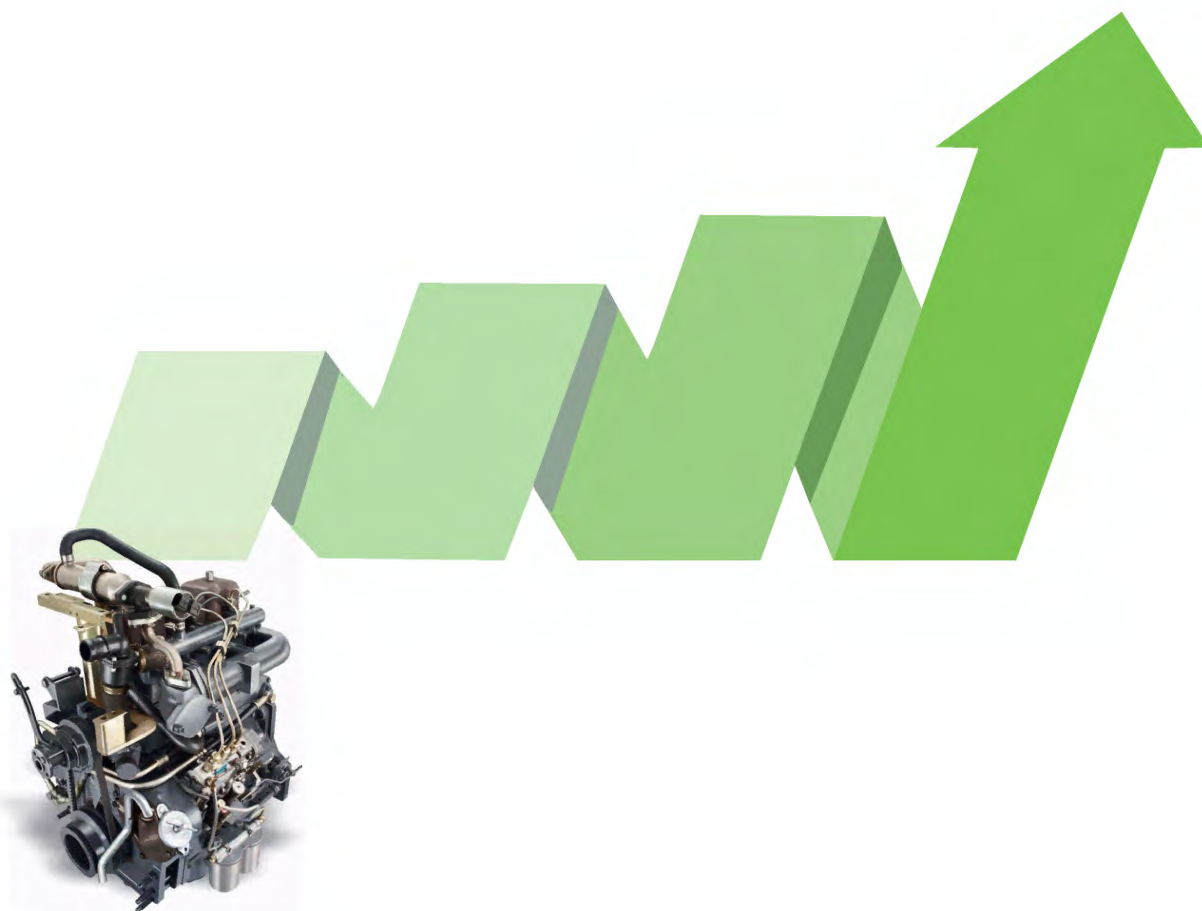


37th

ANNUAL REPORT

2023



SWARAJ ENGINES LIMITED

Swaraj Engines Limited

Chief Financial Officer

MAHESH GUPTA

Company Secretary

RAJESH K. KAPILA

Auditors

M/s B.K. KHARE & CO.

Chartered Accountants

Bankers

HDFC BANK LIMITED

AXIS BANK LIMITED

CANARA BANK

Registered Office

Phase IV, Industrial Area,

S.A.S. Nagar (Mohali)

Punjab-160 055

CIN: L50210PB1985PLC006473

Tel: 0172-2271620-27, Fax: 0172-2272731

Email: selinvestor@swarajenterprise.com

Works

Plot No. 2, Industrial Phase IX

S.A.S. Nagar (Mohali)

Punjab-160 062

Website

www.swarajenterprise.com

Registrar and Transfer Agent

M/s MCS Share Transfer Agent Limited

Unit: Swaraj Engines 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

RAJESH JEJURIKAR

Chairman

DILEEP C. CHOKSI

NEERA SAGGI

S. NAGARAJAN

NIKHILESH PANCHAL

HARISH CHAVAN

PUNEET RENJHEN

GIJU KURIAN

Whole Time Director &

Chief Executive Officer

ANNUAL GENERAL MEETING

on Friday, 28th July, 2023

at 2:00 P.M. through

Video Conferencing / Other Audio Visual Means

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KEY PERFORMANCE INDICATORS - LAST TEN YEARS
(Rs. in Crores)

Fiscal Year →	Indian GAAP		Ind AS*							
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Engines Sold (Nos.)	74062	64595	64088	82297	92022	99638	89928	113269	116811	137005
Net Operating Revenue	608.28	539.70	525.91	666.14	771.16	871.74	773.30	986.57	1138.15	1421.82
PBIDT	90.63	74.71	73.76	104.54	121.59	131.65	100.43	135.66	155.38	186.41
Finance Cost	0.04	0.01	0.05	0.01	1.01	0.09	0.01	-	0.08	0.08
Depreciation	9.12	13.20	13.80	16.28	16.82	19.54	20.13	19.77	18.10	18.54
Profit Before Other Income & Tax	81.47	61.50	59.91	88.25	103.76	112.02	80.29	115.89	137.20	167.79
Other Income	17.49	16.32	16.30	17.21	18.96	15.38	12.78	8.59	9.66	11.95
Profit Before Exceptional Items & Tax	98.96	77.82	76.21	105.46	122.72	127.40	93.07	124.48	146.86	179.74
Exceptional Items	1.15	-	-	-	-	-	-	-	-	-
Profit Before Tax	97.81	77.82	76.21	105.46	122.72	127.40	93.07	124.48	146.86	179.74
Income Tax	30.81	25.98	24.90	36.63	42.62	44.98	22.03	31.94	37.39	46.13
Profit After Tax	67.00	51.84	51.31	68.83	80.10	82.42	71.04	92.54	109.47	133.61
Other Comprehensive Income (Net of Tax)	-	-	(0.11)	0.20	(0.29)	(0.14)	(0.43)	0.05	(0.84)	(0.09)
Total Comprehensive Income	-	-	51.20	69.03	79.81	82.28	70.61	92.59	108.63	133.52
Dividend %	350#	330#	330#	430#	500#	500#	400#	690#	800	920
Dividend Payout	43.47	40.99	40.99	53.40	60.63	60.64	48.53	83.75	97.15	111.74
Equity Share Capital	12.42	12.42	12.42	12.42	12.13	12.13	12.13	12.14	12.14	12.15
Net Worth	209.88	261.47	263.44	283.37	228.50	237.98	235.89	280.57	305.68	342.21
Capital Employed	216.82	267.78	271.04	289.64	234.29	245.14	240.49	281.16	305.76	340.93
Market Capitalisation	859.20	1003.83	1063.88	1842.48	2431.04	1708.78	1098.08	1592.62	1587.65	1869.80
Return on Net Worth	31.9%	19.8%	19.5%	24.3%	35.1%	34.6%	30.1%	33.0%	35.8%	39.0%
Earning per Share (Rs.)	53.9	41.7	41.3	55.4	64.6	68.0	58.57	76.27	90.17	110.02
Book Value per Share (Rs.)	169.0	210.5	212.1	228.2	188.4	196.2	194.4	231.1	251.7	281.7

include Special Dividend of 200% in 2014 and 180% in 2015 & 2016 and 250% in 2017, 2018 & 2019 and 150% in 2020 and 190% in 2021.

* The Company transitioned into Ind AS from April 1, 2016.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 37th Annual General Meeting of Swaraj Engines Limited will be held on **Friday, the 28th July, 2023 at 2.00 P.M.** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business.

The proceedings of the Annual General Meeting ("AGM") shall be deemed to be conducted at the Works of the Company i.e. Plot No. 2, Industrial Phase IX, S.A.S.Nagar (Mohali), Punjab - 160 062 which shall be the deemed venue of the AGM.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended 31st March, 2023 and the Reports of the Board of Directors and Auditors thereon.
2. To declare a Dividend on Equity Shares.
3. To appoint a Director in place of Mr. Rajesh Jejurikar (DIN: 00046823), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Giju Kurian (DIN: 09629029), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

5. **Ratification of Remuneration to Cost Auditors**

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof from time to time) and pursuant to the recommendation of the Audit Committee, the remuneration payable to M/s SDM & Associates, Cost Accountants having Firm Registration No. 000281, 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, 2024, amounting to Rs. 1,40,000/- (Rupees One Lakh forty Thousand only) (plus all applicable taxes and reimbursement of out of pocket expenses), be ratified.

FURTHER RESOLVED THAT approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard."

6. **To approve Material Related Party Transactions with Mahindra & Mahindra Limited, Promoter and Holding Company.**

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Regulation 23 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the applicable provisions of the Companies Act, 2013 ("the Act") (including any statutory modification(s) or re-enactment(s) thereof from time to time), the Company's Policy on Materiality of and dealing with Related Party Transactions and subject to such other approval(s), consent(s), permission(s) as may be necessary from time to time, and basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to enter/continue with the existing Material Related Party Contracts/Transactions/Arrangements/Agreements (whether individually or taken together or in series of transactions or otherwise) falling within the definition of 'Related Party Transaction' under Regulation 2(1)(zc) of the SEBI Listing Regulations with Mahindra &

Mahindra Limited ("M&M"), the Promoter and Holding Company of the Company, and a 'Related Party' under Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations, carried out in the ordinary course of business and on an arm's length basis, as detailed in the explanatory statement to this Resolution, on such material terms and conditions as mentioned therein and as may be mutually agreed between the Company and M&M, such that the maximum value of the Related Party Transactions with M&M, in aggregate does not exceed Rs. 5,000 crores (Rupees Five Thousand crores only) for each of the financial years from financial year 2023-24 to financial year 2027-28.

FURTHER RESOLVED THAT the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof or any other person(s) authorised by the Board or its Committee in this regard), be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including to seek all necessary approvals to give effect to this Resolution, to sign and execute all deeds, agreements, contracts, applications, documents, papers, forms, and writings that may be required, for and on behalf of the Company, to settle all such issues, questions, difficulties or doubts whatsoever that may arise, and to delegate all or any of its powers conferred by this Resolution to any Director(s) or to any Committee(s) and/or any Key Managerial Personnel or officer(s) of the Company as it may consider appropriate to give effect to this Resolution and for the matters connected therewith or incidental thereto.

FURTHER RESOLVED THAT all actions taken by the Board of the Company in connection with any matter referred to or contemplated in this Resolution, be approved, ratified and confirmed in all respects."

NOTES

1. The Explanatory Statement as required under Section 102(1) of the Companies Act, 2013 is annexed hereto. The Board of Directors have considered and decided to include the Item Nos. 5 and 6 given above as Special Business in the forthcoming Annual General Meeting ("AGM"), as they are unavoidable in nature.
2. The Ministry of Corporate Affairs ("MCA") vide its General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, 02/2021 dated 13th January, 2021, 21/2021 dated 14th December, 2021, 2/2022 dated 5th May, 2022 and 10/2022 dated 28th December, 2022 (collectively referred to as "MCA Circulars") read with Securities and Exchange Board of India ("SEBI") circular nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 (collectively referred to as "SEBI Circulars"), permitted the companies for holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC / OAVM. The procedure for participating in the meeting through VC / OAVM is explained at Note No. 24.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. The Company's Registrar and Share Transfer Agent ("RTA") for its Share Registry Work (Physical and Electronic) are M/s MCS Share Transfer Agent Limited having their office at F-65, First Floor, Okhla Industrial Area, Phase I, New Delhi - 110 020.

SWARAJ ENGINES LIMITED

6. The Register of Members and Share Transfer Books of the Company will be closed from 8th July, 2023 to 14th July, 2023 (both days inclusive).
7. The dividend, if declared at the Annual General Meeting, would be paid subject to deduction of tax at source on or after 29th July, 2023 to those shareholders or their mandates:
 - (a) whose names appear as Beneficial Owners as at the end of the business hours on 7th July, 2023 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
 - (b) whose names appear as Members in the Register of Members of the Company after giving effect to valid request(s) received for transmission / transposition of shares lodged with the Company / its Registrar and Share Transfer Agent on or before 7th July, 2023.

8. Members desirous of obtaining any information concerning the accounts and operations of the Company may send their request to the Company Secretary through email at selinvestor@swarajenterprise.com by 22nd July, 2023.

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 selinvestor@swarajenterprise.com from 22nd July, 2023 (9:00 a.m. IST) to 24th July, 2023 (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.

9. Pursuant to the provisions of Section 124 of the Companies Act, 2013, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with the relevant circulars and amendments thereto ("IEPF Rules"), the amount of dividend remaining unclaimed or unpaid for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government. Accordingly, an amount of Rs. 24,06,624/- being unclaimed/unpaid dividend of the Company for the financial year ended 31st March, 2015 was transferred on 23rd September, 2022.

The Company has been sending reminders to those members having unclaimed/ unpaid dividend(s) before transfer of such dividend(s) to IEPF. Details of the unclaimed/unpaid dividend(s) as on 31st March, 2022 are also uploaded as per the requirements, on the Company's website www.swarajenterprise.com. The details of unclaimed/unpaid dividend(s) lying with the Company as on 31st March, 2023 shall be updated in due course. Members, who have not encashed their dividend(s) pertaining to financial year ended on 31st March, 2016 and onwards are advised to write to the Company immediately for claiming dividend(s) declared by the Company.

The due date for transfer of unclaimed/unpaid dividend(s) declared by the Company for FY 2015-16 and thereafter to IEPF is as under:

Financial year ended	Date of Declaration of Dividend	Due for Transfer to IEPF
31st March, 2016	26th July, 2016	31st August, 2023
31st March, 2017	24th July, 2017	29th August, 2024
31st March, 2018	30th July, 2018	4th September, 2025
31st March, 2019	30th July, 2019	4th September, 2026
31st March, 2020	20th July, 2020	25th August, 2027
31st March, 2021	19th July, 2021	24th August, 2028
31st March, 2022	25th July, 2022	30th August, 2029

10. Pursuant to the provisions of Section 124 of the Companies Act, 2013 read with IEPF Rules, all shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority ("IEPF Account") within a period of thirty days of such shares becoming due to be transferred to the IEPF Account. Accordingly, in compliance with said requirements, the Company has transferred the aforesaid shares to the IEPF Account and details of the same are uploaded on the website of the IEPF viz. www.iepf.gov.in and on the website of the Company www.swarajenterprise.com.

Further, all the Members who have not claimed / encashed their dividend(s) in the last seven consecutive years from 2016 are requested to claim the same by 18th August, 2023. In case valid claim is not received by that date, the Company will proceed to transfer the respective shares to the IEPF Account in terms of the IEPF Rules.

The Member(s) whose dividend / shares as transferred to the IEPF Authority can now claim their shares from the IEPF Authority by following the Refund Procedure as detailed on the website of IEPF Authority <https://www.iepf.gov.in/IEPF/refund.html>.

11. The Securities and Exchange Board of India (SEBI) has directed for the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Registrar.
12. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed Form SH-13 duly filled in to the Company's Registrar and Share Transfer Agent, M/s MCS Share Transfer Agent Limited at their abovementioned address. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.
13. Payment of Dividend through ECS:

The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Registrar and Transfer Agents for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through the Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS)/Real Time Gross Settlement (RTGS)/Direct Credit, etc.

As directed by SEBI, the Members holding shares in physical form are requested to submit particulars of their bank account alongwith self-attested copy of PAN and the original cancelled cheque bearing the name of the Member to the Company's Registrar and Share Transfer Agent, M/s MCS Share Transfer Agent Limited at their abovementioned address/Company to update their Bank Account details.

Members holding shares in demat form are requested to update their Bank Account details with their respective Depository Participant. The Company or its Registrar and Share Transfer Agent cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode.

In case, the Company is unable to pay the dividend to any shareholder by the electronic mode due to non-availability of the details of the bank account, the Company shall dispatch the dividend warrant to such shareholder by post.

14. In compliance with the aforesaid MCA circulars and SEBI circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website www.swarajenterprise.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.
15. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can only be transferred in dematerialized form with effect from 1st April, 2019. Accordingly, Members are advised to dematerialize shares held by them in physical form.
16. Members holding shares in dematerialised mode who have not registered / updated their email addresses are requested to register / update their email addresses with the relevant Depository Participants.
17. Members holding shares in physical mode may please note that The Securities and Exchange Board of India (SEBI) has mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by all the shareholders who are holding their shares in physical form. Effective from 1st January 2022, any service requests or complaints received from such member, will not be processed by RTA till the aforesaid details/ documents are provided to RTA. On or after 1st October, 2023, in case any of the above cited documents/ details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s). Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at <https://swarajenterprise.com/ImpNot>
18. Members are requested to:
 - Intimate, along with relevant documents, to the Company's Registrar and Share Transfer Agent, M/s MCS Share Transfer Agent Limited at their abovementioned address, about changes, if any, in their registered addresses at an early date, in case of shares held in physical form.
 - Intimate directly to the respective Depository Participant, about changes, if any, in their registered addresses, nomination, power of attorney etc. at an early date, in case of shares held in dematerialised form. The Company will not take cognizance of any such requests directly from Members.
 - Quote their folio numbers/Client ID/ DP ID in all correspondence.
 - Consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names.
19. Pursuant to Finance Act, 2020, dividend income has become taxable in the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereafter. The shareholders are requested to update their PAN with the Company/ Registrar and Share Transfer Agent (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source, by sending an email to selinvestor@swarajenterprise.com by 10th July, 2023. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent

Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to selinvestor@swarajenterprise.com. The aforesaid declarations and documents need to be submitted by the shareholders by 10th July, 2023.

Please note that the Company is not obligated to apply the beneficial Double Tax Avoidance Agreement (DTAA) rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non- Resident shareholder.

In terms of Rule 37BA of the Income Tax Rules, 1962, if dividend income on which tax will be deducted at source is assessable in the hands of a person other than the registered Shareholder as on the book closure date, then the registered Shareholder is required to submit a signed declaration (on letterhead) containing the name, address, PAN, residential status/category of the person to whom TDS credit is to be given and reasons for giving credit to such person, by 10th July, 2023. Please note that no request in this regard would be accepted/considered by the Company/RTA after the said date.

20. Relevant documents referred to in the accompanying Notice shall be available for inspection by the Members through electronic mode, basis the request being sent on selinvestor@swarajenterprise.com.
21. Voting through electronic means
 - I. In compliance of provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by National Securities Depository Limited (NSDL) on all resolutions set forth in this Notice, through remote e-voting.
 - II. Members are requested to note that the Company is providing facility for remote e-voting and the business may be transacted through electronic voting system. It is hereby clarified that it is not mandatory for a Member to vote using the remote e-voting facility. A Member may avail of the facility at his/her/its discretion, as per the instructions provided herein.

The details of the process and manner for remote e-voting and voting during the AGM are explained here below:

Step 1 : Access to NSDL e-Voting system

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

Details on Step 1 is mentioned below:

- A) Login method for e-Voting for Individual shareholders holding securities in demat mode

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 advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.