, efficiency and use of techno-analytical skills in conduct of audit, involvement of firm in any civil and criminal litigation which may affect the audit of the Company and found them to be best suited for re-appointment.

M/s. Mangla Associates have given their consent to act as the Statutory Auditors of the Company for the above stated term and have confirmed that their appointment, if made, will be in accordance with the conditions specified under Sections 139 and 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

Details required to be provided as per Regulation 36(3) in relation to the appointment of the Statutory Auditors is provided below:

Particulars	Details
Proposed fees payable to the statutory auditor(s)	Remuneration of Rs. 2,50,000 (Rupees two lakh fifty thousand only) plus applicable taxes and reimbursement of out-of pocket expenses incurred be paid to M/s. Mangla Associates, Chartered Accountants as the Auditors of the Company to conduct the audit for each financial year.  The Board of Directors of the Company subject to the recommendation of Audit Committee may alter the fee structure of M/s Mangla Associates and take other permitted services from them as permitted under the Act/ Listing Regulations.
Terms of appointment	As detailed in resolution/ explanatory statement.
Any material change in the fee payable to the new auditor from that paid to the outgoing auditor along with the rationale for such change.	Not applicable
Brief Profile of the firm.	Mangla Associates is a leading chartered accountancy firm rendering comprehensive professional services which include audit, management consultancy, tax consultancy, accounting services, manpower management, secretarial services etc.

Particulars	Details
	<p>Mangla Associates is a professionally managed firm. The team consists of distinguished chartered accountants, corporate financial advisors and tax consultants. The firm represents a combination of specialized skills, which are geared to offers sound financial advice and personalized proactive services. Those associated with the firm have regular interaction with industry and other professionals which enables the firm to keep pace with contemporary developments and to meet the needs of its clients.</p> <p>Mangla Associates is a hub of multiskilled professionals with the aim of providing value added services in the field of Audit, Accounts, Finance, Taxation.</p> <p>The firm has been incorporated with the objective of providing quality services to corporate and acting as an reliable partner in the pursuit of their objectives. The firm believes in providing synergy to the client's business by providing end to end solutions to all the non core activities relating to the finance.</p> <p>We believe in upholding the highest standards of professional ethics with a dedicated commitment to total quality. We have built up a networked team of dedicated professionals in each field of the services that we offer.</p>

None of the Directors and Key Managerial Personnel and their relatives, are in any way, financially or otherwise, concerned or interested in the passing of the Resolution set out at Item No. 3 of the Notice.

The Board of Directors of the Company recommends the resolution set forth at Item no. 3 of the accompanying Notice for the approval of the shareholders as an Ordinary Resolution.

**Item No. 4**

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment of M/s Aggarwal Vimal & 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, 2023 and subject to the ratification by the members, approved a remuneration of Rs. 70,000/- (Rupees Seventy 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. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2023.

The Board recommends the resolution under item no (4) 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.4 of the Notice.

Regd. Office:  
C-127, IV Floor, Satguru Infotech Phase-VIII, Industrial Area,  
S.A.S.Nagar (Mohali), Punjab-160071  
Tel : 0172-4650377, Fax:0172-4650377

BY ORDER OF THE BOARD  
FOR SAL Automotive Limited

Place : Ghaziabad  
Date : 10th August, 2022

(Gagan Kaushik)  
Company Secretary  
Membership No. F-8080

**SAL AUTOMOTIVE LIMITED**

(Formerly Swaraj Automotives Limited)

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**Annexure-A**

**Disclosure with respect to appointment/re-appointment of Directors as required in terms of Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations.**

Name	Ms. Namrata Jain
<b>Brief Resume</b>	
Nature of expertise in specific functional areas	More than 12 years of experience in corporate finance, project financing and financial research & analysis. She is currently working with b4S Solutions Pvt. Ltd.
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
Names of listed entities from which the person has resigned in the past three years	Nil
Number of Shares held in the Company(including shareholders as	Nil



## REPORT OF THE DIRECTORS TO THE MEMBERS

Your directors have the pleasure of presenting their 47th Annual Report along with the Audited Financial Statements for the year ended March 31, 2022.

### 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 2021-22. The highlights of the financial results of the Company, extracted from the audited financial statements for the FY 2021-22 and previous FY 2020-21, are as under:

<b>Particulars</b>	<b>(Rs. in Crores)</b>	
	<b>Year ended 31<sup>st</sup> March, 2022</b>	<b>Year ended 31<sup>st</sup> March, 2021</b>
Net Revenue from Operations	<b>150.58</b>	94.55
Other Income	<b>1.54</b>	1.40
Total Revenue	<b>152.12</b>	95.95
Profit before Depreciation, Finance Charges and Tax	<b>0.27</b>	2.91
Finance Costs	<b>1.14</b>	0.52
Depreciation & Amortization Expense	<b>2.12</b>	1.54
Exceptional Items	–	–
Profit Before Tax	<b>(2.99)</b>	0.85
<b>Tax Provision</b>		
– Current		–
– Deferred	<b>(0.66)</b>	0.01
Profit After Tax	<b>(2.33)</b>	0.84
Other Comprehensive Income	<b>(0.04)</b>	0.13
Total Comprehensive Income	<b>(2.37)</b>	0.97
<b>Surplus – Opening Balance after adjustment for carrying value of assets</b>	<b>12.43</b>	12.30
<b>Surplus available for appropriation</b>	<b>10.06</b>	13.27
<b>Appropriations:</b>		
Dividend paid on Equity Shares	0.84	0.84
Dividend Distribution Tax	–	–
Surplus - Closing Balance	<b>9.22</b>	12.43

### REVIEW OF OPERATIONS

Indian Economy has shown growth in financial year 2021-22 after contraction in FY 2020-21 due to COVID 19 Pandemic. Although overall Indian economy has done well during 2021-22 and on the same lines both the sectors (Automotive & Agri) in which your company operates have performed well, SAL has achieved higher

## **SAL AUTOMOTIVE LIMITED**

(Formerly Swaraj Automotives Limited)

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revenue by 30% in Automotive segment and 228% in Agri segment over previous year, but same could not be resulted into bottom line which was due to decrease in margins on account of steep price increases of Raw Material and consumables, increased fixed overheads due to expansions in operation.

Your Company is primarily engaged in automotive (Passenger and Commercial Vehicle) and agriculture segments which in turn is influenced by various factors which includes economic growth, monsoon, automation in Agri sector, purchasing power of the buyers etc.

### **Automotive Components :-**

For the year under review, the Indian automotive industry (except Two-wheeler) witnessed growth of 15.7% which includes Passenger Vehicle industry growth of 13.2% and Commercial Vehicle industry grew by 26.0%, Utility Vehicle industry had shown growth of 40.4%. On the same lines, your company had shown growth of 27.1% which includes growth in seat mechanisms for passenger vehicle of 22.4% and growth of 125.4% in seats for commercial vehicle.

### **Agriculture Implements :-**

For the year under review, the Indian tractor industry had degrown by 6.44% and whereas your company had achieved sales volume of 1.76 lakhs seats for tractor against previous year volume of 1.78 lakhs, and in case of Agri-implements, sales volume grew to 0.07 lakhs against 0.02 lakhs of previous year resulting into growth of 195%.

During the FY 2021-22 Indian economy has recovered from previous year contraction and had shown growth of 8.7%, but your company had achieved increase in revenue by 59%. Revenue stood at Rs 150.58 Cr against previous year figures of Rs 94.55 Cr, on the contrary bottom line was negative due to steep prices increase of raw material & consumable items, increase in fixed overhead on account of expansion in manufacturing facility. Profit before depreciation, finance and tax was Rs 0.27 Cr against previous year figure of Rs 2.91 Cr, total comprehensive income was Rs (2.37) Cr in comparison to 0.97 Cr of previous year which results into earning per share of Rs. (9.91) against previous year figure of Rs 4.05.

### **DIVIDEND**

Post Pandemic, your Company is keen towards catchup the pace of Industry therefore lot of expansion and capex activities happened during the year. Your Company has reported negative figure on PAT, accordingly management has also decided not to pay any dividend this year and remain invested in growth of the Company.

### **FINANCE**

Cash from operations activities before working capital changes was negative by Rs. (1.10) Crore against previous year cash flow of Rs 1.83 Crore. Net movement in cash and cash equivalent was negative by Rs. (6.95) Crore, against previous year of Rs 0.45 Crore.

### **SHARE CAPITAL**

The issued and paid-up Share Capital of the Company remained unchanged during the year and stood at Rs.2.39 Crore at the end of the financial year 2021-22.

There were no instances of issue of shares with differential voting right, buy back of shares or bonus issues of shares during the year.

### **DEPOSITS**

The Company has not accepted any deposit and as such, no amount of principal or interest was outstanding as at the end of the financial year.

### **INDUSTRIAL RELATIONS**

The year under review witnessed a very positive industrial relations scenario at all three locations. Your company's continuous focus towards propagating proactive and employee centric practices. Transformational

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work culture initiatives that aim to create and engaged workforce with and innovative and productive and a competitive shop floor ecosystem continuous to grow in strength.

With the objective of capability building, developing future ready workforce and fostering togetherness at the workplace, your company implements multiple training and engagement programs on an on-going basis. These include various behavioral programs team effectiveness and individual effectiveness, safety and environment, quality tools skill building programs, continuous improvement, result orientation, relationship management and decision making.

Proactive and employee centric shop floor practices, a focus on transparent communication on business goal and effective concern resolution mechanisms and a firm belief that employee are the most asset of the company and the cornerstone of your company's employee relations approach. An open-door policy with constant dialogue to create win-win situations, have helped your company to build trust and harmony. The long-term settlement signed by the workers union containing the improved wages and benefits for workers exists.

### **SAFETY OCCUPATIONAL HEALTH AND ENVIRONMENTAL**

Your Company is committed towards excellence in Safety, Occupational Health and Environment. This is also to ensure sustainable business growth. The Company has a well-established Safety, Occupational and Environmental Policy which inter alia ensures safety of employees, plant, equipment and public at large by ensuring compliance with all statutory rules and regulations on regular basis. During the period under review company has migrated from OHSAS 18001 to the new standards, ISO: 45001: 2018. The management's commitment towards OH&S management system SOH&E through adoption of new compliance under MHA notifications and guidelines from time to time during the COVID-19 pandemic period along with its voluntary commitments. The company implemented various initiatives under the new normal guidelines with overall health and hygiene. Your Company also imparts training to its employees as per the predefined training calendar, carries out statutory safety audits of its facilities as per legal requirement and promotes eco-friendly activities. In reiteration of its commitment to improve the well-being of the employees, Medical Check-ups, both curative and preventive have been organized regularly, including educating the employees on Industrial Hygiene at the workplace.

### **POST COVID - 19 IMPACT UPDATE**

Due to availability of vaccine, Covid 19 spread was arrested in 2021-22 and economy of some countries have started showing positive results, Indian economy has performed pretty-well in comparison to other major economies and grew at 8.7%, although some sectors (e. g. hospitality, aviation etc.) have to struggle during the year. Covid 19 pandemic has thrown a big challenge in front of government and economy to survive, but with effective planning, efficient execution, good coordination among govt agencies, private sector and common citizen, India emerged as a stronger and agile player.

Company while complying all the guidelines and SOPs issued by the Ministry of Home affairs from time to time, had organized and imparted the regular training programs and continuing the same for the safety of our human resources and at the supplier's end to ensure the consistency in production activities of the business of the organization keeping it safe from the current and future risks and challenges.

### **SUSTAINABILITY INITIATIVE**

Your Company continued the focus on environmental, social and governance parameters. Your company defines sustainability as "Building enduring business by rejuvenating the environment and enabling stakeholders to grow". Various actions had been implemented during the year under review across the board based on the three pillars namely Environment, Manpower and Margins.

## **SAL AUTOMOTIVE LIMITED**

(Formerly Swaraj Automotives Limited)

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### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

In terms of Section 152 of the Companies Act, 2013 ("Act"), Ms. Namrata Jain (DIN: 07310940) non-executive non-Independent director shall retire 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**

Mr. Rama Kant Sharma, Managing Director, Mr. Jagdish Lal Raheja, Chief Financial Officer and Mr. Gagan Kaushik, Company Secretary are the Key Managerial Personnel (KMP) of the Company as per the Act.

#### **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 Companies Act, 2013 and Regulation 16 of Listing Regulations and there has been no change in the circumstances which may affect their status as Independent Director during the year. The Independent Directors have also confirmed that they have complied with the Company's code of conduct for Directors and Senior Management Personnel and also that they are not debarred from holding the office of director pursuant to any SEBI order or any such authority as well as they are independent of the management.

All the Independent Directors of the Company have registered themselves 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 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, qualification and expertise. For further details, please refer 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. Accordingly, the Company has formulated and adopted the Nomination and Remuneration Policy in accordance with the provisions of Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations. During the financial year under review, no changes have been carried out in the said Policy. The Nomination and Remuneration Policy is annexed herewith as Annexure A.

#### **ANNUAL PERFORMANCE EVALUATION**

Pursuant to the provisions of the Act, the Board is required to carry out annual evaluation of its own performance and that of its Committees and individual Directors. The Nomination and Remuneration Committee (NRC) of the Board also carries out evaluation of every Director's performance. Accordingly, the Board and NRC of your Company have carried out the performance evaluation during the year under review.

For annual performance evaluation of the Board as a whole, its Committee(s) and individual Directors including the Chairman of the Board, the Company has formulated a questionnaire to assist in evaluation of the performance. Every Director has to fill the questionnaire related to the performance of the Board, its Committees and individual Directors except himself by rating the performance on each question.

On the basis of the response to the questionnaire, a matrix reflecting the ratings was formulated and placed before the Board for formal annual evaluation by the Board of its own performance and that of its committees and individual Directors. The Board was satisfied with the evaluation results.

## **BOARD MEETINGS**

A calendar of Meetings is prepared and circulated in advance to the Directors. The Board met 4 times in the financial year 2021-22. The period between any two consecutive meetings of the Board of Directors of the Company was not more than 120 days and details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report that forms part of this Annual Report.

## **AUDIT COMMITTEE**

During and as at the end of the financial year under review, the Audit Committee comprised of the following Directors viz. Mr. Rajiv Sharma (Chairman of the Committee), Mr. Kailash Nath Agarwal, and Mr. Rama Kant Sharma. The Company Secretary of the Company is the Secretary of the Committee. All the recommendations made by the Audit Committee 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 was not having any subsidiary or joint venture or associate company in terms of the provisions of the Act. Hence, the Company has not enclosed Form AOC-1.

## **TRANSFER TO INVESTORS EDUCATION AND PROTECTION FUND**

During the year, the Company has transferred the unpaid/unclaimed dividend amounting to Rs. 72,174/- 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 31st March, 2022 on the website of the Company <https://salautomotive.in/unclaimed-dividend/>.

Further, in terms Section 124(6) read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), as amended, during the year under review, the Company has transferred 1775 equity shares to the demat account of Investor Education and Protection Fund, details of which are uploaded on the website of the Company <https://salautomotive.in/unclaimed-dividend/>.

The shareholders whose unpaid dividend / shares are transferred to the IEPF can claim the same by filing the prescribed Form 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 appointed at the 42nd AGM of the Company from the conclusion of the AGM held in year 2017 until the conclusion of the ensuing AGM of the Company. Accordingly, it is proposed to re-appoint M/s. Mangla Associates, Chartered Accountants (ICAI Firm Registration No.: 006796C) as the Statutory Auditors of the Company at the ensuing AGM to hold office from the conclusion of this AGM until the conclusion of the 52nd AGM of the Company to be held in year 2027 on such remuneration as may be decided by the Board of Directors, from time to time.

## **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



## **SAL AUTOMOTIVE LIMITED**

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firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2021-22. The Secretarial Audit Report is annexed herewith as Annexure B.

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, 2021 was conducted by M/s. Aggarwal Vimal & Associates (FRN.000350). The said Cost Audit Report was filed on 2nd September, 2021.

Based on the recommendations of the Audit Committee and confirmation that the appointment, if approved, will be within the limits of Section 141(3)(g) of the Companies Act, 2013 and are of independent relationship with the Company, the Board had approved the reappointment of M/s. Aggarwal Vimal & Associates (M.No.000350), as the Cost Auditors of the Company for the financial year 2021-22 on a remuneration of Rs. 70,000 (Rupees Seventy Thousand only) applicable taxes and out of pocket expenses that may be incurred by them during the course of audit. As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the members in a general meeting for their ratification. Accordingly, a resolution seeking members' ratification for the remuneration payable to M/s Aggarwal Vimal & Associates Cost Auditors is included in the Notice convening the ensuing Annual General Meeting.

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 Company was not covered under the provisions of Section 135 of the Companies Act, 2013 related to Corporate Social Responsibility, but 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 etc.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis Report for the financial year under review, as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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. Your company uses Oracle ERP software for recording of financial transactions and reporting, including inventory records, production records, HR records, etc, by ensuring appropriate segregation of roles & responsibilities with appropriate approval matrix.

Required Standard Operating Procedures (SOP) are in place and are being periodically reviewed by the senior management. Under Internal Audit program, on quarterly basis an independent external auditor conducts audit of specified activities in-line with scheduled Audit cycle based on defined RCMs (Risk Control Matrix) and accordingly submits report to the management and share with the audit committee for their review.

Your Company has laid down adequate internal financial controls for preparation of financial statements, commensurate with the size, scale and complexity of its operations.

Such Controls have been assessed during the year under review taking into consideration essential components of internal controls stated in the guidance note of Internal financial control over financial reporting issued by the Institute of Chartered Accountants of India.

Based on the results of such assessments carried out by the management, no reportable material weakness or significant deficiencies in the design or operations of internal financial controls was observed.

### **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.

You Company faces constant pressure from the evolving marketplace that impacts important issues in risk management and threatens profit margins. The Company emphasizes on those risks that threaten the achievement of business objectives of the Group over the short to medium term. For the year under review, the Company does not foresee any critical risk which threatens 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.

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 2021-22.

### **DETAILS OF LOANS, INVESTMENTS AND GUARANTEES UNDER SECTION 186**

The Company has not advanced any Loan, Guarantee 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 for the financial year ended March 31, 2022, as required under Section 92 of the Companies Act, 2013, 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 were on an arm's length basis and were in the ordinary course of business. During the financial year, the Company had not entered 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 the interest with its Promoters, Directors, Key Managerial Personnel, or other persons. All such Related Party Transactions are placed before the Audit Committee for approval, wherever applicable.

Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

For further details, please refer to the notes (refer Note 2.36) to the financial statements.

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### **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 Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given as Annexure C forming part of this Report.

### **PARTICULARS OF EMPLOYEES**

Disclosures relating to remuneration of Directors u/s 197(12) of the Companies Act, 2013 read with Rule 5(1) & 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure D to this report. There was no employee who was in receipt of remuneration of not less than Rupees One Crore and Two Lakh during the year ended March 31, 2022 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 2021-22 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 Companies Act, 2013, with respect to Directors' Responsibility Statement, it is confirmed that:

- in the preparation of the annual accounts for the year ended March 31, 2022, 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, 2022 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 Companies Act, 2013 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 announced to all staff and is available with HR Department.

No complaint of sexual harassment was received during the Financial Year 2021-22.

### **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 occurred after the closure of financial year 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 equity shares with differential voting rights or sweat equity or stock options.
- b) Changes in the nature of business activities.
- c) Fraud reporting by the auditors.
- 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 : 10th August, 2021

RAJIV SHARMA  
**Chairman**  
**DIN:07418337**

**ANNEXURE-A TO DIRECTOR'S REPORT**

**POLICY OF SAL AUTOMOTIVE LIMITED (THE COMPANY) FOR REMUNERATION TO DIRECTORS/ KEY MANAGERIAL PERSONNEL (KMPS)/ SENIOR MANAGEMENT PERSONNEL AND OTHER EMPLOYEES**

Remuneration to Directors:

**i) Non-Executive Director including Independent Directors:**

The Nomination and Remuneration Committee (NRC) shall decide the basis for determining the compensation, both Fixed and Variable, to the Non-Executive Directors, including Independent Directors, whether as commission or otherwise. The NRC shall take into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as Membership or Chairmanship of the Committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act, 2013 ("the Act") and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") and such other factors as the NRC may consider deem fit for determining the compensation. The Board shall determine the compensation to Non-Executive Directors within the overall limits specified in the Shareholders resolution.

**ii) Whole Time / Executive Director(s):**

The remuneration to Whole Time / Executive Director(s) 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, performance bonus and fringe benefits, if any, as approved by the Board and within the overall limits specified in the Shareholders resolution. The revision in compensation, if any, will be determined annually by the NRC based on their performance.

**Payment of Sitting Fees etc.:**

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, LODR Regulations and the Articles of Association of the Company, from time to time.

**Remuneration to KMP, Senior Management Personnel and Other Employees :**

The KMP, Senior Management Personnel and other employees of the Company shall be paid monthly remuneration as per the Company's HR policies and / or as may be approved by the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be as per the Company's HR policies. The annual variable pay of managers is linked to the performance of the Company in general and their individual performance for the relevant year measured against Company's objectives fixed in the beginning of the year. This Remuneration Policy shall apply to all future / continuing employment / engagement(s) with the Company. In other respects, the Remuneration Policy shall be of guidance for the Board. The NRC/ Board shall periodically recommend/ review the remuneration paid/payable to Directors/ KMPS/ Senior Management Personnel and Other Employees as may be required under the applicable laws, from time to time.

**ANNEXURE-B TO DIRECTOR'S REPORT**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022**

**[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  
(formerly known as Swaraj Automotives 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 (formerly known as Swaraj Automotives 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 (formerly known as Swaraj Automotives Limited) 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, 2022 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 (formerly known as Swaraj Automotives Limited) ("the Company") for the financial year ended on March 31, 2022 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 and The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013.
  - 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) Regulations 2014 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021: Not Applicable during the financial year under review.

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- 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) The erstwhile Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Chapter V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015- Not applicable as the company has not issued any debt securities during the financial year under review.
  - g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021: Not applicable during the financial year under review.
  - h) 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.
  - i) 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. There were no changes in the composition of the Board of Directors during the period under review.
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.
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 1775 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 : 27.07.2022  
Place : Chandigarh  
UDIN: F002191D000693123

For A. ARORA & COMPANY  
AJAY K. ARORA  
(Proprietor)  
FCS No. 2191  
C P No.: 993  
Peer Review Cert No. 2120/2022



**ANNEXURE-C 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' 2022**

**A. CONSERVATION OF ENERGY:**

(a) Initiatives taken for conservation of energy during the year:

1. Replacement of Diesel based furnace with LPG based Furnace as an alternate source of energy which helps to bring down the pollution level and economical source.
2. Replacement of Mercury Vapor Lamps with energy efficient LED lights across shopfloor.

Total annual estimated savings for the year - Rs. 6.0 lakhs

(b) Capital investments on energy conservation equipment: Rs45.00 lakhs

**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 and berths.
- (b) During the year company has developed Tactor Seat with Horizontal Suspension mechanism, High strength sliders for Export commercial vehicle, Single Plastic Pan seat for Tractor.
- (c) Company is at advance level of development stage for Mini Rotavator, without beading Tractor seat, Seat with rotating mechanism for Railway and Cranes, High strength sliders and Round Geared Recliners to strengthen the product portfolio.
- (d) The Company spent revenue expenditure of Rs 13.13 lakhs on Research & Development work during the year, which was 0.1% of the total turnover.
- (e) 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 : 10th August 2022

Rajiv Sharma  
**Chairman**  
**DIN : 07418337**

**ANNEXURE-D 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**

<b>Sr. No.</b>	<b>Requirements</b>	<b>Disclosure</b>
1	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year.	MD - 30 Times
2	The percentage increase in remuneration of each Director, CEO, CFO & CS.	MD - 3.5 Times CFO - 0.07 Times CS - 0.07 Times
3	The percentage increase in the median remuneration of employees in the financial year.	The median remuneration of the employees in the financial year was decreased by 31%. The calculation of 31% decreased in median remuneration is done based on comparable employees.
4	The number of permanent employees on the rolls of the company.	There were 262 permanent employees as on 31st March, 2022.
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 there of and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The average percentage change in Managerial employees is 11% whereas the average percentage change in Non-Managerial employees is 3% in 2021-22.
6	Affirmation that the remuneration is as per the remuneration policy of the company.	Yes, it is affirmed.

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**Particulars of employees as required under Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the financial year ended 31st March,2022:**

Top ten employees of the Company in terms of remuneration for the financial year in descending order:-

S. No.	Name	Age	Designation	Date of commencement of employment	Years of experience	Gross remuneration	Particulars of last employment
1	Rama Kant Sharma	59	MD	04.02.2016		108.00	
2	Rajnish Grover	50	Business Head	01.12.2007	29	64.33	ASPEE Springs Ltd
3	Paramjit Kathuria	49	Head Sourcing	17.07.1995	27	37.48	-
4	Kulvinder Singh	43	Financial Controller	01.11.2016	18	30.22	Swaraj Engines Ltd
5	Rajneesh Joshi	53	Head - R&D	11.04.2016	30	28.31	Krishna Maruti Ltd
6	Mukesh Boora	46	Head - Production	05.03.2018	26	27.20	Badve Engg. Ltd
7	Bhupender Verma	48	Head - ME	05.09.2016	24	26.53	Atul Auto Ltd
8	BC Kabdal	58	Plant Head	15.05.2017	32	21.68	Auto Comp Panse Pvt Ltd
9	GS Randhawa	56	Head - Quality	06.04.1992	33	21.64	Reco Industries
10	Manoj Kumar Sheoran	46	D.G.M (Finance)	01.02.2022	21	20.00	EMTEL LTD

Persons employed throughout the financial year who were in receipt of remuneration for the financial year, which in aggregate was not less than Rs.10,200,000/- per annum:- ONE

Persons employed for part of the financial year who were in receipt of remuneration for any part of the financial year, which in aggregate was not less than Rs.850,000/- per month: - There is only one person employed during the financial year who were in receipt of remuneration for not less than Rs 8,50,000 per month and described in Annexure C - VI. A. to Directors Report under Remuneration paid to Directors and Key Managerial Personnel.

Person employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company: NIL

**Notes:**

1. Remuneration includes salary, allowances, perquisites, etc.
2. The employees referred aforesaid, are not the relative of any director or manager of the Company.
3. All the appointments in relation to the aforesaid employees are by the Employment Contract.
4. All personnel mentioned above are qualified graduates.
5. All personnel mentioned above do not hold any equity share in the Company.

FOR AND ON BEHALF OF THE BOARD

Place : Ghaziabad  
Date : 10th August, 2022

**RAJIV SHARMA**  
**Chairman**  
**DIN : 07418337**

## MANAGEMENT DISCUSSION AND ANALYSIS

### COMPANY PROFILE

SAL Automotive Limited (SAL) manufactures automotive components and agricultural implements. SAL is a preferred supplier to most of the leading manufacturers of passenger vehicles, commercial vehicles and tractors. The product line of the Company includes seats, seat mechanisms, seat frames. In addition to the production of automotive components, it also manufactures Agri-implements viz. Rotavators, planters and tractor trollies.

### 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)	
	2021-22	2020-21
<b>Automotive Components: -</b>	<b>104.12</b>	<b>80.37</b>
Seats for Tractor & Commercial Vehicle	64.24	51.34
Seat Mechanisms	17.80	15.02
Seat Frames	11.99	5.89
Others	10.09	8.11
<b>Agriculture implements</b>	<b>46.46</b>	<b>14.18</b>
Rotavators	45.91	13.67
Veg Planter & Others	0.55	0.51
<b>Net Revenue from Operations</b>	<b>150.58</b>	<b>94.55</b>
Other Income	1.54	1.40
<b>Total Revenue</b>	<b>152.12</b>	<b>95.95</b>

#### – Equity & Reserves

The Company's net worth as on 31st March' 2022 stood at Rs. 30.34 crores (previous year Rs 33.55 crores) comprising of an Equity component of Rs. 2.40 crores (previous year Rs 2.40 crores) and Reserves & Surplus of Rs. 27.94 crores (previous year Rs 31.15 crores).

Book value per share having facing value of Rs 10 each is Rs 127 per share (previous year Rs. 140 per share).

#### – Trade Receivables

Trade receivables as at 31st March' 2022 stood at Rs. 34.81 crores (previous year Rs. 28.06 crores) having debtors turnover ratio of 84 days (previous year 108 days).

#### – Trade Payables

Trade payables as at 31st March' 2022 stood at Rs. 40.56 crores (previous year Rs. 28.40 crores).

#### – Cost of Material Consumed

Post pandemic scenario with rise in global demand coupled with severe supply chain constraints resulted into a steep rise in commodity prices. This impacted the cost of various raw material items used by the company which includes steel, PU Chemicals, PVC leather clothes & paint powder etc. Though this made a significant impact of raw material cost, however management of the company made every best

## **SAL AUTOMOTIVE LIMITED**

(Formerly Swaraj Automotives Limited)

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possible effort to keep the raw material cost in control. Material cost as a percentage of net revenue from operations was 78.4% as against previous year level of 73.4% due to growth of sales volume of the products which are having higher material cost

### **– Other Overheads**

Consisting of personnel cost, manufacturing expenses, administrative expenses and sales & distribution expenses during the year were Rs. 33.87 crores (previous year Rs. 23.64 crores).

### **– Depreciation & Amortization**

Depreciation for the year stood at 2.13 crore against previous year figure of Rs. 1.54 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. (2.99) crores (previous year Rs. 0.85 crores). Total Comprehensive Income for the current year was Rs. (2.37) crores (previous year Rs. 0.97 crores)

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**

The Company has established procedures for an effective internal control. The policies and procedures have been laid down with an objective to provide reasonable assurance that assets of the Company are safeguarded from risks of unauthorised use / disposition and the transactions are recorded and reported with propriety, accuracy and speed. These aspects are regularly reviewed during internal audit and statutory audit. The Company has also laid down adequate internal financial controls. During the year, such controls were tested and no material weakness in their operating effectiveness was observed. The Finance and Accounts function of the Company is adequately staffed with experienced and qualified personnel. Board of Directors and the Audit Committee review the operational and financial performance of the company at regular intervals.

## **HUMAN RESOURCES**

The Company has a highly committed, loyal and dedicated team. The Company promotes an atmosphere which encourages learning and informal communication within the organisation. The Company is having Performance Management System (PMS) to objectively measure the performance of the individual and the organization. The overall remuneration structure is linked with PMS. The Company also has a training need identification system in place for enhancing the learning and competency level of the employees from time to time. This has made a significant contribution to the Company's business. Employees relations were affable throughout the year under review. The long- term settlement already signed with the workers union is in place.

During the unprecedented Covid 19 pandemic, your company has responded positively and instantly according to the guidelines issued by the Central and State Governments. Health of the employees has always been the utmost priority of the Company; hence the Company has successfully conducted the vaccination drive for the employees, their members of family and the stake holders in the premises of the factory. The other required safety norms were followed throughout the company.

Regular employee strength as on 31st March, 2022 stood at [262] (31st March 2021 - [187])

## **INDUSTRY STRUCTURE AND DEVELOPMENTS**

The Company is in the business of manufacturing and supply of seats, seat mechanisms and agriculture Implements to various tractor, LCV, Car and Agri product manufactures. The performance of your Company is largely dependent on the performance of automotive and agriculture industry.

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For last several years, the automotive industry has been showing a growth trend. During the year 2021-22, the Indian auto industry produced total 2.29 Cr vehicles including passenger, commercial, three wheelers and two-wheeler segments, vis-a-vis 2.26 Cr produced in the FY21, showing a de growth of 1.2 %. A comparison of production numbers across these segments show a de growth during FY-21. (Source: SIAM website)

The Indian tractor industry witnessed a growth for the last few years. But in FY22 tractor production de grew by 4% at 9.61 Lac as compared to 9.99 Lac of FY21. Agri implements industry also de grew in FY22. (Source: The Economic Times and Tractor Manufacturers Association website)

### **OUTLOOK/OPPORTUNITIES**

Overall industry is facing serious impacts of ongoing COVID 19 pandemic due to lockdown, migrant labour movement and slow production in initial months of current FY. The automobile industry is severely impacted by this and individual choices are expected to vary due to various factors of COVID 19. The agriculture sector prospects look positive due to overall record production of crop and lot of Govt initiatives.

The recent sluggishness is also linked to the significant increase in insurance and fuel costs.

We, however, believe that the recent developments to be temporary and demand in both automotive and tractor industries shall bounce back in medium term. The Automotive Mission 2026, a collective vision of the Industry and Government of India aims to set a new trajectory for the evolution of the ecosystem for the automotive industry with its size, global foot-print, technological maturity, competitiveness and capabilities in mind.

Other factors like government continuous thrust on strengthening rural sector, infrastructure development, make in India, skill India, and launch of new models by vehicle manufactures, changing buying pattern, replacement demand etc. too shall role as a catalyst to the growth of the Industry.

### **NEW DEVELOPMENTS**

Under "Make in India" initiative of Indian government, India is poised to become manufacturing hub. The Automobile sector is one of the prominent sectors to contribute to the manufacturing industry in India. Most of the international automobile giants have either set up their plants or they are in the process of setting up their manufacturing facility in India. Western and Southern regions of India have become manufacturing hub of automobile sector. Automobile Manufacturers (OEMs) prefer its suppliers to be nearby of their plant. Your Company is actively exploring opportunities to set up new facilities in the plant to give a boost to its focus to its auto ancillary business.

Given its high growth potential, your company has forayed into another strategic business segment of "Agriculture implements". The Agri-implements segment, which predominantly comprises of contract manufacturing of Rotavators, added 30 % to the revenue. The Company has seen a substantial spurt in view of sustained demand from your customers.

Your company is also diversifying products range to Indian Railway coach components like seats and berths. We are in process of executing development orders to Railways in the current year and also putting efforts for supply of different types of berths to all coach factories of Indian Railways.

### **THREATS, RISKS & CONCERNS**

As your Company supplies components to tractor and automobile OE manufacturers, the Company would be directly affected by the factors impacting tractor industry and automobile industry. These would include issues like quantum of rains spread, Government policy on procurement, enforcement of safety / emission regulations, availability of credit, change in interest rates, commodity price trends, increasing intensity of competition etc.

In the short term, the automobile industry is showing trends of downturn due to various reasons impacting demand from urban and Rural India.

**SAL AUTOMOTIVE LIMITED***(Formerly Swaraj Automotives Limited)*

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

Sr. No	Particulars	2021-22	2020-21	Change(%)	Reason
1	Debtor Turnover Ratio	4.79	3.86	24%	Improvement in collection cycle leads to reduction in No of Days of Debtors by 19 days approx.
2	Inventory Turnover Ratio	0.10	0.10	-	Inventory norms are maintained.
3	Interest Coverage Ratio	(0.24)	2.35	(110%)	Capex spent on capacity enhancement leads to increase in borrowings and some additional fixed overheads necessary to manage capacity enhancement towards expected future business growth. Position is expected to improve in coming financial year 2022-23.
4	Current Ratio	1.13	1.65	(32%)	Partly usage of funds generated from operations to meet capex purposes and funding of operational loss.
5	Debt Equity Ratio	0.89	0.26	242%	Fresh Borrowings for Business operations
6	Operating Profit Margin	(0.04)	0.03	(250%)	Increase in fixed overheads on account of capacity enhancement and growth of low margin products resulted into negative operating margin.
7	Net Profit	(0.02)	0.01	(300%)	Increase in fixed overheads on account of capacity enhancement, increase in borrowings and growth of low margin products resulted into negative margin.
8	Return on Net Worth	(0.07)	0.03	(350%)	Net loss resulted into negative return on net worth.

**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: 10th August, 2022

## **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 behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and society at large.

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. For us, Corporate Governance is an ethically driven business process that is committed to values aimed at enhancing an organization's brand and reputation.

We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance. We firmly believe that Board independence is essential to bring objectivity and transparency in the management and in the dealings of the Company.

Over the years, we have strengthened governance practices. These practices define the way in which business is conducted and value is generated. SAL considers itself as the custodian and trustee for all its Stakeholders. Stakeholders' interest is taken into account, before making any business decision.

SAL has always sought and will continue to seek corporate excellence and profits through ethics, passion and perseverance.

A report on compliance with the Code of Corporate Governance as prescribed in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") is given below:

### **1. BOARD OF DIRECTORS**

The Composition of the Board is in accordance with the Listing Regulations. The Company has an Independent Non-Executive Chairman and the number of Independent Directors is 1/3rd of the total number of Directors. 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-imbursment 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, none of the Directors has any other material pecuniary relationship or transactions with the Company, its Promoters, its Directors, its Senior Management and associates which in their judgment would affect their independence.

#### **I. Composition of the Board**

The Company's Board of Directors as on March 31, 2022 comprised of five (5) members. While two members (including one Women Director) were Non- Independent Non-Executive Director, the Managing Director is the Executive Director of the Company and remaining two are Non-Executive Independent Directors (Shareholder Directors).

**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, 2022 are provided below:**



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Name of the Director	Category	Board meetings held during Director's tenure in the F.Y. 2021-22	Whether last AGM attended Yes/No	Directorship in other companies	Name of other listed entities in which director hold directorship and category of directorship	No. of Memberships/ Chairmanships of other Board Committees**	
						Member-ship	Chairman-ship
Mr. Rajiv Sharma	Non-Executive - Independent Director-Chairperson-Shareholder Director	4	Yes	NIL	NIL	0	1
Mr. R. K. Sharma#	Executive Director, MD	4	Yes	Private companies: 8	NIL	2	–
Mr. Kailash Nath Aggarwal*	Non-Executive - Independent Director, Shareholder Director	4	Yes	NIL	NIL	2	0
Mr. Jamil Ahmad	Non-Executive - Non-Independent Director	4	Yes	NIL	NIL	0	1
Mrs. Namrata Jain	Non-Executive - Non-Independent Director	4	Yes	NIL	NIL	–	–

\*Mr. Rama Kant Sharma, Managing Director of the Company was re-appointed for a period of 5 years w.e.f. 4th February, 2022 at the 46th AGM held on 20th September, 2021.

\*Only Audit Committee and Stakeholders Relationship Committee 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.

# Mr. Rama Kant Sharma, Managing Director of the Company whose tenure at the current designation expires on 3rd February, 2022, has been recommended for re-appointment for a period of 5 years w.e.f. 4th February, 2022 by the Nomination and Remuneration Committee and the Board of Directors. The approval of the members is sought to this effect and the necessary resolution forms part of the Notice of the ensuing AGM.

**Note:**

- (i) As on March 31, 2022, 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**

The Non-Executive Independent Directors fulfill the conditions of independence specified in Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

The terms of appointment of Independent Directors as provided in Companies Act, 2013 has been issued and disclosed in Board of Directors section on website of the Company viz

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

The Board is of the opinion that the independent directors fulfill the conditions specified in Listing Regulations and are independent of the management.

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.

#### **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/her to effectively discharge his / her 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 programmers are uploaded on the website of the Company at <https://salautomotive.in/wp-content/uploads/2017/01/SAL-Familiarisation-process-of-Directors-2022-final.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.

During the financial year ended March 31, 2022, the Board met Four (4) times June 08, 2021; August 13, 2021; November 11, 2021; and February 11, 2022 and the gap between two consecutive Board Meetings did not exceed one hundred and twenty days (120).

The 46th Annual General Meeting (AGM) was held on September 20, 2021.

#### **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 conducted in a manner to enable the Independent Directors to discuss matter pertaining to, inter alia, review of performance of Non- Independent Directors 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 on February 11, 2022.

#### **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.

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<b>Leadership</b>	Ability to inspire, motivate and offer direction and leadership to others and represent the Company before internal and external stakeholders
<b>Management</b>	Knowledge or expertise or understanding of sound management and business principles or experience of working in senior management position of any organization
<b>Financial expertise</b>	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
<b>Governance</b>	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
<b>Strategy Development and Implementation</b>	Experience in developing and implementing business strategies or ability to give strategic insights to key business objectives.
<b>Knowledge of sector</b>	Understanding of the working of Sector including but not limited to areas like challenges, opportunities, business models, revenue streams, business processes & practices etc.
<b>Information Technology</b>	Knowledge and experience in the strategic use and governance of information management and information technology within the organisation.
<b>Risk Management</b>	Experience in enterprise risk management in the relevant industry, and understanding of the Boards, role in the oversight of risk management principles
<b>Human Resource</b>	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.

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			✓		✓		✓		

**2. BOARD COMMITTEES**

In compliance with the statutory requirements, the Board has constituted various Committees with specific terms of reference and scope. The objective is to focus effectively on the issues and ensure expedient resolution of the diverse matters. The Committees operate as the Board's empowered agents according to their charter / terms of reference. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for noting.

**a) Audit Committee**

As on March 31, 2022, the Audit Committee comprised of three (3) Directors. All members of the Committee possess knowledge of corporate finance, accounts and corporate laws. The Company Secretary acts as the Secretary to Committee.

The composition of the Audit Committee meets the requirements of Section 177 of the Companies Act, 2013 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 and quarterly financial statements 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 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
- 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 SEBI 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 2021-22, the Audit Committee met 4 (four) times on June 08, 2021, August 13, 2021, November 11, 2021 and February 11, 2022. The gap between the two consecutive meetings did not exceed 120 days. Requisite quorum was present in all meetings of the Committee.

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

The composition of the committee as on March 31, 2022 and details of attendance of members at the meetings of Audit Committee held during financial year 2021-22 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. Rajiv Sharma	Chairman	Non-Executive Independent Director	4	4
2	Mr. Kailash Nath Agarwal	Member	Non-Executive Independent Director	4	4
3	Mr. Rama Kant Sharma	Member	Executive Director	4	4

**b) Stakeholders' Relationship Committee**

In compliance with the Regulation 20 of the Listing Regulations and provisions of Section 178 of the Companies Act, 2013, the Company has a Stakeholders' Relationship Committee. As on March 31, 2022, the Committee comprises three (3) members and detail of the same is provided hereinunder.

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

- (1) Resolving the grievances of the security holders of the listed entity 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 listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

**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 2021-22, the Stakeholders' Relationship Committee met once on June 14, 2021. Requisite quorum was present in all the meetings of the Committee.

The composition of the committee as on March 31, 2022 and details of attendance of members at the meetings of Stakeholders' Relationship Committee held during financial year 2021-22 are given below:

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

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

The Company had received one complaint from the shareholders during the financial year 2021-22 and the same has been resolved to the satisfaction of such shareholder. At the beginning as well as ending 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 20, 2021 to answer the shareholders queries.

**c) Nomination and Remuneration Committee**

As on March 31, 2022, 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 Companies Act, 2013 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:

**i) Appointment of Directors**

The Nomination and Remuneration Committee (NRC) reviews and assesses Board composition and recommends the appointment of new Directors as and when required. In evaluating the suitability of individual Board member with regard to qualifications, positive attributes and independence of director, the NRC takes into account the following criteria that:

1. All Board appointments are based on merit, in the context of the skills, experience independence and knowledge, for the Board as a whole to be effective.
2. Ability of the candidates to devote sufficient time and attention to his/her professional obligations as Independent Director for informed and balanced decision making.
3. Adherence to the Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Independent Directors

For every appointment of an independent director, the NRC 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:

- a. use the services of an external agencies, if required;
- b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
- c. consider the time commitments of the candidates.

Based on recommendation of the NRC, the Board evaluates the candidature and decides on the selection of the appropriate member.

**ii) Removal of Directors**

If a Director is attracted with any disqualification as mentioned in any of the applicable Act, rules and regulations thereunder or due to non-adherence to the applicable policies of the Company, the NRC may recommend to the Board with reasons recorded in writing, removal of a Director subject to the compliance of the applicable statutory provisions.

## SAL AUTOMOTIVE LIMITED

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### iii) 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, 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.

The Board may also decide not to fill the vacancy caused at its discretion.

### iv) Remuneration

The NRC determines and recommends the remuneration payable to the Directors and senior management of the Company.

Meetings & Attendance of the Nomination and Remuneration Committee

During the financial year 2021-22, the Nomination and Remuneration Committee met 2 (two) times on August 13, 2021 and November 11, 2021. Requisite quorum was present in all the meetings of the Committee.

The composition of the committee as on March 31, 2022 and details of the attendance of members at the meetings of Nomination and Remuneration Committee held during financial year 2021-22 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	2	2
2	Mr. Rajiv Sharma	Member	Non-Executive Independent Director	2	2
3	Mr. Jamil Ahmad	Member	Non-Executive Non-Independent Director	2	2

Mr. Kailash Nath Agarwal, Chairman of the Nomination and Remuneration Committee attended the Annual General Meeting held on September 20, 2021 to answer the shareholders queries.

### 3. PERFORMANCE EVALUATION

During the year, the Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations. A structured questionnaire formed key part of the evaluation process for reviewing the functioning and effectiveness of the Board. The evaluation process focused on various aspects of the Board and Committees functioning such as structure, composition, quality, board meeting practices and overall Board effectiveness. The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

The Nomination and Remuneration Committee reviewed the performance of individual directors including Independent Directors on the basis of criteria such as the contribution of the individual director to the Board and committee meetings like meaningful and constructive contribution and inputs in meetings, etc.

Also, in a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of Board as a whole and performance of the Chairman was evaluated, taking into account the views of the Executive Directors and Non-executive Directors.

In the Board Meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the Board, its committees, and individual directors was also discussed. Discussion on Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

The Board was satisfied with the professional expertise and knowledge of each of its Directors. All the Directors effectively contributed to the decision making process by 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) Payments to Independent Directors**

Sitting fees is paid to Independent Directors for attending the meetings of the Board of Directors and Committees thereof within the prescribed limits as decided by the Board and reimbursement of expenses incurred for attending the Board and Committee Meetings. 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.

##### **b) 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, LODR Regulations and the Articles of Association of the Company, from time to time.

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

The remuneration to Whole Time / Executive Director(s) 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. The revision in compensation, if any, will be determined annually by the NRC based on their performance.

##### **c) The details of Directors' remuneration for 2021-22 is as follows:**

Independent Non-Executive Directors

(Rs. in Lakhs)

<b>Name of the Directors who were in receipt of sitting</b>	<b>Sitting Fees for Board and Committee Meetings paid during FY 2021-22</b>
Mr. Rajiv Sharma	3.90
Mr. K. N. Agarwal	3.90



**SAL AUTOMOTIVE LIMITED***(Formerly Swaraj Automotives Limited)***Managing Director****(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	–	Nil	3.39	Nil	111.39	4th February, 2019 to 3rd February, 2022 and 4th February 2022 to 3rd February 2027

*\*Mr. Rama Kant Sharma, Managing Director of the Company was re-appointed for a period of 5 years w.e.f. 4th February, 2022 at the 46th AGM held on 20th September, 2021.*

- Note :
- No stock option(s) has been granted to any Director
  - Executive Directors are not eligible for any severance fees.

**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
2019	Sept. 13, 2019 3.00 P.M.	Hotel Cama, S.C.O.13-18, Phase-3A Sector 53, S.A.S. Nagar (Mohali) Punjab-160059	<ul style="list-style-type: none"> <li>Reappointment of Mr. Rama Kant Sharma as Managing Director of the Company for a period of three years (from 04th February, 2019 to 03rd February 2022).</li> <li>Re-appointment of Mr. Jai Bhagwan Kapil as Independent Director of the Company for a period of 5 years from February 3, 2019 to February 2, 2024.</li> <li>Re-appointment of Mr. Rajiv Sharma as Independent Director of the Company for a period of 5 years from February 3, 2019 to 2nd February 2024.</li> </ul>
2020	September 28, 2020 at 3.00 P.M.	Video Conferencing	No special resolution passed meeting
2021	September 20, 2021 at 3.00 P.M.	Video Conferencing	<ul style="list-style-type: none"> <li>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.</li> </ul>

During the year, no special resolution has been passed through Postal Ballot. As on date of this report, no special resolution is proposed to be passed by the Company through Postal Ballot.

**6. Means of Communication**

- 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 taken on record 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. Business Standard and Punjabi Tribune) and are also displayed on the Company's website [www.salautomotive.in](http://www.salautomotive.in)
- d) The official news releases are displayed on the Company's website [www.salautomotive.in](http://www.salautomotive.in);

During the year ended March 31, 2022, no presentations were made to institutional investors or analysts.

## **VII Shareholder Information**

### **1. 47th Annual General Meeting**

Date : 26th September, 2022

Time : 3.00 P.M.

Through Video Conferencing.

### **2. Financial Calendar (tentative)**

Financial Year: April 01, 2021 - March 31, 2022

The tentative dates for Board Meetings for consideration of financial results for the financial year 2022-23 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

### **3. Dividend Payment:**

No Final Dividend was recommended by the Board of Directors for financial year 2021-22.

### **4. Listing on Stock Exchange**

BSE Ltd. (BSE)

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

Listing Fee for F.Y. 2020-21 of BSE has been paid.

### **5. Stock Code**

BSE Ltd. (BSE) : 539353

### **6. Stock Price Data**

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

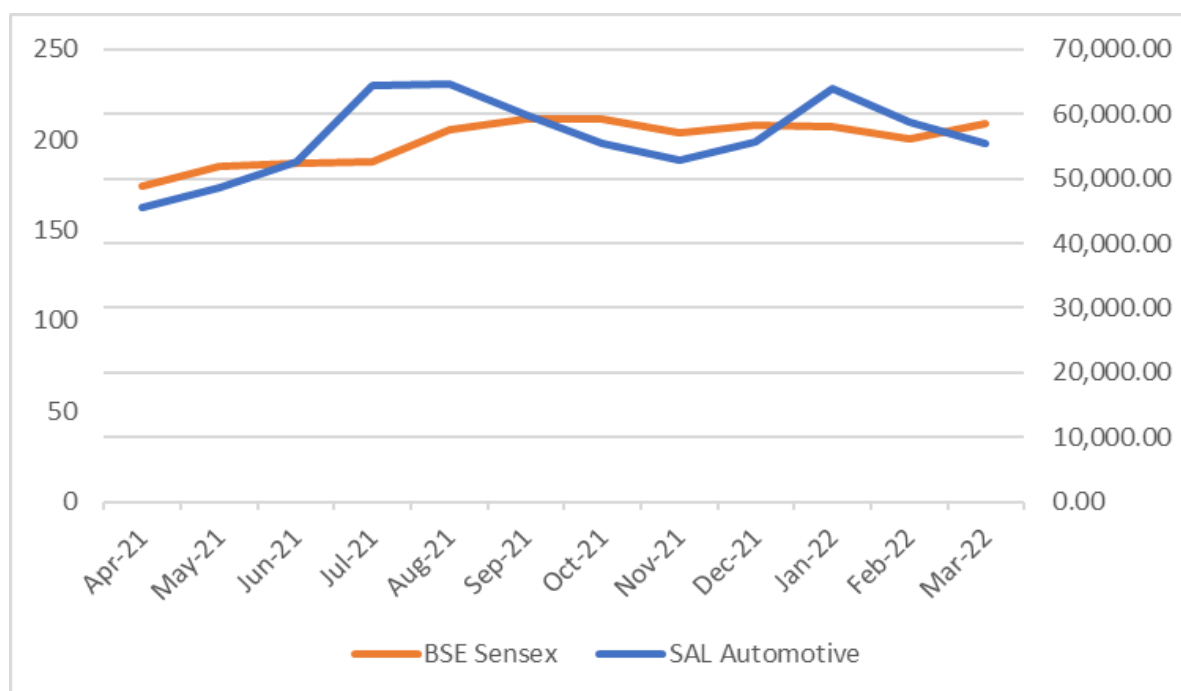
## SAL AUTOMOTIVE LIMITED

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Month	BSE Ltd.	
	High (Rs.)	Low (Rs.)
April 2021	170.00	148.00
May 2021	189.95	158.25
June 2021	206.95	167.00
July 2021	256.00	184.00
August 2021	287.60	192.70
September 2021	238.00	190.00
October 2021	228.00	184.20
November 2021	217.00	176.85
December 2021	237.00	179.05
January 2022	239.45	191.00
February 2022	298.95	200.05
March 2022	244.90	173.70

### 7. Stock Price Performance

SAL Share Price performance relative to BSE Sensitive Index



### 8. 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 is the Registrar and Share Transfer Agent for physical shares of the Company. MCS is also the depository interface of the Company with both NSDL and CDSL.

### 9. Share Transfer Systems:

All share transfer and other communications regarding share certificates, change of address, dividends, etc. should be addressed to Registrar and Share Transfer Agent.

As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018 requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 01, 2019 unless the securities are held in dematerialized form with the depositories. However, the transfer deeds lodged prior to deadline and returned due to deficiency in the document may be re-lodged for transfer even after the deadline of April 01, 2019.

All such requests are handled and disposed off by Company's Registrar & Share Transfer Agent within fifteen days from the date of receipt of request, provided the documents are found to be in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants.

**10. Shareholding Pattern as on 31st March, 2022 :**

Category of Shareholders	No. of Share holders	No. of Shares Held	% of Holding
1. Promoters	1	1798285	75
2. Mutual Fund	1	106389	4.44
3. Financial Institution/Bank	—	—	—
4. Govt. (investor education protection fund)	1	14218	0.59
5. Foreign Institutional Investors	—	—	—
6. Bodies Corporate-Indian	16	94122	3.93
7. NRIs	17	670	0.03
8. Indian Public	—	—	—
9. OCB/Others	1506	384029	16.02
<b>Total</b>	<b>1542</b>	<b>2397713</b>	<b>100</b>

**11. Distribution Pattern of Shareholding as on 31st March, 2022**

No. of Equity Shares held	No. of Shareholders		No. of Shares Held	
	Numbers	% total	Numbers	% total
1 - 500	1400	4.6745	112080	91.8635
501 - 1000	57	1.8091	43377	3.7402
1001 - 2000	31	1.7881	42874	2.0341
2001 - 3000	10	1.0340	24792	.6652
3001 - 4000	7	1.0091	24195	.4593
4001 - 5000	5	1.0030	24049	.3281
5001 - 10000	4	1.2951	31052	.2625
10001 - 50000	7	5.0152	120250	.4593
50001 - 100000	1	3.7536	90000	.0656
And Above	2	78.6184	1885044	0.1312
<b>Total</b>	<b>1524</b>	<b>100</b>	<b>2397713</b>	<b>100</b>

**12. Dematerialization of Shares :**

As on March 31, 2022, 99.39 % of the Company's total equity shares representing 23,83,093 were held in dematerialized form and 0.61 % equity shares representing 14,620 shares were held in physical form.

## SAL AUTOMOTIVE LIMITED

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

13. Outstanding GDR's / ADR's / Warrants / Convertible Instruments: Not applicable
14. Commodity price risk or foreign exchange risk and hedging activities: N.A.
15. 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

16. **Address for correspondence**

**M/s MCS Share Transfer Agent Limited**  
Unit: SAL Automotive Limited  
(formerly known as Swaraj Automotives Limited)

F-65, 1st Floor, Okhla Industrial Area,  
Phase - I, New Delhi - 110 020

Email: helpdeskdeldhi@mcsregistrars.com

Phone : 011 - 41406149

Fax : 011 - 41709881

**Compliance Officer & Company Secretary**  
Mr. Gagan Kaushik, Company Secretary

Registered Office: SAL Automotive Ltd.  
(formerly known as Swaraj Automotives Limited)  
C-127, IV Floor, Satguru Infotech, Industrial Area  
Phase-VIII, S.A.S.Nagar (Mohali), Punjab - 160062

Email: kaushik.gagan@salautomotive.in

Phone : 0172 - 4650377

Fax : 0172 - 4650377

17. **Website Address: www.salautomotive.in**

18. **Credit Rating:** The Company did not obtain or revise any credit ratings during the period under review.

19. **Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity:** Not applicable

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

21. **Payment made to statutory auditors on consolidated basis during financial year 2021-22:**

	Rs. in Lakhs
Statutory Audit Fees	2.50
Other Services	2.97
Reimbursement of Expenses	0.35
Tax Audit Fees	0.60
Total payable to statutory auditor	6.42

22. **AFFIRMATIONS & DISCLOSURES**

a) **Disclosure of transactions with Related Parties.**

During FY 2021-22, all transactions entered into with related parties were in the ordinary course of business and on arm's length basis as well 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. Details of related parties and transactions with them are covered at Note no. 2.35 of the Financial Statements.

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 which hold(s) 10% or more shareholding in the Company.

Further, the Company has no material significant transaction with the related parties viz. promoters, directors of the Company, management, their relatives, subsidiaries of promoter Company etc. that may have a potential conflict with the interest of the Company at large.

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.

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 Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

**e) Management Discussion and Analysis Report**

Management Discussion and Analysis Report has been attached to the Directors' Report and forms part of this Annual Report.

**f) Policy on Material Subsidiary**

The Company doesn't have any subsidiary company.

**g) 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 SEBI Listing Regulations:

**i. The Board**

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

## SAL AUTOMOTIVE LIMITED

(Formerly Swaraj Automotives Limited)

### 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.

### h) Compliances with Governance Framework

The Company has complied with the requirements of the Schedule V of the Listing Regulations;

The Company is in compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

### i) 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 year 2021-22	No. of Complaints disposed off during the year 2021-22	No. of Complaints pending at the end of FY 2022
1	1	Nil

### j) 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.

### k) Disclosures with respect to demat suspense

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

## 23. 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](http://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.

## 24. COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

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 SEBI Listing Regulations.

In terms of Regulation 34 of the Listing Regulations, the Certificate on Corporate Governance issued by practicing company secretaries / independent auditors annexed as Annexure-B to this report.

## 25. CEO / CFO CERTIFICATION

As required under Regulation 17(8) of the Listing Regulations, the Executive Director and the Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the year ended March 31, 2022. The same is annexed as Annexure-C.

## 26. CERTIFICATE FROM A COMPANY SECRETARY IN PRACTICE

Also, a certificate from a company secretary in practice dated [" "] 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: 10th August, 2022

**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, 2022.

Rama Kant Sharma  
**Managing Director**  
**DIN : 00640581**

Place: Ghaziabad

Date : 10th August, 2022



## **SAL AUTOMOTIVE LIMITED**

(Formerly Swaraj Automotives Limited)

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### **ANNEXURE-B TO CORPORATE GOVERNANCE**

#### **INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

##### **TO THE MEMBERS OF SAL AUTOMOTIVE LIMITED**

(Formerly SWARAJ AUTOMOTIVES LIMITED)

1. We have examined the compliance of conditions of Corporate Governance by the Company for the year ended on March 2022, 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, 2022.
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 : Ghaziabad  
Dated : May 26, 2022  
UDIN: 20080173AAAAAN8584

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 Jagdish Lal Raheja, 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, 2022 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.

**Jagdish Lal Raheja**  
**Chief Financial Officer**

**Rama Kant Sharma**  
**Managing Director**

Date : 10th August, 2022  
Place : Ghaziabad

Date : 10th August, 2022  
Place : Ghaziabad

**SAL AUTOMOTIVE LIMITED**

(Formerly Swaraj Automotives Limited)

**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  
(formerly known as Swaraj Automotives 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 (formerly known as Swaraj Automotives 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](http://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, 2022 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	03.02.2016
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

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: 27.07.2022

Place: Chandigarh

UDIN: F002191D000693191

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of SAL Automotive Limited  
(Formerly SWARAJ AUTOMOTIVES LIMITED)**

### **Report on the Financial Statements**

We have audited the standalone Indian Accounting Standards (Ind AS) financial statements of SAL AUTOMOTIVE LIMITED (Formerly SWARAJ AUTOMOTIVES LIMITED) ("the company"), which comprise the Balance Sheet as at 31 March 2022, 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, 2022; and
- b) its loss (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.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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.

### **Management's Responsibility 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.

## **SAL AUTOMOTIVE LIMITED**

(Formerly Swaraj Automotives Limited)

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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**

- A. Our objectives are to obtain reasonable assurance about whether the stand alone 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.
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- 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 reasonably 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 of the current period and are therefore the key audit matters. We describe 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.

**6. Report on other Legal and Regulatory Requirements**

- i) 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.
- ii) 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.
  - e) on the basis of written representations received from the directors as on 31st March, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2022, 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 Ind AS 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, 2022.
    - 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)

## SAL AUTOMOTIVE LIMITED

(Formerly Swaraj Automotives Limited)

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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 company has paid dividend during the year and the management of the Company has represented that to the best of its knowledge and belief, the dividend thus declared and paid was in compliance with section 123 of the Companies Act, 2013.

For Mangla Associates  
Chartered Accountants  
(FRN 006796C)

Place : Noida  
Date : May 26, 2022  
UDIN : 22080173AJRKBV3074

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

### ANNEXURE 'A' REFERRED TO IN OUR REPORT OF EVEN DATE

- 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.
- (d) The Company has not revalued any of its Property, Plant and Equipment during the year
- (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 2022 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules thereunder.
- II. (a) According to the information and explanations given to us, Physical verification of inventory has been conducted during the year by the management and at the end of the year by an independent firm of Chartered Accountants. 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 was 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.
- (b) & (c) are not applicable
- 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. The company has not accepted any deposits or deemed deposits covered by paragraph 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 there are no amounts of statutory dues that have not been deposited on account of any disputes
- 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).
- 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.
- (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.
- 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 or any fraud on the Company by its officers or employees noticed, or reported during the year.



## **SAL AUTOMOTIVE LIMITED**

(Formerly Swaraj Automotives Limited)

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- (b) In our opinion and as per information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (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.
- XII. According to the information and explanation given to us, the Company is not a Nidhi Company. Thus Para 3(xii) of the Order is not applicable to the Company.
- XIII. According to the information and explanations given to us, all the transactions with the related parties are in compliance with Sections 177 and 188 of the Act and the relevant details have been disclosed in the Ind AS Financial Statements as required by the applicable Indian Accounting Standards.
- XIV. (a) 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.
- XV. According to the information and explanations given to us, the Company had not entered into any non-cash transactions referred to in section 192 of the Act, with directors or persons connected with him during the year. Accordingly paragraph 3(xv) of the Order is not applicable to the Company.
- XVI. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.  
(b), (c) and (d) are not applicable  
(e) According to the information and explanations given to us, the Group does not have any CIC as part of the group.
- XVII. The Company has incurred cash losses of Rs. (91.49) Lacs during the current financial year, but did not incur cash losses in the immediately preceding financial year.
- XVIII. There has been no resignation of the statutory auditor during the year.
- XIX. On the basis of the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the 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 not covered under Section 135 of the Act, hence, there is no Corporate Social Responsibility Obligation for the financial year ended 31st March 2022.

For Mangla Associates  
Chartered Accountants  
(FRN 006796C)

Place : Noida  
Date : May 26, 2022  
UDIN : 22080173AJRKBV3074

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

## **ANNEXURE 'B' REFERRED TO IN OUR REPORT OF EVEN DATE**

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

We have audited the internal financial controls over financial reporting of SAL AUTOMOTIVE LIMITED (Formerly SWARAJ AUTOMOTIVES LIMITED) (the 'Company') as of 31st March 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **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 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.

**SAL AUTOMOTIVE LIMITED**

(Formerly Swaraj Automotives Limited)

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**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.

**Opinion**

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, 2022, 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.

For Mangla Associates  
Chartered Accountants  
(FRN 006796C)

Place : Ghaziabad  
Date : May 26, 2022  
UDIN : 22080173AJRKBV3074

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

## BALANCE SHEET

(Rs. in Lakhs)

Particulars	Notes	As at 31st March, 2022	As at 31st March, 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Property, Plant and Equipment and Intangible Assets</b>			
- Property, Plant and Equipment	2.1	1,229.88	818.84
- Capital Work in Progress (Ref Note 2.48)	2.1	996.22	89.98
- Intangible Assets	2.2	10.98	25.50
- Lease Assets (Right to Use)	2.3	67.69	85.74
- Intangible Assets under Development			
- Financial Assets			
(a) Investments		-	-
(b) Loans			
(c) Others	2.4	2,278.53	1,453.85
- Deferred Tax Assets (net of provisions) (Refer Note 1.9 (ii))	2.5 (a)	142.04	73.87
- Other Non-Current Assets	2.6	82.11	191.87
<b>Current Assets</b>			
- Inventories	2.7	1,495.12	862.22
- Financial Assets			
(a) Trade Receivables	2.8	3,480.99	2,806.06
(b) Cash & Cash Equivalents	2.9	10.26	68.88
(c) Bank Balances (other than covered in (b) above)	2.9	97.14	733.62
(d) Other Financial Assets	2.10	154.29	151.20
- Income Tax (net of provisions) (Refer Note 1.9 (i))	2.5 (b)	83.73	78.76
- Other Current Assets	2.11	381.24	336.20
<b>TOTAL ASSETS</b>		<b>10,510.22</b>	<b>7,776.59</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
- Share Capital	2.12	239.77	239.77
- Other Equity (Refer SOCE)	2.13	2,794.25	3,115.68
<b>Non-Current Liabilities</b>			
- Financial Liabilities			
(a) Interest Bearing Loans & Borrowings	2.14	211.42	240.86
(b) Lease Liabilities	2.3	54.27	70.67
- Provisions	2.15	149.38	165.24
<b>Current Liabilities</b>			
- Financial Liabilities			
(a) Interest Bearing Loans & Borrowings	2.16	2,503.06	640.17
(b) Trade Payable			
- MSME	2.17	207.79	90.45
- Others	2.17	3,848.63	2,749.70
(c) Lease Liabilities	2.3	16.41	15.21
(d) Others	2.18	11.87	7.73
- Provisions	2.19	129.81	125.43
- Current Tax Liabilities (Net)			
- Other Current Liabilities	2.20	343.56	315.68
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>10,510.22</b>	<b>7,776.59</b>
<b>Significant Accounting Policies</b>	1		
<b>Notes to Accounts</b>	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  
Chartered Accountants (FRN006796C)

FOR AND ON BEHALF OF THE BOARD

A.P. MANGLA  
Partner  
Membership No. 080173  
UDIN : 22080173AJRKBV3074

RAJIV SHARMA  
Chairman  
  
JAGDISH LAL RAHEJA  
Chief Financial Officer

R.K. SHARMA  
Managing Director  
  
GAGAN KAUSHIK  
Company Secretary

Ghaziabad, 26th May, 2022

Ghaziabad, 26th May, 2022

**SAL AUTOMOTIVE LIMITED**  
(Formerly Swaraj Automotives Limited)

**STATEMENT OF PROFIT AND LOSS**

(Rs. in Lakhs)

Particulars	Notes	For the period ended 31st March, 2022	For the period ended 31st March, 2021
<b>Total Income from Operations</b>	2.21	<b>15,058.38</b>	9,454.54
Other Income	2.22	<u>153.91</u>	<u>140.09</u>
Total Income		<b><u>15,212.29</u></b>	<b><u>9,594.63</u></b>
<b>Expenses</b>			
Cost of Materials Consumed	2.23	<b>12,163.22</b>	6,864.16
Changes in Inventories of Finished Goods and work-in-progress	2.24	<b>(364.53)</b>	75.72
Employee Benefits Expense	2.25	<b>2,406.95</b>	1,671.27
Finance Costs	2.26	<b>114.05</b>	52.32
Depreciation & Amortization Expense	2.1, 2.2 & 2.3	<b>212.53</b>	153.64
Other Expenses	2.27	<b>979.96</b>	<u>692.30</u>
<b>Total Expenses</b>		<b><u>15,512.18</u></b>	<b><u>9,509.41</u></b>
Profit before exceptional items and tax		<b>(299.89)</b>	85.22
Exceptional items		–	–
Profit Before Tax		<b>(299.89)</b>	85.22
<b>Tax Expense</b>			
– Current Tax		–	–
– Deferred Tax (Net)	2.5 (c)	<b>(66.51)</b>	1.29
– Tax provision in earlier years [Short / (Excess)]		<b>(0.80)</b>	–
<b>Net Profit / (Loss) for the period</b>		<b><u>(232.58)</u></b>	<b><u>83.93</u></b>
<b>Other Comprehensive Income</b>			
– Items that will not be reclassified to profit & loss account			
(a) Remeasurement of post employment benefit obligation		<b>(6.59)</b>	17.53
(b) Change in revaluation surplus			
(c) Income Tax relating to above items		<b>1.66</b>	(4.41)
– Items that will be reclassified to profit & loss account			
<b>Total Comprehensive Income for the period</b>		<b><u>(237.51)</u></b>	<b><u>97.05</u></b>
Earnings Per Share		<b>(9.91)</b>	4.05

As per our report of even date attached  
For MANGLA ASSOCIATES  
Chartered Accountants (FRN006796C)  
A.P. MANGLA  
Partner  
Membership No. 080173  
UDIN : 22080173AJRKBV3074

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

FOR AND ON BEHALF OF THE BOARD

RAJIV SHARMA  
Chairman  
JAGDISH LAL RAHEJA  
Chief Financial Officer

R.K. SHARMA  
Managing Director  
GAGAN KAUSHIK  
Company Secretary

Ghaziabad, 26th May, 2022

Ghaziabad, 26th May, 2022

## **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 (Karnataka) and Rudrapur (Uttarakhand).

SAL is engaged in manufacturing business of Automobile Components, which includes Tractor seats, LCV seats, Seat mechanisms for passenger cars & commercial vehicles and Seat frames for commercial vehicles and Agriculture Implements, which includes Rotavators, Tractor trailers and Planter 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 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 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 periodical basis based on the agreements with the customers. Sales Revenue is recorded 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 for the production of components exclusively for 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 taking into account the underlying interest rate.

## **SAL AUTOMOTIVE LIMITED**

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### **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 on the basis of 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 as a consequence 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 on the basis of useful lives of such assets specified in Schedule II to the Companies Act, 2013 except the following assets:-
  - (i) Depreciation on vehicles (cars) is charged @ 25%.
- (e) Capital spares are amortized in a systematic manner over the useful life of the assets to which it relates.
- (f) 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 a number of 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 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 benefit under the plan is determined on the basis of 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, bonus, and leave travel allowance and performance incentives.

The employees of the Company are entitled to compensate 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 is 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 also 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



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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 transaction. Exchange differences, if any, arising on settlement of transactions except those relating to fixed assets are recognized as income or expense in the year in which they arise.

In 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 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.

The 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 the 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 Cashflows" 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 MSMED Act, 2006**

Payment of Interest as per provisions of MSMED Act, 2006 is accounted for on actual payment basis as & when incurred.

#### **1.18 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 as on quarterly basis. In respect of seat & seat mechanism, warranty cost is recognized as per actuals as and when incurred.

#### **1.19 Segment Reporting**

The Company identifies primary segments based on the dominant nature of products, risks and returns, category of customers dealt 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 un-allocable 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.

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### **1.20 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 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 if whether it will exercise an extension or a termination option.

### **1.21 Borrowing Costs**

Borrowing cost directly attributable to acquisition or construction or production of qualifying assets, which necessarily take a substantial period of time 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 incurred.

**SAL AUTOMOTIVE LIMITED**  
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**Statement of Changes in Equity (SOCE)**

**A. CHANGES IN EQUITY SHARE CAPITAL**

**(Rs in Lakhs)**

Particulars	As at 31st March, 2022	As at 31st March, 2021
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, 2022				As at 31st March, 2021			
	General Reserve	Retained Earnings	OCI	Total	General Reserve	Retained Earnings	OCI	Total
Opening Balance	1,872.24	1,217.75	25.69	3,115.68	1,872.24	1,217.74	12.57	3,102.55
Profit / (Loss) after tax for the period	-	(232.58)	(4.93)	(237.51)	-	83.93	13.12	97.05
Dividend paid on Equity Shares	-	(83.92)	-	(83.92)	-	(83.92)	-	(83.92)
Dividend Distribution Tax	-	-	-	-	-	-	-	-
<b>Closing Balance</b>	<b>1,872.24</b>	<b>901.25</b>	<b>20.76</b>	<b>2,794.25</b>	<b>1,872.24</b>	<b>1,217.75</b>	<b>25.69</b>	<b>3,115.68</b>

**SAL AUTOMOTIVE LIMITED***(Formerly Swaraj Automotives Limited)***2.1 PROPERTY, PLANT AND EQUIPMENT as at 31st March, 2022 (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, 2021	2.73	439.70	1,674.01	152.12	160.24	28.30	174.77	2,631.87
Additions during the year		30.69	440.62	30.36	47.07	24.20	24.44	597.38
Disposals / Adjustments during the year			(44.56)	(0.61)				(45.17)
<b>Gross Carrying Value as at 31st Mar, 2022</b>	<b>2.73</b>	<b>470.39</b>	<b>2,070.07</b>	<b>181.87</b>	<b>207.31</b>	<b>52.50</b>	<b>199.21</b>	<b>3,184.08</b>
Accumulated depreciation as at 1st April, 2021	-	342.01	1,078.79	125.00	133.58	20.12	113.53	1,813.03
Depreciation expense for the year		15.96	117.97	6.19	16.06	3.48	20.29	179.95
Adjustment on disposals during the year			(38.24)	(0.54)				(38.78)
<b>Accumulated depreciation as at 31st Mar, 2022</b>	<b>-</b>	<b>357.97</b>	<b>1,158.52</b>	<b>130.65</b>	<b>149.64</b>	<b>23.60</b>	<b>133.82</b>	<b>1,954.20</b>
Net Carrying Value as at 31st Mar, 2022	2.73	112.42	911.55	51.22	57.67	28.90	65.39	1,229.88
Net Carrying Value as at 31st Mar, 2021	2.73	97.69	595.22	27.12	26.66	8.18	61.24	818.84
<b>Capital Work in Progress as at 31st Mar, 2022*</b>								<b>996.22</b>
Capital Work in Progress as at 31st Mar, 2021								89.98

\* Rs. 959.66 Lakhs is fresh addition in CWIP and Rs. 53.42 Lakhs has been capitalised during FY 2021-22

**SAL AUTOMOTIVE LIMITED**  
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**2.2 INTANGIBLE ASSETS as at 31st March, 2022 (Refer Note 1.6) (Rs in Lakhs)**

Description of Assets	Softwares	Design & Development	Patents	Total
Gross Carrying Value as at 1st April, 2021	87.73	67.45	0.09	155.27
Additions during the year	-	-	-	-
Disposals / Adjustments during the year	-	-	-	-
<b>Gross Carrying Value as at 31st Mar, 2022</b>	<b>87.73</b>	<b>67.45</b>	<b>0.09</b>	<b>155.27</b>
Accumulated depreciation as at 1st April, 2021	80.43	49.29	0.05	129.77
Depreciation expense for the year	3.86	10.66		14.52
Adjustment on disposals during the year	-	-	-	-
<b>Accumulated depreciation as at 31st Mar, 2022</b>	<b>84.29</b>	<b>59.95</b>	<b>0.05</b>	<b>144.29</b>
<b>Net Carrying Value as at 31st Mar, 2022</b>	<b>3.44</b>	<b>7.50</b>	<b>0.04</b>	<b>10.98</b>
Net Carrying Value as at 31st Mar, 2021	7.30	18.16	0.04	25.50

**2.3 LEASE ASSETS (Right to Use) as at 31st Mar, 2022 (Rs in Lakhs)**

Particulars	Total
Opening Balance as at 1st April, 2021	85.74
Additions during the year	-
Amortisation during the year	(18.05)
Closing Balance as at 31st Mar, 2022	67.69

**LEASE LIABILITIES as at 31st Mar, 2022 (Rs in Lakhs)**

Particulars	Total
Opening Balance as at 1st April, 2021	85.88
Additions during the year	-
Accretion of Interest	6.40
Lease Payments	(21.60)
<b>Closing Balance as at 31st Mar, 2022</b>	<b>70.68</b>
Current Liabilities	21.60
Non-Current Liabilities	59.40
<b>Total</b>	<b>81.00</b>

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deposits Others (unsecured considered good)	25.03	27.44
Deposits with Govt Authorities	34.26	33.20
Fixed Deposits with > 12 months maturity	137.04	540.00
Fixed Deposits against OD Limit and Demand Loans	2,082.20	853.21
	<b>2,278.53</b>	<b>1,453.85</b>

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

**SAL AUTOMOTIVE LIMITED**  
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**2.5 (a) DEFERRED TAX ASSET / (LIABILITY)**

**(Rs. in Lakhs)**

<b>Particulars</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>Deferred Tax Liabilities</b>		
– PPE	<b>(43.37)</b>	(46.46)
<b>Deferred Tax Assets</b>		
– Unabsorbed Depreciation	<b>105.15</b>	18.71
– Provision for Gratuity	<b>25.33</b>	28.71
– Provision for Leave Encashment	<b>43.19</b>	44.00
– Provision for Bonus	<b>4.84</b>	7.92
– Provision for Warranty	<b>1.76</b>	0.45
– Provision for Doubtful Debts / Advances	<b>5.14</b>	20.54
<b>Deferred Tax Assets / (Liabilities)</b>	<b><u>142.04</u></b>	<u>73.87</u>

**2.5 (b) Income Tax Recognised in Balance Sheet**

**(Rs. in Lakhs)**

<b>Particulars</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
– Income Tax (net of provisions)	<b>83.73</b>	78.76
	<b><u>83.73</u></b>	<u>78.76</u>

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

**(Rs. in Lakhs)**

<b>Particulars</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
– Current Tax	<b>(0.80)</b>	–
– Deferred Tax	<b>(66.51)</b>	1.29
	<b><u>67.31</u></b>	<u>1.29</u>

**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)**

<b>Particulars</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
Profit before Tax	<b>(299.89)</b>	85.22
Income Tax expense	–	21.49
Income not considered for tax purposes	–	–
Effect of estimated non deductible expenses	–	–
Others (including temporary difference)	<b>(67.31)</b>	(20.20)
<b>Income Tax recognised in profit &amp; loss account</b>	<b><u>(67.31)</u></b>	<u>1.29</u>

**SAL AUTOMOTIVE LIMITED**  
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**2.6 NON-CURRENT OTHER ASSETS**

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Capital Advances	81.29	189.37
Prepaid Expenses	0.82	2.50
	<u>82.11</u>	<u>191.87</u>

**2.7 INVENTORIES** (Refer Note 1.4)

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Raw Materials & Components *	743.94	506.30
Work-in-Progress	381.30	192.16
Finished Goods	247.83	56.90
Goods in Transit	50.39	65.93
Stores and Spares	45.40	26.37
Loose Tools	26.26	14.56
	<u>1,495.12</u>	<u>862.22</u>

Inventory as at 31st March, 2022 has been physically verified and certified by the independent Chartered Accountant.

\* Includes Goods in Transit of Rs 22.77 Lakhs (2021 - Rs 6.99 Lakhs)

**2.8 TRADE RECEIVABLES**

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Debts outstanding from the date they are due for payment</b>		
<b>Unsecured</b>		
<b>For more than six months</b>		
– Considered Doubtful	–	81.59
Less : Provision for doubtful debts (Refer Note 1.13 and 2.43)	–	(81.59)
– Considered good	162.37	97.27
<b>For less than six months</b>		
– Considered good	3,318.62	2,708.79
	<u>3,480.99</u>	<u>2,806.06</u>



**SAL AUTOMOTIVE LIMITED**  
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**2.9 CASH & BANK BALANCES**

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Cash &amp; Cash Equivalents</b>		
– Cash in hand	6.99	4.38
– Cheques & Drafts in hand	–	–
– In Current Accounts	3.27	64.50
<b>Bank Balances</b>	–	–
– Deposits against OD Limit and Demand Loans	90.00	507.79
– Fixed Deposits maturing within next 12 months	–	220.00
– Earmarked Balances with Banks - Unclaimed Dividend	7.14	5.83
	<b>107.40</b>	<b>802.50</b>

Cash and cash equivalents comprise cash balances on hand, bank balance and term deposits with banks.

Cash and cash equivalents as of 31st March, 2022 include restricted cash and bank balances of Rs.97.14 Lakhs (2021 - Rs.513.62 Lakhs). The restrictions are primarily on account of cash and bank balances held as OD limit and unpaid / unclaimed dividends.

**2.10 OTHER FINANCIAL ASSETS**

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Insurance Claim recoverable	1.33	0.54
Other Recoverable	0.51	2.50
Loans & Advances to Employees	1.83	2.44
Interest Accrued on Fixed Deposits	123.15	80.56
Deposits Others	4.37	2.53
Deposits with Govt. Authorities	23.10	62.63
	<b>154.29</b>	<b>151.20</b>

**2.11 OTHER CURRENT ASSETS**

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Prepaid Expenses	18.58	10.82
Balance with Govt. Authorities (other than income tax)	170.11	78.75
Advances to Suppliers	160.44	109.95
Value Added Tax Recoverable	32.11	136.68
	<b>381.24</b>	<b>336.20</b>

**2.12 EQUITY SHARE CAPITAL (refer SOCE)**

**(Rs. in Lakhs)**

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Authorised</b>		
Equity Shares, Rs.10/- par value		
<b>30,00,000</b> (2021 - 30,00,000) <b>Equity Shares</b>	<b>300.00</b>	300.00
Redeemable Cumulative Preference Shares, Rs.100/- par value		
<b>50,000</b> (2021 - 50,000) <b>Redeemable Cumulative Preference Shares</b>	<b>50.00</b>	50.00
	<u><b>350.00</b></u>	<u>350.00</u>
<b>Issued, Subscribed &amp; Paid-up</b>		
Equity Shares, Rs.10/- par value		
<b>23,97,713</b> (2021 - 23,97,713) <b>Equity Shares fully paid-up</b>	<b>239.77</b>	239.77
	<u><b>239.77</b></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 08th June, 2021 proposed a Dividend of Rs 3.50 per Equity Share for the financial year ended 31-03-2021. Dividend proposed by the board of directors was approved by the shareholders in their Annual General Meeting held on 20th Sep, 2021. Same has resulted in a cash outflow of Rs 83.92 Lakhs excluding dividend distribution tax which is taxable in the hands of shareholders.

**Shareholding of the promoters as at 31-03-2022 :**

– Name of Promoter	b4S Solutions Pvt. Limited
– No. 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, 2022		As at 31st March, 2021	
Name	No. of Shares held	% of Shareholding	No. of Shares held	% of Shareholding
b4S Solutions Pvt. Limited	17,98,285	75%	17,98,285	75%

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

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares held	Share Capital (Rs. in Lakhs)	No. of Shares held	Share Capital (Rs. in Lakhs)
Number of equity shares at the beginning	23,97,713	239.77	23,97,713	239.77
Movement in equity shares during the year	–	–	–	–
Number of equity shares at the closing	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, 2022	As at 31st March, 2021
General Reserve	1872.24	1872.24
Retained Earnings	922.01	1243.44
	<u>2794.25</u>	<u>3115.68</u>

**2.14 NON-CURRENT BORROWINGS (Rs. in Lakhs)**

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Secured Loans</b>		
Loan from Banks *	432.15	481.81
Less : Current Maturities of Long-Term Loan (Ref Note No. 2.16)	<u>(220.73)</u>	<u>(240.95)</u>
	<u>211.42</u>	<u>240.86</u>

\* Secured against FDR's.

**2.15 NON-CURRENT PROVISIONS (Rs. in Lakhs)**

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Provision for Employee Benefits (Refer Note 1.7)</b>		
– Provision for Gratuity (Refer Note 2.38)	33.04	45.44
– Provision for Leave Encashment (Refer Note 2.39)	<u>116.34</u>	<u>119.80</u>
	<u>149.38</u>	<u>165.24</u>

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current Maturities of Long-Term Loan (Ref Note No. 2.14)	220.73	240.95
<b>Bank Borrowings :</b>		
– Overdrafts - against FDR's	1,404.56	399.22
– Cash Credits - against inventory & trade receivables*	<u>877.77</u>	<u>–</u>
	<u>2,503.06</u>	<u>640.17</u>

\* Company submits monthly statement of current assets with bank in the form as prescribed by the bank.

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**2.17 TRADE PAYABLES**

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade Payables - Micro & Small Enterprises (Refer Note 1.17 and 2.40)	207.79	90.45
Trade Payables - Other than Micro & Small Enterprises	3,794.68	2,689.99
Other Accruals	53.95	59.71
	<u>4,056.42</u>	<u>2,840.15</u>

**2.18 OTHER CURRENT FINANCIAL LIABILITIES**

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deposits & Earnest Money	4.73	1.90
Unpaid / Unclaimed Dividend *	7.14	5.83
	<u>11.87</u>	<u>7.73</u>

\* Rs. Nil (2021 - Rs 0.53 Lakhs) credited to Investor Education and Protection Fund during the Year.

**2.19 CURRENT PROVISIONS**

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Provision for Employee Benefits</b>		
– Provision for Gratuity	67.59	68.62
– Provision for Leave Encashment	55.23	55.01
<b>Others</b>		
– Warranty Claim (Refer Note 1.18 & 2.42)	6.99	1.80
	<u>129.81</u>	<u>125.43</u>

**2.20 OTHER CURRENT LIABILITIES**

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advances from Customers	167.95	104.98
Statutory Dues Payable	33.77	78.25
Employees Dues Payable	141.84	132.45
	<u>343.56</u>	<u>315.68</u>

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**2.21 TOTAL INCOME FROM OPERATIONS**

(Rs. in Lakhs)

Particulars	For the year ended	
	31st March, 2022	31st March, 2021
Sale of Products (Refer Note 2.37 A)	14,880.88	9,351.02
Other Operating Income		
– Sale of Scrap	172.10	79.97
– Job Charges	5.40	23.55
	<u>15,058.38</u>	<u>9,454.54</u>

**2.22 OTHER INCOME**

(Rs. in Lakhs)

Particulars	For the year ended	
	31st March, 2022	31st March, 2021
Interest Income	129.55	125.29
Profit on Sale of Assets	0.18	–
Miscellaneous Income*	24.18	14.80
	<u>153.91</u>	<u>140.09</u>

\*Includes Rs. 14.01 Lakhs related to written back of excess provisions and Rs 10.18 Lakhs old liabilities. (2021 - Rs. 14.50 Lakhs related to excess provision written back).

**2.23 COST OF MATERIALS CONSUMED (Refer Note 2.37B)**

(Rs. in Lakhs)

Particulars	For the year ended	
	31st March, 2022	31st March, 2021
Opening Stock	520.86	327.54
Add : Purchases*	12,265.75	6,981.82
Job Charges	146.81	75.66
	12,933.42	7,385.02
Less : Closing Stock*	(770.20)	(520.86)
	<u>12,163.22</u>	<u>6,864.16</u>

\* Includes Goods in Transit of Rs 22.77 Lakhs (2021 - Rs 6.99 Lakhs)

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

<b>Particulars</b>	<b>For the year ended 31st March, 2022</b>	<b>For the year ended 31st March, 2021</b>
<b>Opening Stock</b>		
– Work in Progress	192.16	175.70
– Finished Goods	122.83	215.01
	<u>314.99</u>	<u>390.71</u>
<b>Closing Stock</b>		
– Work in Progress	381.30	192.16
– Finished Goods	298.22	122.83
	<u>679.52</u>	<u>314.99</u>
	<u>(364.53)</u>	<u>75.72</u>

**2.25 EMPLOYEE BENEFITS EXPENSE** **(Rs. in Lakhs)**

<b>Particulars</b>	<b>For the year ended 31st March, 2022</b>	<b>For the year ended 31st March, 2021</b>
Salaries & Wages	2,125.42	1,468.31
Contribution to Provident & Other Funds	87.08	74.99
Gratuity	27.22	28.95
Workmen & Staff Welfare	167.23	99.02
	<u>2,406.95</u>	<u>1,671.27</u>

**2.26 FINANCE COSTS** **(Rs. in Lakhs)**

<b>Particulars</b>	<b>For the year ended 31st March, 2022</b>	<b>For the year ended 31st March, 2021</b>
Processing Charges	7.49	-
Interest Charges	106.30	51.75
Vehicle Loan Interest	0.26	0.57
	<u>114.05</u>	<u>52.32</u>

**SAL AUTOMOTIVE LIMITED***(Formerly Swaraj Automotives Limited)***2.27 OTHER EXPENSES****(Rs. in Lakhs)**

<b>Particulars</b>	<b>For the year ended 31st March, 2022</b>	<b>For the year ended 31st March, 2021</b>
Power, Fuel & Water Charges	<b>266.76</b>	181.85
Consumption of Stores & Spares	<b>29.97</b>	14.51
Rent	<b>51.13</b>	38.61
Rates and Taxes	<b>10.69</b>	10.41
Insurance	<b>9.37</b>	7.66
<b>Repairs and Maintenance</b>		
– Buildings	<b>3.56</b>	4.17
– Machinery	<b>98.77</b>	52.56
– Others	<b>52.43</b>	38.02
Postage & Telephone	<b>4.62</b>	2.68
Printing & Stationery	<b>13.26</b>	7.56
Legal and Professional Charges	<b>22.85</b>	19.13
Advertisement	<b>7.39</b>	8.40
Freight Outward	<b>164.75</b>	166.56
Business Promotion Expenses	<b>4.89</b>	4.07
Festival Expenses	<b>11.12</b>	7.64
Travelling & Conveyance Expenses	<b>81.17</b>	43.52
Bad Debts Written off	<b>26.10</b>	-
Provisions for Supplier's Advances	<b>20.44</b>	-
<b>Auditors' Remuneration</b>		
– Statutory Audit Fees	<b>2.50</b>	2.00
– Other Services	<b>2.97</b>	2.77
– Reimbursement of Expenses	<b>0.35</b>	0.36
– Tax Audit Fees	<b>0.60</b>	0.40
– GST Audit Fees	<b>–</b>	1.00
Cost Auditor' Fees	<b>0.70</b>	0.50
Secretarial Audit Fee	<b>0.60</b>	0.60
Internal Auditor's Fee	<b>4.50</b>	3.60
Internal Auditor's Expenses	<b>0.82</b>	-
Directors' Sitting Fees	<b>7.80</b>	7.55
Design & Development Expenses	<b>6.28</b>	7.57
Warranty Claims	<b>6.15</b>	7.65
Bank Charges	<b>0.92</b>	0.24
Interest & Penalties	<b>1.00</b>	0.25
Testing Charges	<b>2.29</b>	3.07
Security Services	<b>54.09</b>	39.18
Miscellaneous Expenses	<b>9.12</b>	8.21
	<b><u>979.96</u></b>	<b><u>692.30</u></b>

## 2.28 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, 2022	As at 31st March, 2021
– <b>Net Debts</b>	<b>2,714.48</b>	881.03
Total	<u>2,714.48</u>	<u>881.03</u>
– Total Equity		
– Share Capital	<b>239.77</b>	239.77
– Other Equity Capital	<b>2794.25</b>	3115.68
Total	<u>3034.02</u>	<u>3355.45</u>
Net Debts to Equity Ratio	<u>0.89</u>	<u>0.26</u>

### B. Dividends

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
– Final Dividend for the year ended 31st March, 2021 of Rs 3.50 per share	<b>83.92</b>	–
– Final Dividend for the year ended 31st March, 2020 of Rs 3.50 per share	–	83.92



**SAL AUTOMOTIVE LIMITED***(Formerly Swaraj Automotives Limited)***2.29 FINANCIAL INSTRUMENTS**

(Refer Note 1.13)

**Categories of Financial Assets and Liabilities as at 31st March, 2022****(Rs. in Lakhs)**

Particulars	Amortised Cost	Fair Value through Profit & Loss	Fair Value through OCI	Total Carrying Value	Total Fair Value
<b>Non-Current Assets</b>					
- Loans	-	-	-	-	-
- Other Financial Assets	2278.53	-	-	2278.53	2278.53
	<u>2278.53</u>	<u>-</u>	<u>-</u>	<u>2278.53</u>	<u>2278.53</u>
<b>Non Current Liabilities</b>					
- Loans	211.42	-	-	211.42	211.42
	<u>211.42</u>	<u>-</u>	<u>-</u>	<u>211.42</u>	<u>211.42</u>
<b>Current Assets</b>					
- Trade Recievables	3480.99	-	-	3480.99	3480.99
- Cash & Cash Equivalents	107.40	-	-	107.40	107.40
- Other Financial Assets	154.29	-	-	154.29	154.29
	<u>3742.68</u>	<u>-</u>	<u>-</u>	<u>3742.68</u>	<u>3742.68</u>
<b>Current Liabilities</b>					
- Trade Payables	4056.42	-	-	4056.42	4056.42
- Loans	220.73	-	-	220.73	220.73
- Other Financial Liabilities	2294.20	-	-	2294.20	2294.20
	<u>6571.35</u>	<u>-</u>	<u>-</u>	<u>6571.35</u>	<u>6571.35</u>

**Categories of Financial Assets and Liabilities as at 31st March, 2021****(Rs. in Lakhs)**

Particulars	Amortised Cost	Fair Value through Profit & Loss	Fair Value through OCI	Total Carrying Value	Total Fair Value
<b>Non-Current Assets</b>					
- Loans	-	-	-	-	-
- Other Financial Assets	1453.85	-	-	1453.85	1453.85
	<u>1453.85</u>	<u>-</u>	<u>-</u>	<u>1453.85</u>	<u>1453.85</u>
<b>Non-Current Liabilities</b>					
- Loans	240.86	-	-	240.86	240.86
	<u>240.86</u>	<u>-</u>	<u>-</u>	<u>240.86</u>	<u>240.86</u>
<b>Current Assets</b>					
- Trade Recievables	2806.06	-	-	2806.06	2806.06
- Cash & Cash Equivalents	802.50	-	-	802.50	802.50
- Other Financial Assets	151.20	-	-	151.20	151.20
	<u>3759.76</u>	<u>-</u>	<u>-</u>	<u>3759.76</u>	<u>3759.76</u>
<b>Current Liabilities</b>					
- Trade Payables	2840.15	-	-	2840.15	2840.15
- Loans	240.95	-	-	240.95	240.95
- Other Financial Liabilities	406.95	-	-	406.95	406.95
	<u>3488.05</u>	<u>-</u>	<u>-</u>	<u>3488.05</u>	<u>3488.05</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 OEM's. Based on the overall creditworthiness 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 purchases, 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.

<b>As at 31st March, 2022</b>	<b>(Rs. in Lakhs)</b>		
<b>Particulars</b>	<b>Less than One year</b>	<b>One to Three Years</b>	<b>More than 3 years</b>
- Trade Payables	4020.72	35.70	-
- Other Financial Liabilities	2514.93	-	-
	<u>6535.65</u>	<u>35.70</u>	<u>-</u>

<b>As at 31st March, 2021</b>	<b>(Rs. in Lakhs)</b>		
<b>Particulars</b>	<b>Less than One year</b>	<b>One to Three years</b>	<b>More than 3 years</b>
- Trade Payables	2827.35	12.80	-
- Other Financial Liabilities	647.90	-	-
	<u>3475.25</u>	<u>12.80</u>	<u>-</u>

**The Company had a working capital of Rs. 920.15 Lakhs including cash and cash equivalents of Rs.107.40 Lakhs as at 31st March'2022.**

The Company had a working capital of Rs.2546.42 Lakhs including cash and cash equivalents of Rs.802.50 Lakhs as at 31st March'2021.

Accordingly, company does not perceive any liquidity risks.

**SAL AUTOMOTIVE LIMITED***(Formerly Swaraj Automotives Limited)***2.30 ADDITIONAL DISCLOSURE AS PER MCA NOTIFICATION DATED 24.03.2021**

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Current Ratios</b> (Current Assets / Current Liabilities)	<b>1.13</b>	1.65
<b>Debt- Equity Ratio</b> [(Long-term borrowing including current maturities + short-term borrowing) / Share holder's equity]	<b>0.89</b>	0.26
<b>Debt Service Coverage ratio</b> [(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)]	<b>(0.24)</b>	2.35
<b>Return on Equity ratio</b> (Net Profits after taxes / Average Shareholder's Equity)	<b>(0.07)</b>	0.03
<b>Inventory Turnover ratio</b> (Cost of goods sold / Average inventories )	<b>0.10</b>	0.10
<b>Trade Receivable Turnover Ratio</b> (Revenue from contract with customers / Average trade receivables)	<b>4.79</b>	3.86
<b>Trade Payable Turnover Ratio</b> (Cost of goods sold / Average trade payable )	<b>0.03</b>	0.03
<b>Net Capital Turnover Ratio</b> (Revenue from contract with customers / Average working capital)	<b>8.69</b>	3.81
<b>Net Profit ratio</b> (Profit / (loss) for the period / Revenue from operations)	<b>(0.02)</b>	0.01
<b>Return on Capital Employed</b> (Earnings before interest and taxes / Average capital employed)	<b>(0.04)</b>	0.03
<b>Return on Investment</b> (Return on Investment / Investment)	<b>0.06</b>	0.06

**2.31 CONTINGENT LIABILITIES**

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

Particulars	As at 31st March	
	2022 (Rs. in lakhs)	2021 (Rs. in lakhs)
Claims against the company, not acknowledged as debts*		
Telephone & Telex	1.47	1.47
Employees / Workers	13.00	13.00
Pending C-Forms (Tax Value)	5.40	5.40

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

### 2.32 CAPITAL COMMITMENTS

Particulars	As at 31st March	
	2022 (Rs. in lakhs)	2021 (Rs. in lakhs)
Estimated amount of contracts remaining to be executed on capital account (Net of advances)	210.80	154.13

### 2.33 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.

### 2.34 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	
	2022 (Rs. in lakhs)	2021 (Rs. in lakhs)
<b>Segment Revenue :-</b>		
– Automobile Components	10412.08	8036.35
– Agriculture Implements	4646.30	1418.19
<b>Total</b>	<b>15058.38</b>	<b>9454.54</b>
<b>Segment Results (before finance cost and other unallocable income)/(loss):-</b>		
– Automobile Components	363.13	256.45
– Agriculture Implements	(255.21)	22.71
<b>Total</b>	<b>107.92</b>	<b>279.16</b>
<b>Less :</b>		
– Finance Cost	114.05	52.32
– Unallocable Expense (net of Income)	293.76	141.62
– Tax Expense (net of Deferred Tax)	(67.31)	1.29
<b>Total</b>	<b>(232.58)</b>	<b>83.93</b>
<b>Segment Assets :-</b>		
– Automobile Components	3831.85	4260.24
– Agriculture Implements	2741.14	828.91
– Unallocable	3937.23	2687.44
<b>Total</b>	<b>10510.22</b>	<b>7776.59</b>
<b>Segment Liabilities :-</b>		
– Automobile Components	3549.35	3339.65
– Agriculture Implements	1646.17	303.08
– Unallocable	2280.68	778.41
<b>Total</b>	<b>7476.20</b>	<b>4421.14</b>

**SAL AUTOMOTIVE LIMITED***(Formerly Swaraj Automotives Limited)***2.35 RELATED PARTY DISCLOSURES**

Related party disclosures for the year ended 31st March, 2022 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	Shri Rama Kant Sharma.

<b>A) Transactions with related parties:</b>	<b>Holding Company (Rs. in Lakhs)</b>	<b>Associate Company (Rs. in Lakhs)</b>
<b>a) Purchase of Raw Material / Tools &amp; Dies</b>	<b>10.58</b>	<b>384.06</b>
	–	(173.56)
– Bhardwaj Packaging & Components Pvt. Ltd.	–	<b>42.96</b>
	–	(36.14)
– Insulation & Elctrical Products Pvt. Ltd.	–	<b>341.10</b>
	–	(137.42)
– b4S Solutions Pvt. Ltd.	<b>10.58</b>	–
	–	–
<b>b) Purchase of Fixed Assets</b>	–	<b>8.21</b>
	–	–
– SAB Motors Pvt.Ltd.	–	<b>8.21</b>
	–	–
<b>c) Expenditure in respect of services received</b>	<b>558.72</b>	<b>2.20</b>
	(168.49)	(0.72)
– b4S Solutions Pvt.Ltd.	<b>558.72</b>	–
	(168.49)	–
– SAB Motors Pvt.Ltd.	–	<b>2.20</b>
	–	(0.72)
<b>d) Dividend Paid</b>	<b>62.94</b>	–
	(62.94)	–
– b4S Solutions Pvt.Ltd.	<b>62.94</b>	–
	(62.94)	–

**Note :** Previous Year Figures are in Bracket.**B) Closing Balances : Payables / (Receivables) :-**

<b>Particulars</b>	<b>As at 31st March</b>	
	<b>2022 (Rs. in Lakhs)</b>	<b>2021 (Rs. in Lakhs)</b>
b4S Solutions Pvt. Ltd.	<b>303.71</b>	46.50
Bhardwaj Packaging and Components Pvt.Ltd.	<b>8.00</b>	4.99
SAB Motors Pvt.Ltd.	<b>1.50</b>	0.34
Insulation & Elctrical Products Pvt.Ltd.	<b>20.99</b>	42.53
	<b>334.20</b>	<b>94.36</b>

**SAL AUTOMOTIVE LIMITED**  
(Formerly Swaraj Automotives Limited)

**C) Key Management Personnel**

Particulars	For the Year ended 31st March	
	2022 (Rs. in Lakhs)	2021 (Rs. in Lakhs)
Remuneration incl. Reimbursement	111.39	23.97

**2.36 EARNING PER SHARE (EPS)**

Particulars	For the Year ended 31st March	
	2022 (Rs. in Lakhs)	2021 (Rs. in Lakhs)
a) Profit attributable to equity shareholder (Rs. Lakhs)	(237.51)	97.05
b) Basic/Weighted average number of equity shares	23,97,713	23,97,713
c) Basic / Diluted Earnings Per Share (a/b)	(9.91)	4.05

**2.37 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	
		2022	2021
<b>i) Seats-Others</b>			
Opening Stock	Nos	219	492
Production	"	8862	2775
Sales	"	8732	3048
Closing Stock	"	349	219
<b>ii) Seats for Tractors</b>			
Opening Stock	Nos	70	2794
Production	"	178016	174969
Sales	"	176869	177693
Closing Stock	"	1217	70
<b>iii) Seat Components</b>			
Opening Stock	Nos	52970	75173
Production	"	1307961	989015
Sales	"	1316208	1011218
Closing Stock	"	44723	52970
<b>iv) Agriculture Implements</b>			
Opening Stock	Nos	1	23
Production	"	6658	2270
Sales	"	6658	2292
Closing Stock	"	1	1
<b>v) Sales of Products</b>		<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>
Seat Components		1780.09	1480.73
Seat - Others		299.63	104.17
Tractor Seat and Parts		6822.15	5755.73
Seat Frames		1198.68	589.09
Agriculture Implements		4640.90	1386.02
Others incl Tools & Dies		139.43	35.28
		<u>14880.88</u>	<u>9351.02</u>

**SAL AUTOMOTIVE LIMITED***(Formerly Swaraj Automotives Limited)***B a) Consumption of Raw Material & Components**

Particulars	Units	For the Year ended 31st March			
		2022		2021	
		Qty. (Rs. in Lakhs)	Qty. (Rs. in Lakhs)		
PU Foam Material	MT	181.12	425.12	178.29	326.23
CRCA COIL & Strip	MT	735.59	552.23	542.91	335.58
Paints & Chemicals	MT	147.12	246.30	88.38	128.14
HR Sheet, Pipe, Tube, Flat etc	MT	1791.31	1215.30		-
PVC Cloth/Trim & Components			635.35		310.79
Bought out Parts for Seat Mechanism			841.63		763.57
Bought out Parts for Seats			2720.24		2201.66
Bought out Parts for Seat Frames			1140.46		500.10
Bought out Parts for Agricultural Implements			3219.13		1268.69
Packing Materials			74.41		76.80
Job Work Charges			146.81		75.66
Others			946.24		876.94
			<b>12163.22</b>		<b>6864.16</b>

**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			
	2022		2021	
	%age	(Rs. Lakhs)	%age	(Rs. Lakhs)
<b>a) Raw Material &amp; Components</b>				
i) Imported	-	1.45	-	-
ii) Indigenous	100	12161.78	100	6864.16
	100	12163.22	100	6864.16
<b>b) Stores &amp; Spares</b>				
i) Imported	-	-	-	-
ii) Indigenous	100	29.97	100	14.51
	100	29.97	100	14.51

**2.38 EMPLOYEE DEFINED BENEFITS:**

Defined benefit plans - as per Actuarial Valuations

<b>Particulars</b>	<b>As at 31st March</b>	
	<b>2022</b> (Rs. in Lakhs)	<b>2021</b> (Rs. in Lakhs)
<b>i) Expenses Recognised in the Statement of Profit &amp; Loss Account</b>		
a) Past Service Cost	–	–
b) Current Service Cost	<b>20.45</b>	19.72
c) Net Interest Cost / (Income)	<b>6.13</b>	8.53
d) Defined benefit cost recognised during the year	<b>26.58</b>	28.25
<b>ii) Amount to be Recognised in the Balance Sheet</b>		
a) Present Value of Obligation at the end of the year	<b>(326.18)</b>	(346.28)
b) Fair Value of Plan Assets at the end of the year	<b>225.55</b>	232.22
c) Funded Status (Surplus / (Deficit))	<b>(100.63)</b>	(114.06)
d) Net Liability arising from Obligation	<b>100.63</b>	114.06
<b>iii) Change in the Present Value of Obligations</b>		
a) Present value of obligations at the beginning of the year	<b>346.28</b>	410.29
b) – Interest Cost	<b>21.04</b>	24.55
– Past Service Cost	–	–
– Current Service Cost	<b>20.45</b>	19.72
c) Benefits Paid	<b>(69.17)</b>	(93.07)
d) Remeasurement (Gain) / Loss		
– Experience Adjustment	<b>25.25</b>	(17.39)
– Difference in Present Value of Obligations	<b>(17.67)</b>	2.18
e) Present value of Obligations at the end of the year	<b>326.18</b>	346.28
<b>iv) Change in the Present Value of Plan Assets</b>		
a) Fair Value of Plan Assets at the beginning of the year	<b>232.22</b>	260.96
b) Expected Return on Plan Assets	<b>14.91</b>	16.03
c) Contribution by the Employer	<b>46.60</b>	45.97
d) Withdrawal	<b>(69.17)</b>	(93.07)
e) Remeasurement Gain / (Loss) : Return on Plan Assets	<b>0.99</b>	2.33
f) Fair Value of Plan Assets at the end of the year	<b>225.55</b>	232.22



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<b>v) The major categories of plan assets as a percentage of total plan funded with LIC</b>	<b>100%</b>	<b>100%</b>
<b>vi) Actuarial Assumptions</b>		
a) Imputed Rate	<b>7.24%</b>	6.75%
b) Expected rate of return on plan assets	<b>6.75%</b>	6.75%
c) In-Service Mortality	<b>IAL 2012-14 Ultimate</b>	IAL 2012-14 Ultimate
d) Turnover Rate	<b>10% / 5%</b>	12% / 5%
e) Salary Rise - Officers / Workers	<b>5% / 6%</b>	5% / 8.5%
f) Remaining Working Life	<b>20.73 Yrs</b>	18.77 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
<b>Discount Rate</b>	<b>2022</b>	<b>1.00%</b>	<b>(9.55)</b>
	2021	1.00%	(10.97)
<b>Salary Growth Rate</b>	<b>2022</b>	<b>1.00%</b>	<b>10.12</b>
	2021	1.00%	10.53

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

**2.39 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.36.45 Lakhs** (2021 Rs. 39.05 Lakhs) has been recognized in the statement of profit & loss.

Particulars	As at 31st March	
	2022 (Rs. in Lakhs)	2021 (Rs. in Lakhs)
Current	<b>55.23</b>	55.01
Non-Current	<b>116.34</b>	119.80

**2.40 DISCLOSURES UNDER MSMED ACT, 2006**

According to the provisions of amended MSMED Act effecting from July'20, parameters of MSMED industries were revised . Accordingly management 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.

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Total Outstanding dues of Micro & small enterprises, which are outstanding for more than stipulated period, are given below:-

Sr. No.	Particulars	As at 31st March	
		2022 (Rs. in Lakhs)	2021 (Rs. in Lakhs)
(a)	Dues remaining unpaid as at 31st March		
	– Principal	110.95	–
	– Interest on above	0.75	–
(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	444.92	228.62
	– Interest paid in terms of section 16 of the Act	12.46	–
(c)	Amount of interest due and payable for the period of delay in payments made beyond the appointed date during the year	5.66	3.45
(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.	–	4.10
(e)	Amount of interest accrued and remaining unpaid as at 31st March	0.75	7.55

**2.41 RESEARCH & DEVELOPMENT EXPENDITURE**

Particulars	For the Year ended 31st March	
	2022 (Rs. in Lakhs)	2021 (Rs. in Lakhs)
(a) Revenue Expenditure (Charged to Statement of Profit & Loss)	13.13	7.26
(b) Capital Expenditure (Capitalised under CWIP / Assets)	–	–
	<u>13.13</u>	<u>7.26</u>

**2.42 MOVEMENT IN PROVISIONS FOR WARRANTY OBLIGATIONS**

Particulars	For the Year ended 31st March	
	2022 (Rs. in Lakhs)	2021 (Rs. in Lakhs)
(a) As at the beginning of the year	1.80	5.36
(b) Provided during the year	5.19	–
(c) Reversed during the year	–	3.56
(d) Utilised during the year	–	–
(e) As at the end of the year	<u>6.99</u>	<u>1.80</u>

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**2.43 MOVEMENT IN PROVISIONS FOR DOUBTFUL DEBTS AND ADVANCES**

Particulars	For the Year ended 31st March	
	2022 (Rs. in Lakhs)	2021 (Rs. in Lakhs)
(i) As at the beginning of the year	81.59	81.59
(ii) Provided during the year	46.54	–
(iii) Written off during the year	(107.69)	–
(iv) As at the end of the year	<u>20.44</u>	<u>81.59</u>

**2.44 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE**

a) **Derivative Outstanding :-**

Currency	Payable / Receivable	As at 31.03.22	As at 31.03.21
US\$	–	–	–

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

Currency	Payable / Receivable	As at 31.03.22	As at 31.03.21
US\$ / INR	Payable	–	–
US\$ / INR	Receivable	–	–

**2.45 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.

**A) Detail of Lease Assets & Liabilities is given below.**

Particulars	For the Year ended 31st March	
	2022 (Rs. in Lakhs)	2021 (Rs. in Lakhs)
<b>i) Right to Use Asset (ROU)</b>		
– Opening Balance	85.74	–
– Additions	–	90.25
– Amortisation	(18.05)	(4.51)
– Closing Balance	<u>67.69</u>	<u>85.74</u>
<b>ii) Lease Liability</b>		
– Opening Balance	85.88	–
– Additions	–	90.25
– Accretion of Interest	6.39	1.03
– Payments	(21.60)	(5.40)
– Closing Balance	<u>70.67</u>	<u>85.88</u>

**(B) Contractual maturities of lease liabilities on an undiscounted basis is given below.**

Particulars	For the Year ended 31st March	
	2022 (Rs. in Lakhs)	2021 (Rs. in Lakhs)
Less than One Year	21.60	21.60
One Year to Four Years	59.40	81.00

**C)** Rental Expense related to short-term leases amounting to **Rs. 51.13** Lakhs has been accounted for during the year. (Previous Year – Rs 38.61 Lakhs)

**2.46 AGEING SCHEDULE FOR TRADE PAYABLES**

Particulars	Not Yet Dues	Outstanding from due dates of payments			
		< 1 Year	1 - 2 Years	2 - 3 Years	Total
(i) MSME	96.84	110.95			207.79
(ii) Others	2,113.97	1,645.01	33.64	2.06	3,794.68
(iii) Disputed Dues - MSME					-
(iv) Disputed Dues - Others					-
Total	2,210.81	1,755.96	33.64	2.06	4,002.47

**2.47 AGEING SCHEDULE FOR TRADE RECEIVABLES**

Particulars	Outstanding from due dates of payments						Total
	Not Yet Dues	< 6 months	6 months - 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	
(i) Undisputed – Considered Good	2,582.29	736.33	37.06	68.30	16.57	40.44	3,480.99
(ii) Undisputed - Having significant increase in credit risk							-
(iii) Undisputed - Credit Impaired							-
(iv) Disputed - Considered Good							-
(v) Disputed - Having significant increase in credit risk							-
(vi) Disputed - Credit Impaired							-
Total	2,582.29	736.33	37.06	68.30	16.57	40.44	3,480.99

**2.48 AGEING SCHEDULE FOR CAPITAL WORK IN PROGRESS (CWIP)**

Particulars	Amount of CWIP				Total
	< 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	
(i) Projects in Progress	996.22				996.22
(ii) Projects temporarily Suspended					-
Total	996.22	-	-	-	996.22

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

As per our report of even date attached The Notes referred to above form an integral part of these financial statements.

For MANGLA ASSOCIATES  
Chartered Accountants (FRN006796C)

FOR AND ON BEHALF OF THE BOARD

A.P. MANGLA  
Partner  
Membership No. 080173  
UDIN : 22080173AJRKBV3074

RAJIV SHARMA  
Chairman  
  
JAGDISH LAL RAHEJA  
Chief Financial Officer

R.K. SHARMA  
Managing Director  
  
GAGAN KAUSHIK  
Company Secretary

Ghaziabad, 26th May, 2022

Ghaziabad, 26th May, 2022

**CASH FLOW STATEMENT**

(Rs. in Lakhs)

Particulars	For the year ended		For the year ended	
	31st March, 2022		31st March, 2021	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit Before Tax and Extraordinary Items		(299.89)		85.22
Adjustments for :				
Depreciation	212.53		153.64	
Interest	114.05		52.32	
Interest Income	(129.55)		(125.29)	
Actuarial Gain / (Loss) on re-measurement of defined benefit Liability	(6.59)	190.44	17.53	98.20
Operating Profit before Working Capital Changes		(109.45)		183.42
Adjustments for:				
Trade Receivables	(674.93)		(710.14)	
Inventories	(632.90)		(124.66)	
Loans & Advances	(763.05)		(346.26)	
Provision for Earned Leave & Gratuity	(16.67)		(40.17)	
Provision for Doubtful Debts, Warranty & Advances	37.21		(3.56)	
Trade Payables	1,216.27	(834.07)	877.55	(347.24)
Cash Generated From Operations		(943.52)		(163.82)
Direct taxes refund/(paid)		(4.17)		15.87
Net Cash From Operating Activities		(947.69)		(147.95)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property, Plant & Equipment	(1,503.24)		(168.15)	
Sale of Property, Plant & Equipment	6.00		-	
Interest received	129.55	(1,367.69)	125.29	(42.86)
Net Cash Used in Investing Activities		(1,367.69)		(42.86)

**SAL AUTOMOTIVE LIMITED**  
(Formerly Swaraj Automotives Limited)

(Rs. in Lakhs)

Particulars	For the year ended		For the year ended	
	31st March, 2022		31st March, 2021	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Bank Loans	2,026.10		573.72	
Repayment of Corporate Loans	(192.65)		(197.58)	
Dividend paid	(83.92)		(83.92)	
Lease Payments	(15.20)		(5.40)	
Interest Paid	(114.05)	1,620.28	(51.29)	235.53
Net Cash Used in Financing Activities		<u>1,620.28</u>		<u>235.53</u>
Net Increase/(Decrease) in Cash & Cash Equivalents		(695.10)		44.72
Opening Cash & Cash Equivalents		802.50		757.78
Closing Cash & Cash Equivalents		<u>107.40</u>		<u>802.50</u>

**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 : 22080173AJRKBV3074

RAJIV SHARMA  
Chairman  
  
JAGDISH LAL RAHEJA  
Chief Financial Officer

R.K. SHARMA  
Managing Director

GAGAN KAUSHIK  
Company Secretary

Ghaziabad, 26th May, 2022

Ghaziabad, 26th May, 2022