

SWARAJ ENGINES LIMITED

39th ANNUAL GENERAL MEETING OF SHAREHOLDERS 15th July, 2025

CHAIRMAN SPEECH

Dear Shareholders,

Good afternoon everyone. It is indeed a privilege to welcome all of you to the 39th Annual General Meeting of your company. Leveraging the MCA's approval to conduct AGMs via Video Conferencing, we are delighted to connect with you virtually once again. This format not only ensures convenience but also enables broader participation from our valued Shareholders. We deeply appreciate you taking the time to join us today and for your unwavering support and trust in 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 31st March, 2025 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, Mr. Dileep Choksi, after serving on the Board of your company as Independent Director for a period of 10 years, ceased to be a Director of the company upon completing his second tenure on 31st July 2024. We take this opportunity to express our sincere gratitude and appreciation for his significant contributions throughout his long association with the company.

I am also pleased to share that Mr. Rajya Vardhan Kanoria has joined the company's Board as an Independent Director, effective 31st July 2024. The shareholders have also approved his appointment for a tenure of 5 years, commencing from the aforesaid date. Please join me in welcoming him to the Swaraj family. I am confident that his diverse experience will greatly benefit the company.

YEAR IN REVIEW (FY 2024-25)

Friends, despite the challenging global economic environment in FY25, India demonstrated remarkable resilience by achieving a GDP growth of 7.4% in Q4, with a full-year growth rate of 6.5%. This performance highlights the nation's ability to navigate uncertainties effectively. India's strong economic fundamentals and proactive measures have set the stage for sustained growth momentum in the coming periods as well. Happily, the tractor industry that we cater also saw strong growth in the second half of FY25. Thanks to several positive factors supporting the agricultural sector, the domestic tractor industry by registering a growth of 7% reached 939700 units for FY25.

On the strength of robust engine demand, your company posted its fifth consecutive year of growth by registering all-time high engine sales and profits. Outpacing the tractor industry growth, engine sales volume of your company grew by 22% and posted an annual sale of 1,68,820 units, as against last year's 1,38,761 units. The net operating revenue for the year stood at Rs. 1681.89 crores compared to Rs 1419.24 crores for last fiscal. The profit before tax and profit after tax were Rs. 223.05 crores and Rs. 165.98 crores respectively.

Taking note of the overall financial performance of FY25, the Board of your company has recommended an enhanced dividend of 1045% (Rs. 104.50 per share) for the shareholders' approval as against last year's 950%. This would again be the highest ever dividend both in terms of percentage and outflow.

Aligned with its core value of Good Corporate Citizenship, the company remains steadfast in its commitment to social responsibility by driving impactful initiatives. Women empowerment is a key focus for the company, driven through initiatives like "Prerna," which provided training and support to over 700 women farmers via 40 Self Help Groups (SHGs), promoting innovative farm practices and technology. Additionally, under Project Nanhi Kali, the company supports the education of underprivileged girls in government schools from Class 1 to 10, enabling them to complete their schooling successfully.

CURRENT PERFORMANCE (FY 2025-26)

Members may please note that sustaining its growth trajectory in the first quarter of fiscal 2026 as well, your company on a sale of 49,040 engines, as against last year's sale of 41,849 engines, has posted a growth of 17.2%. This is company's ever best quarterly performance – both in terms

of 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, the Board in its meeting held on 16th April 25, has already approved capacity augmentation from 1,95,000 engines to 2,40,000 engines per annum to cater to the demand from the customer. This program besides capacity expansion entails upgradation of manufacturing technology to produce engines as per future technology needs.

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, 2025.

(RAJESH JEJURIKAR)
CHAIRMAN

Note : This does not purport to be a record of the proceedings of the Annual General Meeting