

## **SWARAJ ENGINES LIMITED**

### **38<sup>th</sup> ANNUAL GENERAL MEETING OF SHAREHOLDERS -18<sup>th</sup> July, 2024**

#### **CHAIRMAN SPEECH**

Dear Shareholders,

A good afternoon to everyone, and a very warm welcome to all of you at this 38<sup>th</sup> Annual General Meeting of your Company. Taking advantage of MCA's approval to hold the AGMs through Video Conferencing, it is our pleasure to connect once again with you digitally, which offers the Shareholders an opportunity for larger participation. Thank you for taking the time to join us today and appreciate your unstinted support to the Company.

The requisite quorum being present through VC, I accordingly call this meeting to order.

The Notice convening the Shareholders Meeting and Annual Report of the Company for the financial year ended 31<sup>st</sup> March, 2024 have been with you for some time. I believe that you would have had the time to go through them. With your permission, I shall take them as read.

Before I proceed further, I would like to share that since the last time we met, Mrs. Neera Saggi, after serving on the Board of your Company as Independent Director for a period of 9 years, ceased to be a Director of the Company upon completing her second tenure on 30<sup>th</sup> September, 2023. We take this opportunity to place on record our deep sense of appreciation for her significant contribution during this long association with the Company.

I am also happy to share that Ms. Smita Mankad has joined the Company's Board as an Independent Director with effect from 1<sup>st</sup> August, 2023 and the shareholders had also accorded their approval to her appointment for a period of 5 years effective from the aforesaid date. Please join me to welcome her in Swaraj family and I am sure her varied experience would immensely benefit the Company.

#### **YEAR IN REVIEW (FY 2023-24)**

Friends, India is already the 5<sup>th</sup> largest global economy and in the backdrop of the pace of growth the country has witnessed in the recent past and a much better growth rate expected in coming period as well compared to most of the other countries, the nation is moving fast to achieve its target to become 3<sup>rd</sup> largest economy. As per the latest estimates, government's continued focus on all sectors has helped the nation to clock the impressive GDP growth of 8.2% for FY24, marking the third consecutive year of 7% or above growth. This also reflects the immense growth opportunities for all of us in the coming time.

Happily, on the strength of robust engine demand, your Company posted its fourth consecutive year of growth by registering its all-time high engine sales and profits, though the tractor industry, which your company serves, de-grew by 7.4% during FY24 and closed at 8,75,724 units.

The Company on the sales of 1,38,761 units, as against last year's 1,37,005 units, recorded a net operating revenue of Rs. 1419.24 crores. The profit before tax and profit after tax were Rs. 184.97 crores and Rs. 137.87 crores respectively. This performance was also accompanied with ~30 basis points margin improvement at PAT level. I am also delighted to share that since the start of its commercial production in 1989, during FY24 your Company has crossed the cumulative engine sales of 15,00,000 units, out of which the last 5,00,000 units - the one-third - came in a quick succession of 4 financial years.

Taking note of the overall financial performance of FY24, the Board of your Company has recommended an enhanced dividend of 950% (Rs. 95 per share) for the shareholders' approval as against last year's 920%. This would again be the highest ever dividend both in terms of percentage and outflow.

On the CSR front, the members would be happy to know that the Company's attention to vocational skill development has helped the trainees to become self-reliant in earnings and our other activities in the areas of public health, environment, education, etc. benefitted society at large in the nearby local vicinity.

Further, with Company's continuous focus on gender diversity, the overall strength of the women at the close of the fiscal 2024 has now stood at 14% of the total workforce. In fact, during last 2 years, the women employees' strength has increased more than 5 folds - from 39 to 213.

### **CURRENT PERFORMANCE (FY 2024-25)**

Members may please note that sustaining its growth trajectory in the first quarter of fiscal 2025 as well, your Company on a sale of 41,849 engines, as against last year's sale of 38,437 engines, has posted a growth of 9% during FY25Q1. This is Company's ever best quarterly performance – both in terms of highest engine sales and profit. The Directors of your Company, in the board meeting held earlier in the day, have approved the financial results for Q1 of current fiscal which are being posted on Stock Exchanges portal.

As the members are aware that to cater the customer engine demand, the Board had earlier approved capacity augmentation program from 1,50,000 units to 1,95,000 units per annum. I am pleased to share that the aforesaid enhanced capacity is now fully operational and has started giving the desired output.

## **ACKNOWLEDGEMENTS**

I would like to thank you all for your continued trust and support. I also thank to my fellow Board Members for their guidance, encouragement and support. I express my gratitude to the various authorities of the Central & State Government and Banks for their support and cooperation. Our suppliers and the motivated SEL team must be recognized for their passion, dedication, and commitment.

I commend you for considering and adopting the Directors' Report and Accounts for the financial year ended 31st March, 2024.

**(RAJESH JEJURIKAR)**  
**CHAIRMAN**