

SWARAJ AUTOMOTIVES LIMITED

ANNUAL GENERAL MEETING OF SHAREHOLDERS – 28th JULY, 2015

CHAIRMAN SPEECH

Dear Friends,

A very good afternoon to all of you.

On behalf of the Board of Directors, I am pleased to extend a very warm welcome to you at this 40th Annual General Meeting of your Company.

The requisite quorum being present, I accordingly call this Meeting to order.

The Notice convening the Shareholders Meeting and the Annual Report for the year ended 31st March, 2015 has been with you for sometime. I believe 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 brief you of the changes in the composition of the Board of Directors of the Company since the last time we met. Consequent to his resignation, Shri G.Rathinam ceased to be the Director of the Company with effect from 29th January, 2015. We take this opportunity to place on record our deep appreciation for the contributions made by Shri Rathinam as Director of the Company. I am happy to share that Smt. Neera Saggi has joined the Company's Board with effect from 1st October, 2014 as an Independent Director and I am sure that her varied experience would immensely benefit the Company.

YEAR IN REVIEW

Being a component supplier to the automobile and tractor industry, your Company's business has linkage with the trends of these industries. During fiscal 2015, the tractor industry registered decline in its volumes due to factors like unseasonal rains, subdued crop output and weak crop prices etc. which has impacted your Company's tractor seats business. However, as a matter of satisfaction, there were some signs of revival in the automobile industry particularly in the passenger vehicles – car segment. This has helped the Company to register some improvement in its seat mechanism business over last year. In the above backdrop and also with growth in the Company's agri implements business, net sales for FY 2014-15 stood at Rs.93.8 crores against Rs.80.6 crores of previous year.

Profit Before Tax for the year under review reached Rs.3.6 crores against previous year's Rs.3.5 crores. Profit After Tax was Rs.2.4 crores against Rs.2.3 crores of FY 2013-14. This post tax profit translated into an earning per share of Rs.10.07 (last year Rs.9.79).

Keeping in view the overall financial performance of the Company for FY 2014-15, the Board of Directors has recommended a dividend of 35%.

CURRENT PERFORMANCE

I would now like to share that at the Board Meeting held earlier today, the Board of Directors has approved and adopted the accounts for the quarter ended 30th June, 2015.

Net operating revenue for April – June 2015 quarter reached Rs.25.8 crores against Rs.24.1 crores of corresponding quarter of previous year. The Company's Profit Before Tax for the quarter stood at Rs.0.72 crores against Rs.1.17 crore of same period of previous year.

Members might have noted from the Company's Annual Report that SEBI in Nov.'2014 has withdrawn the recognition of Delhi Stock Exchange, where your Company's equity shares were exclusively listed. In view of this development and to provide trading platform to its shareholders, the Company has taken initiative to get its equity shares listed at Bombay Stock Exchange.

FUTURE

Friends, after posting a sluggish performance in the last three years, the automobile industry has slowly started showing some signs of recovery. As per industry experts, though the broad based recovery in automobile industry is yet to pick up, the Indian automobile market is bound to grow in future despite the current challenges that may exist in the near term. The medium and long term growth is likely to be supported by return of first time buyers, replacement demand, new launches, increasing urbanization requiring increased mobility needs, government focus on infrastructure projects etc. The domestic tractor industry which is currently going through subdued demand conditions due to overall weak farm sentiments is expected to recover from latter part of the current fiscal and its medium to long term outlook also stays positive. The anticipated growth in automobile and tractor industries will also give boost to the demand for auto components as well. As component supplier, your Company would continue to explore possibilities for technical/product upgradation to meet its existing and prospective customer requirements.

ACKNOWLEDGEMENTS

I would like to take this opportunity to express our deep sense of appreciation to all those associated with our enterprise in various capacities – customers, vendors, employees and shareholders. I would like to convey our sincere thanks to the various authorities of the State Government, Bankers etc. for their cooperation. I would also like to express my gratitude to our Board of Directors for their support and guidance.

I would now commend for your consideration and adoption the Directors' Report and Accounts for the year ended 31st March, 2015.

Hardeep Singh
Chairman

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