

SWARAJ ENGINES LIMITED

Works :

Plot No. 2, Indl. Focal Point,
Phase IX, S.A.S. Nagar,
Distt. S.A.S. Nagar (Mohali)
(Near Chandigarh)



02/SP/EXCH
August 03, 2017

Tel. : 0172-2234941- 47, 2234950
Fax : 91-172-2234955
Email : mail@swarajenterprise.com

The General Manager
Corp. Relationship Deptt
BSE Limited
1st Floor, New Trading Ring
Rotunda Building, P.J. Towers
Dalal Street, fort, Mumbai.

Email: corp.relations@bseindia.com

The Secretary
National Stock Exchange of India Ltd.
Capital Market-Listing, Exchange Plaza,
Bandra – Kurla Complex, Bandra (E)
Mumbai

Email: cmlist@nse.co.in


SUB: Annual Report 2017

Dear Sir,

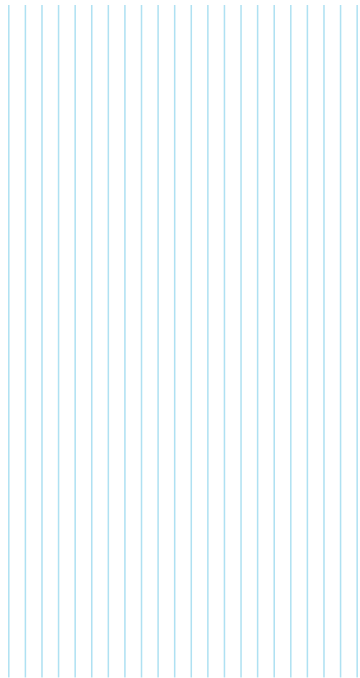
We are pleased to enclose herewith copy of Company's Annual Report for the financial year ended 31st March, 2017 consisting of AGM notice, Director's Report, Balance Sheet, Statement of Profit & Loss, Cash Flow Statement and Auditor's Report.

With regards,

Yours faithfully
For **SWARAJ ENGINES LIMITED**

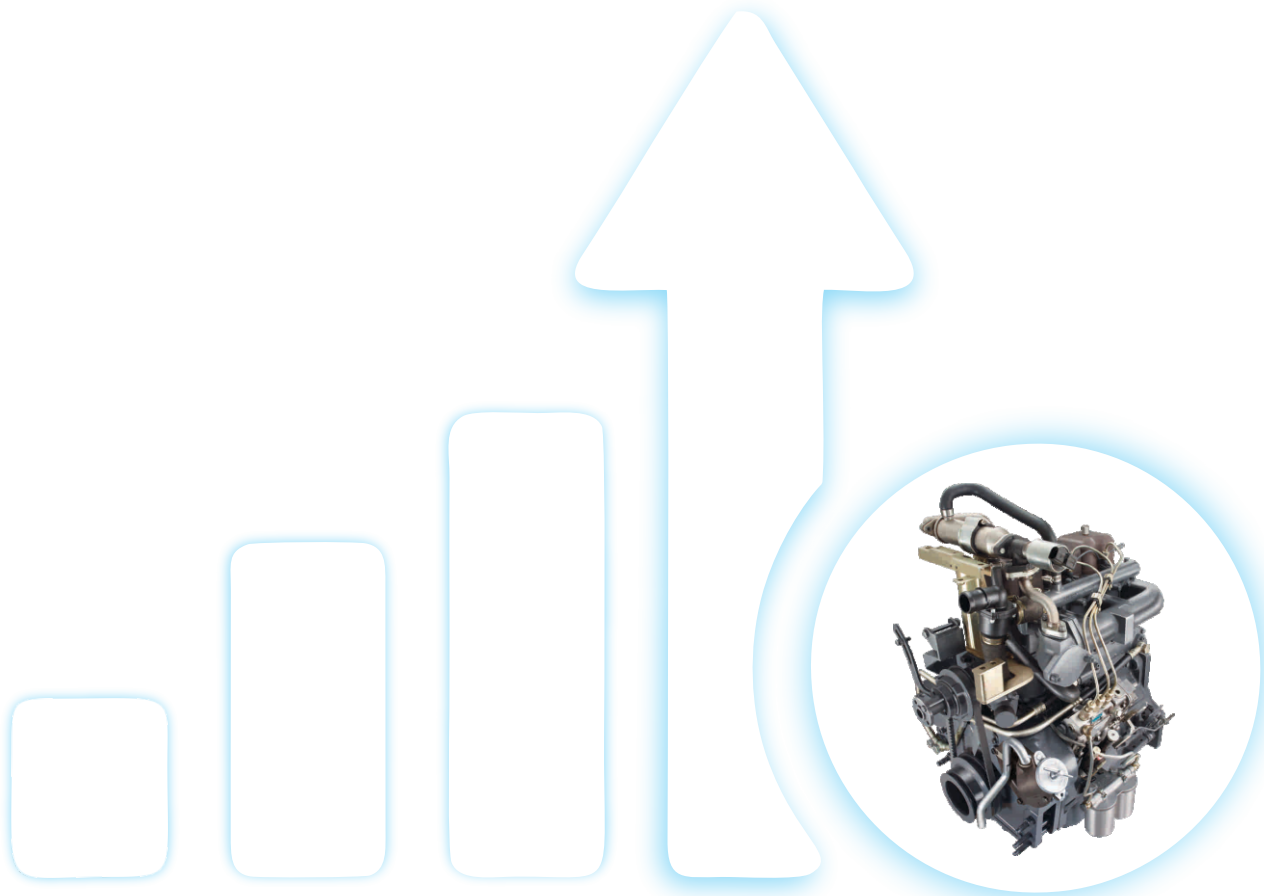


(M.S.GREWAL)
Company Secretary



31st

ANNUAL REPORT 2017



SWARAJ ENGINES LIMITED

Swaraj Engines Limited

Company Secretary

M.S. GREWAL

Chief Financial Officer

RAJINDER ARORA

Auditors

M/S DAVINDER S. JAAJ & CO.
Chartered Accountants

Bankers

CANARA BANK
HDFC BANK LIMITED
AXIS BANK LIMITED

Registered Office

Phase-IV, Industrial Area
S.A.S. Nagar (Mohali)
Punjab 160 055

Works

Plot No. 2, Industrial Phase IX
S.A.S. Nagar (Mohali)
Punjab 160 062

Website

www.swarajenterprise.com

BOARD OF DIRECTORS

SUDHIR MANKAD
Chairman

DR. PAWAN GOENKA

DR. T.N.KAPOOR

R.R.DESHPANDE

VIJAY VARMA

RAJESH JEJURIKAR

S.DURGASHANKAR

DILEEP C. CHOKSI

NEERA SAGGI

SUBHASH MAGO
*Whole Time Director &
Chief Executive Officer*

ANNUAL GENERAL MEETING

on Monday, 24th July, 2017
at 3:00 P.M. at Swaraj Engines Limited
Plot No. 2, Industrial Phase IX
S.A.S. Nagar (Mohali)
Punjab 160 062

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

Fiscal Year →	Indian GAAP								Ind AS*	
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Engines Sold (Nos.)	16408	28539	39143	47413	55239	57377	74062	64595	64088	82297
Total Revenue (Net)^	125.54	208.34	286.62	363.45	452.64	486.11	614.75	543.31	528.27	667.07
PBIDT	23.36	32.04	53.75	63.08	73.43	78.56	97.11	78.33	76.13	105.62
Finance Charges (Net)	(3.27)	(4.87)	(5.80)	(5.73)	(8.10)	(8.10)	(10.97)	(12.69)	(13.88)	(16.13)
Depreciation	4.59	4.69	4.84	4.46	4.26	7.16	9.12	13.20	13.80	16.28
Profit Before Exceptional Items	22.04	32.22	54.71	64.35	77.27	79.50	98.96	77.82	76.21	105.46
Exceptional Items [Expenses / (Income)]	–	–	–	–	–	–	1.15	–	–	–
Profit Before Tax	22.04	32.22	54.71	64.35	77.27	79.50	97.81	77.82	76.21	105.46
Income Tax	7.68	10.95	17.36	20.44	24.45	24.10	30.81	25.98	24.90	36.63
Profit After Tax	14.36	21.27	37.35	43.91	52.82	55.40	67.00	51.84	51.31	68.83
Other Comprehensive (Net of Tax)	–	–	–	–	–	–	–	–	(0.11)	0.20
Total Comprehensive Income	–	–	–	–	–	–	–	–	51.20	69.03
Dividend %	50	50	80	100	130	330 #	350#	330#	330#	430#
Dividend Payout	6.21	6.21	9.94	12.42	16.15	40.99	43.47	40.99	40.99	53.40
Equity Share Capital	12.42	12.42	12.42	12.42	12.42	12.42	12.42	12.42	12.42	12.42
Net Worth	82.96	96.97	122.74	152.22	186.28	193.73	209.88	261.47	263.44	283.37
Capital Employed	88.04	100.84	125.42	154.14	189.48	200.06	216.82	267.78	271.04	289.64
Market Capitalisation	265.78	118.05	360.36	532.93	498.10	490.58	859.20	1003.83	1063.88	1842.48
PBIDT/Total Revenue %	18.6	15.4	18.8	17.4	16.2	16.2	15.8	14.4	14.4	15.8
Return on Net Worth %	17.3	21.9	30.4	28.9	28.4	28.6	31.9	19.8	19.5	24.3
Earning Per Share (Rs.)	11.6	17.1	30.1	35.4	42.5	44.6	53.9	41.7	41.3	55.4
Book Value Per Share (Rs.)	66.8	78.1	98.8	122.6	150.0	156.0	169.0	210.5	212.1	228.2

#Include Special Dividend of 200% in 2013 & 2014 and 180% in 2015 & 2016 and 250% in 2017.

^ Total Revenue (Net) from 2012 onwards exclude interest income

*The Company transitioned into Ind AS from April 1, 2015

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 31st Annual General Meeting of Swaraj Engines Limited will be held on **Monday, the 24th day of July, 2017 at 3.00 P.M.** at the Works of the Company at Plot No. 2, Industrial Phase IX, S.A.S.Nagar (Mohali), Punjab - 160 062 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, 2017 including the audited Balance Sheet as at 31st March, 2017 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare a Dividend on Equity Shares.
3. To appoint a Director in place of Shri S. Durgashankar (DIN 00044713) who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Pawan Goenka (DIN 00254502) who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED that pursuant to Section 139, Section 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of the Audit Committee, M/s B.K. Khare & Co., Chartered Accountants (ICAI Firm Registration Number 105102W), be appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting ("AGM"), until the conclusion of the fifth consecutive AGM of the Company to be held in year 2022 (subject to ratification of the appointment by the Members at every AGM held after this AGM), at a remuneration to be determined by the Board of Directors of the Company in addition to out of pocket expenses as may be incurred by them during the course of the Audit."

SPECIAL BUSINESS

6. **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 152 and all other applicable provisions of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Rajesh Jejurikar (DIN 00046823), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 25th April, 2017 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

7. **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 152 and all other applicable provisions of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Subhash Mago (DIN 07797207), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 25th April, 2017 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company."

8. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ("the Act"), the Companies (Appointment & Remuneration of Managerial Personnel), Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the approval of Central Government, if necessary, and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities while granting such approvals, permissions and sanctions, approval of the Shareholders of the Company be accorded to the appointment of Shri Subhash Mago (DIN: 07797207) as Whole Time Director of the Company designated as Whole Time Director & Chief Executive Officer (hereinafter referred to as "the appointee") with effect from 25th April, 2017 to 31st March, 2020 on the following terms of appointment:

Tenure : From 25th April, 2017 to 31st March, 2020

Basic Salary : Rs 1,94,482/- per month in the scale of 1,74,000/- per month to Rs. 2,83,000/- per month

Perquisites/Allowances:

In addition to the salary, the appointee shall also be entitled to such perquisites/allowances which shall include Company's leased accommodation or house rent allowance in lieu thereof, medical reimbursement, leave travel assistance, if any, performance pay to be paid annually, based on certain performance criteria to be laid down from time to time, encashment of leave, contributions to provident fund, superannuation fund or allowance in lieu thereof, gratuity, provision for Company car, fuel and maintenance thereof, medical and personal accident insurance, telephone and other communication facilities at residence, and such other allowances, perquisites, benefits, amenities and facilities in accordance with the Company's rules/policy. Further, he shall be entitled to stock options as per the Company's Employees Stock Option Scheme.

The value of perquisites/allowances would be evaluated as per Income-tax Rules, 1962, as amended from time to time, wherever applicable and at cost in the absence of any such rule.

Contribution to Provident Fund, Superannuation and Gratuity would not be included in the computation of overall ceiling on remuneration to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.

Encashment of earned leave at the end of the tenure as per the Company's rules/policy shall not be included in the computation of ceiling on remuneration.

Provision of car for use on the Company's business, telephone and other communication facilities at residence would not be considered as perquisites :

Provided that the remuneration payable to the appointee (including the salary, perquisites/allowances, benefits and amenities) does not exceed the limits laid down in Section 197 of the Act including any statutory modification(s) or re-enactment thereof.

Annual increment/revision in the remuneration payable to the appointee within the overall scale of remuneration mentioned above, would be approved by the Nomination and Remuneration Committee.

RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of the appointee, the Company has no profits or its profits are inadequate, the Company may pay him, the above remuneration as the minimum remuneration for a period not exceeding 3 years by way of salary, perquisites/allowances and benefits as specified above subject to the compliance of the applicable laws.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any duly authorised Committee thereof, for the time being exercising the powers conferred on the Board by this resolution) be and are hereby authorised severally to do all such acts, deeds, matters and things as it may deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

9. To consider and, if thought fit, to pass, with or without modification(s), the following 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, for the time being in force) and pursuant to the recommendation of the Audit Committee, the remuneration payable to M/s V. Kumar & Associates, Cost Accountants having Firm Registration No. 100137, 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, 2018, amounting to Rs. 1,00,000/- (Rupees One lakh only) (excluding all taxes and reimbursement of out of pocket expenses) be ratified and confirmed.

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."

NOTES

1. Explanatory statement as required under Section 102(1) of the Companies Act, 2013 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
3. The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the Meeting.
4. The Company's Registrar and Share Transfer Agent 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.
5. The Register of Members and Share Transfer Books of the Company will be closed from 8th July, 2017 to 14th July, 2017 (both days inclusive).
6. The dividend, if declared at the Annual General Meeting, would be paid / despatched on or after 25th July, 2017 to those shareholders or their mandates:
 - (a) whose names appear as Beneficial Owners as at the end of the business hours on 7th July, 2017 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 mode; and
 - (b) whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company / its Registrar and Share Transfer Agent on or before 7th July, 2017.
7. Members/Proxies are requested to bring their attendance slips and copy of Annual Report to the Meeting.
8. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Secretary of the Company at least 10 days before the date of the Meeting so that information required may be compiled and made available at the Meeting.
9. Pursuant to the provisions of Section 205A of the Companies Act, 1956, the Company has transferred unclaimed dividends for and upto the financial year ended 31st March, 2009 to the Investor Education and Protection Fund (IEPF). The Company has uploaded the information of unclaimed / unpaid dividend lying with the Company as on 26th July, 2016 (date of last Annual General Meeting) on the website of the Company (www.swarajenterprise.com). Members who have not encashed the dividend warrant(s) so far for any subsequent financial years are requested to make their claims to the Company. It may be noted that once the amounts in the unpaid dividend accounts are transferred to the IEPF, no claim shall lie against the IEPF or the Company in respect thereof.

10. The Securities and Exchange Board of India (SEBI) has mandated 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.
11. 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 SH13 duly filled in to Company's Registrar and Share Transfer Agent, M/s MCS Share Transfer Agent Limited at their above mentioned address. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.
12. Payment of Dividend through ECS:
 - a) The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the Depositories for the payment of dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank details, if available, on the payment instrument for distribution of dividend. The Company will not entertain any direct request from Members holding shares in electronic mode for deletion of / change in such bank details. 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. Members who wish to change such bank account details are therefore requested to advise their Depository Participants about such change, with complete details of bank account.
 - b) Members holding shares in physical form and wishing to avail the facility of electronic credit of dividend directly to their respective bank accounts through the Electronic Clearing Service (ECS) / National Electronic Clearing Service (NECS) are requested to intimate the particulars of their bank account, viz., name and address of the branch of the bank with 9 digit MICR code of the branch & 11 digit IFSC, type of account and account number latest by 14th July, 2017, to Company's Registrar and Share Transfer Agent, M/s MCS Share Transfer Agent Limited. Members located in places where ECS/NECS facility is not available may submit their bank details to enable the Company to incorporate this information on the dividend warrants and thus prevent fraudulent encashment.
13. For receiving all shareholder communications faster, including annual reports, the shareholders are requested to kindly register/update their e-mail address with their respective Depository Participant, where shares are held in electronic mode. If, however, shares are held in physical form, shareholders are advised to register their e-mail address with Company's Registrar and Share Transfer Agent, M/s MCS Share Transfer Agent Limited.
14. Members are requested to:
 - Intimate to the Company's Registrar and Share Transfer Agent, M/s MCS Share Transfer Agent Limited at their above mentioned address, 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, 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 shareholders.
 - 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.
15. Voting through electronic means
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 31st Annual General Meeting (AGM) by electronic means and the business may be transacted through

e-voting services provided by National Securities Depository Limited (NSDL). The shareholders may cast their vote using an electronic voting system from a place other than the venue of the meeting ("Remote e-voting").

The instructions for remote e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:
 - (i) Open email and open attached PDF file with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - (ii) Open the internet browser by typing the URL: <https://www.evoting.nsdl.com>
 - (iii) Click on Shareholder - Login
 - (iv) If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
 - (v) If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
 - (vi) Password change menu will appear on your screen. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vii) Once the e-voting home page opens, click on e-Voting> Active Voting Cycles.
 - (viii) Select "EVEN" (E-Voting Event Number) of Swaraj Engines Limited. Now you are ready for e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to ajaykcs@gmail.com with a copy marked to evoting@nsdl.co.in
- B. For the members whose email IDs are not registered with the Company/Depository Participant(s):
 - (i) Initial password alongwith physical copy of the Notice of AGM is being sent separately in the permitted mode.
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads Section of www.evoting.nsdl.com or call on toll free number 1800-222-990.
- III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IV. The remote e-voting period commences on 20th July, 2017 (9:00 a.m.) and ends on 23rd July, 2017 (5:00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, the 17th July, 2017, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently or cast the vote again. The shareholders who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

- V. The facility for voting through ballot will also be made available at the AGM and shareholders attending the AGM who have not already cast their vote by remote e-voting will be able to exercise their right at the AGM.
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date, the 17th July, 2017.
- VII. Any person, who acquires shares of the Company and become shareholder of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e 17th July, 2017, may obtain the Login ID and password by sending a request at evoting@nsdl.co.in or Registrar and Share Transfer Agent of the Company.
If the shareholder is already registered with NSDL for remote e-voting then he can use his existing User ID and password for casting the vote through remote e-voting.
- VIII. 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 e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
- IX. The Scrutinizer shall immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
- X. As per Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the results of e-voting are to be communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed, within 48 hours of the conclusion of the Annual General Meeting. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.swarajenterprise.com and on the website of NSDL.
- XI. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 24th July, 2017.
16. Re-appointment of Directors
Shri S. Durgashankar and Dr. Pawan Goenka shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.
Shri S. Durgashankar and Dr. Pawan Goenka do not hold any Equity Shares in the Company.
None of the Directors of the Company are interse related to each other.
In respect of the information to be provided under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to the Directors being re-appointed, Members are requested to kindly refer the Chapter on Corporate Governance in the Annual Report.
17. The route map of the venue of the Meeting is attached to the Notice.

Registered Office :
Phase IV, Industrial Area
S.A.S. Nagar (Mohali)
Punjab - 160 055
Tel: 0172-2271620-27, Fax: 0172-2272731
Email: selinvestor@swarajenterprise.com
Website: www.swarajenterprise.com
CIN: L50210PB1985PLC006473
25th April, 2017

BY ORDER OF THE BOARD

(M.S. GREWAL)
Company Secretary

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. 6

Shri Rajesh Jejurikar was appointed by the Board as an Additional Director with effect from 25th April, 2017. He holds office upto the date of the ensuing Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 ("the Act"). The Company has received a notice in writing from a member under Section 160 of the Act proposing the appointment of Shri Jejurikar as a Director of the Company.

Having joined in Automotive Sector of Mahindra & Mahindra Limited (M&M) in 2000 as Vice-President - Marketing, Shri Rajesh Jejurikar is currently the President - Farm Equipment Sector (FES) and a Member of the Group Executive Board of Mahindra & Mahindra Limited. He also oversees the Mahindra Two Wheelers business and serves on the boards of several group companies of M&M. He is also current President of the Tractor Manufacturers Association (TMA).

A 1986 batch MBA from S.P. Jain Institute of Management, Shri Jejurikar has attended the Advanced Management Program at The Wharton School, University of Pennsylvania and was awarded the British Chevening Scholarship to study at the Manchester Business School, UK.

The Board is of the view that Shri Jejurikar's wide and varied experience will be of immense value to the Company and, therefore, recommends his appointment to the members in terms of Resolution set out in Item No. 6 of the Notice.

Shri Jejurikar does not hold any shares in the Company.

Except Shri Rajesh Jejurikar, 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.6 of the Notice.

Item No. 7 and Item No. 8

Shri Subhash Mago was appointed by the Board as an Additional Director with effect from 25th April, 2017. He holds office upto the date of the ensuing Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 ("the Act"). The Company has received a notice in writing from a member under Section 160 of the Act proposing the appointment of Shri Mago as a Director of the Company.

Further, in order to facilitate seamless succession upon completion of Shri M.N. Kaushal tenure as Whole Time Director of the Company on 31st March, 2017, the Board of Directors in its meeting held on 25th April, 2017 has, subject to the approval of members, also appointed Shri Subhash Mago as Whole Time Director of the Company designated as Whole Time Director & Chief Executive Officer with effect from 25th April, 2017 to 31st March, 2020 at the remuneration recommended by Nomination and Remuneration Committee of the Board and approved by the Board.

Shri Subhash Mago, currently Chief Executive Officer of the Company, is a Bachelor of Engineering from IIT, Roorkee and has more than 35 years experience in Purchasing, Manufacturing, Quality Systems, Component Development, Supply Chain Management, Value Engineering and New Product Development. After working for 17 years in Maruti Udyog Ltd., he joined Mahindra & Mahindra Ltd. (M&M) in 2000 and since then has worked on many strategic assignments. His last assignment in M&M was as Senior Vice-President of Farm Division - Component Development & Material Management (CDMM).

The Board is of the view that Shri Mago's varied experience will be of immense value to the Company and, therefore, recommends his appointment to the members in terms of Ordinary Resolution set out in Item No. 7 and Special Resolution set out in Item No. 8 of the Notice.

Terms of remuneration of Shri Subhash Mago are set out in the Special Resolution under Item No. 8 of the Notice.

Shri Mago does not hold any shares in the Company.

Except Shri Subhash Mago, 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 Nos. 7 and 8 of the Notice.

The following additional information as required by Schedule V to the Act is given below:

I. General Information

(1) Nature of Industry

The Company is in the business of manufacture of Diesel Engines and its components.

(2) Date or expected date of commencement of commercial production

The Company was incorporated on 24th September, 1985 and started commercial production of diesel engines in the year 1989.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not Applicable

(4) Financial performance based on given indicators - as per audited financial results for the year ended 31st March, 2017

Particulars	(Rs. in Crores)
Net Turnover & Other Income	683.32
Net profit as per Statement of Profit & Loss (After Tax) (Including other comprehensive income)	69.03
Profit as computed under Section 198 of the Act	69.03
Net Worth	283.37

(5) Foreign investments or collaborations, if any

Nil

II. Information about the appointee

(1) Background details

Shri Subhash Mago

Shri Subhash Mago joined the Company as Chief Executive Officer with effect from 1st October, 2016.

Shri Mago is a Bachelor of Engineering from IIT, Roorkee and has more than 35 years experience in Purchasing, Manufacturing, Quality Systems, Component Development, Supply Chain Management, Value Engineering and New Product Development. After working for 17 years in Maruti Udyog Ltd., he joined Mahindra & Mahindra Ltd. (M&M) in 2000 and since then has worked on many strategic assignments. His last assignment in M&M was as Senior Vice-President of Farm Division - Component Development & Material Management (CDMM).

(2) Past remuneration during the financial year ended 31st March, 2017

Not applicable, fresh appointment with effect from 25th April, 2017.

(3) Recognition or awards

Career profile already covered in the section "Background details".

(4) Job Profile and his suitability

Shri Subhash Mago, Whole Time Director, will be responsible for looking after operations and affairs of the Company. Taking into consideration his qualifications and expertise in relevant fields, he is best suited for the responsibilities currently assigned to him by the Board of Directors.

(5) Remuneration proposed

As set out in Item No. 8 of the Notice.

- (6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

Taking into consideration the size of the Company, the profile of Shri Subhash Mago, the responsibilities assigned, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies.

- (7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Besides the remuneration proposed to be paid to him, Shri Subhash Mago does not have any other pecuniary relationship with the Company or relationship with any of its managerial personnel.

III. Other Information

- (1) Reasons of loss or inadequate profits

Not applicable, as the Company has posted a net profit after tax (including other comprehensive income) of Rs. 69.03 crores for the year ended 31st March, 2017.

- (2) Steps taken or proposed to be taken for improvement and

- (3) Expected increase in productivity and profits in the measurable terms

Not applicable as the Company has adequate profits. The Company posted an operating profit of Rs. 104.68 crores for the year ended 31st March, 2017.

IV. Disclosures

The information and disclosures for remuneration criteria of the managerial personnel have been mentioned in the Annual Report for the year ended 31st March, 2017 in the Corporate Governance Report Section under the Heading "Remuneration to Directors".

Item No. 9

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s V. Kumar & 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, 2018 and the Board, subject to the ratification by the Members, approved the remuneration of Rs. 1,00,000/- (Rupees one lakh 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 has to be ratified by the shareholders of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2018.

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. 9 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 9 of the Notice for approval by the Members.

Registered Office :
Phase IV, Industrial Area
S.A.S. Nagar (Mohali)
Punjab - 160 055
Tel: 0172-2271620-27, Fax: 0172-2272731
Email: selinvestor@swarajenterprise.com
Website: www.swarajenterprise.com
CIN: L50210PB1985PLC006473
25th April, 2017

BY ORDER OF THE BOARD

(M.S. GREWAL)
Company Secretary

REPORT OF THE DIRECTORS TO THE MEMBERS

Your Directors present their 31st Annual Report together with Audited Accounts for the financial year ended 31st March, 2017.

A. FINANCIAL RESULTS AND OPERATIONAL REVIEW :

	Year Ended 31 st March, 2017	(Rs. in Crores) Year Ended 31 st March, 2016
Net Operating Revenue	666.14	525.91
Profit before Other Income, Depreciation, Finance Charges, Exceptional items and Tax	104.68	73.76
Other Income	17.18	16.30
Profit before Depreciation, Finance Charges, Exceptional items and Tax	121.86	90.06
Finance Cost	0.12	0.05
Depreciation and Amortisation Expense	16.28	13.80
Profit before Exceptional Items & Tax	105.46	76.21
Exceptional Items	-	-
Profit Before Tax	105.46	76.21
Tax Provision		
- Current	37.96	23.30
- Deferred	(1.33)	1.60
Profit After Tax	68.83	51.31
Other Comprehensive Income (net of Tax)	0.20	(0.11)
Total Comprehensive Income	69.03	51.20

Performance Review

Financial year 2016-17 turned out to be an overall good year for the Company. The tractor industry with which your Company's business has direct linkage, posted a decent growth of 18% after witnessing de-growth in last two consecutive years. This has in turn facilitated your Company to achieve its all-time high engine sales volume of 82,297 units with a growth of 28% over last year's sale of 64,088 units. Based on this solid increase in engine sales volume, SEL, for the first time has crossed the milestone of achieving Rs. 100 crores+ profit by posting a pre-tax profit of Rs. 105.46 crores.

With the increased engines sale volume, net operating revenue of your Company for the financial year 2016-17 reached Rs. 666.14 crores as against Rs. 525.91 crores for the last year. The higher sales coupled with continued focus on cost control initiatives, your Company was able to improve its operating margin by 170 basis points over last year - from 14.0% to 15.7%. Consequently, operating profit for the year stood at Rs. 104.68 crores (last year - Rs. 73.76 crores) - an improvement of 42%. Profit before tax for the year stood at Rs. 105.46 crores (previous year - Rs. 76.21 crores). While Profit after tax (before other comprehensive income) of Rs. 68.83 crores (previous year - Rs. 51.31 crores) translates into Basic Earning Per Share of Rs. 55.42 (previous year - Rs. 41.31), the total comprehensive income (net of tax) stood at Rs. 69.03 crores against previous year's Rs. 51.20 crores.

Taking note of the emerging demand scenario in the coming years and to timely cater the customer requirements, your Company has also finalised another capacity expansion programme to increase its capacity to 1,20,000 engines per annum from existing 1,05,000 engines per annum by the end of next fiscal. This capacity expansion will be fully financed through the internal resources.

FINANCE

The fund position of the Company remained comfortable throughout the year under review and after meeting the capital expenditure and working capital requirements to support operations, the Company has generated an income of Rs. 16.90 crores (previous year - Rs. 16.09 crores) on surplus funds.

Dividend

Your Directors are pleased to recommend an equity dividend of Rs.18.00 per share of the face value of Rs. 10 each for the financial year ended 31st March, 2017. Further, keeping in view the overall fund position of the Company, the Board, over and above the said normal dividend, has also recommended a special dividend of Rs. 25.00 per share, taking the total dividend to Rs. 43.00 per share for the financial year 2016-17 (previous year - Rs. 33.00 per share).

If approved by the Shareholders at the ensuing Annual General Meeting, the above equity dividend will be paid to those shareholders whose names shall appear in the Register of Members as on the Book Closure date. The total equity dividend outgo for the financial year 2016-17, including dividend distribution tax, surcharge and education cess will absorb a sum of Rs. 64.28 crores (previous year - Rs. 49.33 crores). Further, the Board of your Company has decided not to transfer any amount to the General Reserves for the year under review.

Current Year's Review

With government's continued thrust on agri sector and the forecast of normal monsoon for this year, the tractor industry is expected to maintain its growth trajectory in the current fiscal as well. In this backdrop, the engine business of your Company is also expected to benefit from industry growth.

B. INTERNAL FINANCIAL CONTROL SYSTEMS

The Company has laid down adequate internal financial controls with reference to financial statements, commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weakness in its operating effectiveness was observed.

C. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, as stipulated under the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 forms part of this Annual Report.

D. RELATED PARTY TRANSACTIONS

All related party transactions that were entered during the financial year 2016-17 were in the ordinary course of the business and were on arm's length basis. 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. Prior omnibus approval for normal transactions is also obtained from the Audit Committee for the related party transactions which are of repetitive nature as well as for the transactions which cannot be foreseen and the same are subsequently shared with Audit Committee on quarterly basis. The policy on materiality of and dealing with related party transactions as approved by the Audit Committee and the Board of Directors is uploaded on the website of the Company and the link for the same is (<http://www.swarajenterprise.com/policies>). The disclosure of related party transactions pursuant to Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is annexed herewith as "Annexure A".

E. BOARD AND COMMITTEES

Directors

Consequent upon his resignation, Shri Rajan Wadhera ceased to be a Director of the Company with effect from 24th April, 2017. Further, Shri M.N. Kaushal, upon completion of his tenure as Whole Time Director on 31st March, 2017, also ceased to be a Director of the Company with effect from 1st April, 2017. Your Board has placed on record its sincere appreciation of the significant and notable contributions made by Shri Wadhera and Shri Kaushal during their tenure as Directors of the Company.

Shri Rajesh Jejurikar and Shri Subhash Mago were appointed as Additional Directors of the Company with effect from 25th April, 2017. Further, the Board has also appointed Shri Subhash Mago as Whole Time Director of the Company designated as Whole Time Director & Chief Executive Officer for a period from 25th April, 2017 to 31st March, 2020. Shri Jejurikar and Shri Mago hold office upto the date of the forthcoming Annual General Meeting. The Company has received notices under Section 160 of the Companies Act, 2013 from Member signifying intention to propose Shri Rajesh Jejurikar and Shri Subhash Mago for the office of Director at the forthcoming Annual General Meeting.

All the Independent Directors of the Company have submitted declaration under Section 149(7) of the Companies Act, 2013 that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there has been no change in the circumstances which may affect their status as Independent Director during the year.

In terms of Section 152 of the Companies Act, 2013, Shri S. Durgashankar and Dr. Pawan Goenka shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a system has been put in place to carry out performance evaluation of the Board, its Committees and individual Directors. Criteria for performance evaluation is covered in the Corporate Governance Report.

Remuneration Policy

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy on appointment of Directors and Senior Management and their remuneration. The Remuneration Policy is covered in the Corporate Governance Report.

Board Meetings and Annual General Meeting

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year, four Meetings of Board and four meetings of the Audit Committee were convened and held. The details are covered in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

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 28th November, 2016.

The 30th Annual General Meeting of the Company was held on 26th July, 2016.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, your Directors, based on representations received from the Operating Management, and after due enquiry, confirm that:

- a) in the preparation of Annual Accounts for the financial year ended 31st March, 2017, the applicable accounting standards have been followed;
- b) in the selection of accounting policies, consulted the Statutory Auditors and applied them consistently, and made judgments 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 31st March, 2017 and of the profit of the Company for the year ended on that date;
- c) proper and sufficient care has been taken for 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 irregularities;
- d) the Annual Accounts have been prepared on a going concern basis;
- e) internal financial controls to be followed by the Company have been laid down, which are adequate and operating effectively;
- f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Audit Committee

The Audit Committee currently comprises of the following Directors viz. Shri Dileep C. Choksi (Chairman of the Committee), Dr. T.N. Kapoor, Shri S. Durgashankar and Smt. Neera Saggi. Except Shri S. Durgashankar, all the Members are Independent

Directors. All the Members of the Committee possess strong accounting and financial management knowledge. The Company Secretary of the Company is the Secretary of the Committee.

All the recommendations of the Audit Committee were accepted by the Board.

F. CORPORATE GOVERNANCE

Corporate Governance

A Report on Corporate Governance along with a Certificate from the Auditors of the Company regarding the compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

Vigil Mechanism/Whistle Blower Policy

The Company has a vigil mechanism through Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The details of the Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has put in place anti sexual harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The policy is gender neutral. Internal complaints committee has been set up to redress complaints received, if any, regarding sexual harassment. During the year, no complaint was received.

Risk Management

Pursuant to the requirement of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is having Risk Management framework covering identification, evaluation and control measures to mitigate the identified business risks.

G. EMPLOYEES

Key Managerial Personnel (KMP)

The following have been designated as the Key Managerial Personnel of the Company pursuant to Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Shri M.N. Kaushal, Whole Time Director (ceased w.e.f. 1st April, 2017)

Shri Subhash Mago, Chief Executive Officer (appointed w.e.f. 1st October, 2016)

Shri M.S. Grewal, Company Secretary

Shri Rajinder Arora, Chief Financial Officer

Employees' Stock Option Scheme

The Nomination and Remuneration Committee of the Board of the Directors of the Company, inter alia, administers and monitors the Employees' Stock Option Scheme-2015 ("the Scheme") of the Company. The Scheme is in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014 and there have been no change in the said Scheme during the year. Pursuant to the said Scheme, the Nomination and Remuneration Committee during FY 2015-16 have granted 9389 options to eligible employees which will become due for exercise from FY 2017-18 onwards.

Industrial Relations

Industrial relations remained cordial throughout the year under review.

Particulars of Employees

The information required pursuant to Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as "Annexure B". Further, there was no employee who was in receipt of remuneration of not less than Rs. 1,02,00,000 during the year ended 31st March, 2017 or not less than Rs. 8,50,000 per month during any part of the year.

Safety, Health and Environmental Performance

Your Company's commitment towards Safety, Occupational Health and Environment is being continuously enhanced. The Company encourages involvement of all its employees in activities related to safety, including promotion of safety standards. This is also to ensure sustainable business growth. The Company has a well-established Safety, Occupational Health and Environmental Policy which inter alia ensures safety of public, employees, plant and equipment by ensuring compliance with all statutory rules and regulations on regular basis. During the year, no major accident has occurred. 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. Showing its commitment to improve the well-being of its employees, Medical Check-ups, both curative and preventive have been organized regularly, including educating the employees on Industrial Hygiene at the work place. The Company's plant is certified under OHSAS 18001:2007 and EMS ISO 14001:2004.

H. AUDITORS

Statutory Auditors and Auditors' Report

M/s Davinder S. Jaaj & Company, Chartered Accountants, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting. Pursuant to Section 139 of the Companies Act, 2013, the Board of Directors on the recommendation of Audit Committee has appointed M/s B.K. Khare & Co., Chartered Accountants (ICAI FRN 105102W), as the Statutory Auditors of the Company to hold office from the conclusion of the forthcoming Annual General Meeting (AGM), until the conclusion of the fifth consecutive AGM of the Company (subject to ratification of their appointment by the Members at every AGM held after the ensuing AGM). M/s B.K. Khare & Co. have confirmed that their appointment, if approved, will be within the limits of Section 141(3)(g) of the Companies Act, 2013 and have also certified that they are free from disqualification specified under Section 141(3) of the Companies Act, 2013. The Members are requested to appoint Auditors and fix their remuneration.

The Audit Report issued by the Auditors of the Company forms part of the Annual Report and does not contain any qualification, reservation or adverse remark.

Secretarial Auditors

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s A. Arora & Co., Company Secretaries in practice (CP No. 993) to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as "Annexure C". The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Cost Auditors

Pursuant to Section 148(3) of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of Directors on the recommendation of Audit Committee has appointed M/s V. Kumar & Associates, Cost Accountants, as the Cost Auditors of the Company for the financial year ending on 31st March, 2018. M/s V. Kumar & Associates have confirmed that their appointment, if approved, will be within the limits of Section 141(3)(g) of the Companies Act, 2013 and have also certified that they are free from disqualification specified under Section 141(3) of the Companies Act, 2013. The Audit Committee has also received a certificate from the Cost Auditors certifying their independence and arm's length relationship with the Company. As per the provisions of 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 V. Kumar & Associates, Cost Accountants is included in the Notice convening the Annual General Meeting.

I. CORPORATE SOCIAL RESPONSIBILITY AND RELATED MATTERS

Corporate Social Responsibility

Keeping with Company's core value of Good Corporate Citizenship, your Company is committed to its social responsibility by taking various initiatives which would benefit the society at large. During the year, your Company took initiatives to provide ventilator/life saving equipments to Pediatrics Intensive Care Unit (PICU) at PGIMER, Chandigarh, support for the education of special children by providing laptops to SOREM - an NGO promoted by the Govt. and dedicated to the cause of children with Mental Retardation, Cerebral Palsy and Autism, provided three hearse vans for use at PGIMER, Chandigarh and also upgraded

infrastructure of Govt. School adopted by your Company at village Kambali. Further, your Company continued its efforts towards girl education, tree plantation at various locations, organizing medical camps, celebration of festivals with under-privileged, public awareness camps for road safety and pollution etc. Your Company continued its support to the two nearby villages adopted under Swaraj Engines Swachh Bharat Integrated Sanitation Programme. The Company has also contributed Rs. 50 lacs to the Prime Minister National Relief Fund.

Further, in compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company's Corporate Social Responsibility (CSR) Committee during the year comprised of Shri Sudhir Mankad (Chairman) and S/Shri Vijay Varma, Rajan Wadhera and M.N. Kaushal as other members. Consequent to changes in the Board of Directors, the Committee has been reconstituted with effect from 25th April, 2017 by inducting Shri Rajesh Jeurikar and Shri Subhash Mago as Members in place of Shri Rajan Wadhera and Shri M.N. Kaushal. The Annual Report on CSR activities is annexed herewith as "Annexure D".

Sustainability Initiative

Your Company is conscious of its responsibility towards preservation of natural resources and continuously taking various initiatives to reduce the consumption of electricity and water.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

Particulars in respect of the above activities stipulated under Section 134(3)(m) of the Companies Act 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as "Annexure E".

J. SECRETARIAL

Share Capital

The Issued and Paid-up Share Capital of the Company remained unchanged during the year and stood at Rs.12.42 crores at the end of the financial year 2016-17.

Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as "Annexure F".

Particulars of Loans, Guarantees and Investments

During the year under review, the Company has not extended any loans, given guarantees or provided securities and made investment pursuant to Section 186 of the Companies Act, 2013.

Deposits

The Company has not accepted deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

The Company has not made any loans/advances and investment in its own shares, associates, etc. during the year.

General

The Company is not paying any commission to the Whole Time Director(s). However, Whole Time Director(s) is eligible for grant of Stock Options of the Company, subject to approval of the Nomination and Remuneration Committee.

The Company has no holding/subsidiary company.

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:

1. issue of equity shares with differential voting rights or sweat equity.
2. significant or material orders passed by the Regulators / Courts / Tribunal which impact the going concern status of the Company and its future operations.
3. voting rights which are not directly exercised by the employees in respect of shares for the subscription/purchase for which loan was given by the Company (as there is no scheme pursuant to which such person can beneficially hold shares as envisaged under Section 67(3)(c) of the Companies Act, 2013).
4. fraud reporting by the auditors.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to acknowledge the contributions of all the stakeholders and are grateful for the co-operation of various Government Authorities, excellent support received from the Shareholders, Banks and other Business Associates. The Directors also recognise and appreciate the hard work and efforts put in by all the employees and their continued contribution to the Company.

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai
Date : 25th April, 2017

(SUDHIR MANKAD)
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY PROFILE

Swaraj Engines Ltd. is primarily manufacturing diesel engines for fitment into "Swaraj" tractors being manufactured by Mahindra & Mahindra Ltd. (M&M). The Company is also supplying engine components to SML Isuzu Ltd., being used in the assembly of commercial vehicle engines at their end.

Since start of commercial operations in 1989-90, your Company has supplied over 8,00,000 engines for fitment into "Swaraj" tractors.

FINANCIAL ANALYSIS (2016-17)

The Company's operations have been characterised by a lean organisation structure, continuous improvement in process efficiencies and optimised resource utilisation. While details of financial position and performance are available in the Balance Sheet, Statement of Profit & Loss, alongwith related notes, key aspects are highlighted in the following paragraphs:

(A) Statement of Profit & Loss

Income:

Total revenue for the year was Rs. 683.32 crores (previous year - Rs. 542.21 crores) with the following breakdown:

	(Rs. in Crores)	
	<u>2016-17</u>	<u>2015-16</u>
Engines	647.03	509.21
Engine Spares/Parts	16.09	14.22
Scrap etc.	<u>3.02</u>	<u>2.48</u>
Net Revenue from Operations	666.14	525.91
Other Income - Mainly Interest & Dividend	<u>17.18</u>	<u>16.30</u>
Total Revenue	<u>683.32</u>	<u>542.21</u>

With strong demand witnessed in domestic tractor industry during FY 2016-17, engine supplies for the year increased to 82,297 from last year's 64,088 units.

Comfortable fund position throughout the year resulted into a total income of Rs 16.90 crores (previous year - Rs. 16.09 crores) on surplus funds. Other miscellaneous income for the year stood at Rs. 0.28 crore (previous year - Rs. 0.21 crore).

Expenditure:

- **Material Cost**

In view of the overall comfortable commodity prices scenario, supported by various cost control initiatives, favourable product mix, higher job work revenue etc., material cost as a percentage of net revenue from operations at 74.4% remained lower than last year's 75.2%.

- **Personnel Cost**

Increase in personnel cost from Rs. 26.75 crores to Rs. 30.98 crores was primarily due to enhanced activity level and annual increments etc.

- **Other Expenses**

With better spread of expenses over higher level of operations, other expenses (consisting manufacturing, consumption of stores & spares, and administrative & marketing expenses) at 5.3% of net operating revenue remained lower than last year's level of 5.6%.

- **Depreciation and Amortisation**

Depreciation and amortisation for the year at Rs.16.28 crores was higher as compared to last year's Rs. 13.80 crores largely due to full year depreciation impact on the additions made during 2015-16.

Reflecting the above, the Operating Profit (EBITDA) margin improved by 170 basis points over previous year. Profit before tax for the year stood at Rs. 105.46 crores (previous year - Rs. 76.21 crores). While profit after tax (excluding other comprehensive income) was Rs. 68.83 crores (previous year - Rs. 51.31 crores), the total comprehensive income (net of tax) stood at Rs. 69.03 crores against previous year's Rs. 51.20 crores.

B) Balance Sheet

Equity

The Company's net worth on 31st March, 2017 stood at Rs. 283.37 crores comprising of an Equity Share Capital component of Rs. 12.42 crores and Other Equity of Rs. 270.95 crores - a book value of Rs.228 per share (previous year - Rs. 212 per share). Out of the total equity of Rs. 12.42 crores, 83% (Rs.10.35 crores) represents two Bonus Issues made in 1997 (1:1) and 2005 (2:1).

Non Current Assets

Out of the total non-current assets of Rs. 95.93 crores (previous year - Rs. 106.25 crores), 95% is represented by property, plant and equipment (including capital work in progress).

Inventories

With continued focus on optimising inventory levels, coupled with higher activity levels, total year-end inventories of Rs. 26.08 crores (previous year - Rs. 27.75 crores) came down to 14 days of net operating revenue from previous year's level of 19 days.

Trade Receivables

Year-end trade receivables of Rs. 13.07 crores (previous year - Rs. 7.49 crores) in terms of number of days stood at 7 days of net operating revenue (previous year - 5 days).

Trade Payables

With increased production level, year-end total trade payables stood at Rs. 70.13 crores (previous year - Rs. 54.01 crores).

Core Working Capital

With overall focus on all components of core working capital viz. inventories, trade receivables and trade payables, the same as on 31st March, 2017 has improved by 4 days over previous year.

INTERNAL CONTROL SYSTEM AND ADEQUACY

There are established procedures for internal control on a Company-wide basis. Policies and procedures have been laid down to provide reasonable assurances that assets are safeguarded from risks of unauthorised use / disposition and transactions are recorded and reported with propriety, accuracy and speed. These aspects are regularly reviewed during internal audit and statutory audits. 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. Finance and Accounts function is well staffed with experienced and qualified personnel. This team participates in the preparation & monitoring of budgets. Internal Audit Reports are reviewed by the Audit Committee of the Board from time to time.

HUMAN RESOURCES

The Company continued with its practice of a lean organisation manned by involved and motivated employees with team orientation. The atmosphere encourages learning and informal communication.

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.

To further increase the competence level of the employees, systematic and structured training is provided at different levels. Such trainings cover aspect related to leadership development, communication effectiveness and team building etc. This has made a significant contribution to the Company's business.

Industrial relations were cordial throughout the year under review.

Regular employee strength (excluding apprentice) as on 31st March, 2017 stood at 389 (31st March, 2016 - 394).

INDUSTRY STRUCTURE AND DEVELOPMENTS

Since Company's principal business is to supply diesel engines for tractors being manufactured by M&M-Swaraj Division, it would be appropriate to take note of developments in the tractor industry.

Indian tractor industry (the world's largest by volume) has a mix of Indian origin and international manufacturers and is traditionally segmented by horsepower broadly - the low horsepower upto 30 HP segment, the mid segment of 30 HP - 50 HP and the higher segment of above 50 HP. While most of the major players cater to all the three segments, their relative strengths and market positions differ from segment to segment. Over a period of time, the medium and higher HP segments have become the most popular and fastest growing segments in the country. Further, to increase the tractor penetration in the lower segment of the market and to provide cost effective product, some of the industry players have also taken keen interest in below 20 HP category tractors.

Domestic tractor industry, after witnessing substantial de-growth during last two fiscals, registered an impressive growth of 18% during FY 2016-17 to reach around 5,82,000 units against 4,94,000 units. This growth was primarily led by a good rabi harvest in April 2016 followed by widespread monsoon which helped in improving the overall farm sentiments. The recovery was across all large tractor markets and resulted into a pan India growth in industry volumes. Besides this, increase in demand of tractors for non-agri segment also helped in industry growth.

OUTLOOK AND OPPORTUNITIES

In view of the positive market trends witnessed during last fiscal, forecast of good monsoon for this year as well, sufficient water level in reservoirs and Government's continued thrust on agri and rural sectors with enhanced budget allocations, it is expected that the domestic tractor industry is expected to continue its growth trajectory in near term. Further, scope to increase current tractor penetration level, agri-mechanization, generating rural employment opportunities through various schemes, scarcity of farm labour especially during the sowing season, shortened replacement cycle, healthy credit availability, momentum in infrastructural projects etc. would be the positive drivers for tractor industry in long term. In the backdrop of the optimistic industry outlook for the Company's prime customer, business prospects of your Company appear to remain positive.

THREATS, RISKS & CONCERNS

As a supplier to M&M, your Company would be directly affected by factors impacting tractor industry. These would include issues like the rain-dependent nature of our agriculture, Government policy on procurement, credit availability, commodity price trends, new regulations for tractors etc.

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.

CORPORATE GOVERNANCE REPORT

I Company's philosophy on Code of Governance

Swaraj Engines Ltd. (SEL) has been practicing the principles of good corporate governance, disclosure and transparency right from its incorporation. It has been a core belief and practice with the Company to consider itself as the custodian and trustee of all the constituencies of its businesses - customers, business associates, shareholders and society. SEL has 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") is given below:

II Board of Directors

The Composition of the Board is in accordance with the Listing Regulations. The Company has a 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 judgement to the Board's deliberations and decisions. While during the year Shri M.N. Kaushal was the Whole Time Director of the Company, the Board, upon completion of his tenure on 31st March, 2017, has appointed Shri Subhash Mago as Whole Time Director & Chief Executive Officer with effect from 25th April, 2017.

Dr. Pawan Goenka, Shri Rajan Wadhwa (ceased to be a Director w.e.f. 24th April, 2017), Shri S. Durgashankar and Shri Rajesh Jejurikar (co-opted w.e.f. from 25th April, 2017), Non-Executive Directors, are in the whole-time employment of Mahindra & Mahindra Ltd. Shri R.R. Deshpande, Non-Executive Director, is in the whole-time employment of Kirloskar Oil Engines Ltd. These Non-Executive Directors draw remuneration from their respective companies. Shri Vijay Varma, Non-Executive Director, is also associated with Kirloskar Group. Mahindra & Mahindra Ltd. and Kirloskar Industries Ltd. are the promoters of the Company.

Apart from the above and the reimbursement 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 judgement would affect their independence. The Directors of the Company are not interse related to each other.

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 fulfils the stakeholders' aspirations and societal expectations.

A. Composition of the Board

The Company's Board of Directors currently comprises of 10 members. While five members are Non-Independent Non-Executive Directors, the Whole Time Director is the Executive Director of the Company and remaining four (including the Chairman of the Board) are Independent Directors.

The information on Composition of the Board, number of Board Meetings, attendance of Directors at Board Meetings/ Annual General Meeting, Directorships and Committee positions held in Public companies is given below:

Name of Director	Category	Financial Year 2016-17		Attendance at the last AGM	Total No. of Directorships [^] in public companies [#]	Committee ⁺ Position held in public companies [#]	
		Board Meetings held	Board Meetings attended			Chairman	Member
Non-Executive							
Shri Sudhir Mankad, Chairman	Independent	4	4	Yes	9	1	5
Dr. Pawan Goenka	Non-Independent	4	3	Yes	7	–	1

Name of Director	Category	Financial Year 2016-17		Attendance at the last AGM	Total No. of Directorships [^] in public companies [#]	Committee ⁺ Position held in public companies [#]	
		Board Meetings held	Board Meetings attended			Chairman	Member
Dr. T.N. Kapoor	Independent	4	4	Yes	3	3	3
Shri R.R. Deshpande	Non Independent	4	4	Yes	2	-	1
Shri Vijay Varma	Non Independent	4	4	Yes	1	-	-
Shri Rajan Wadhwa (ceased w.e.f. 24.04.2017)	Non Independent	4	4	Yes	N.A.	N.A.	N.A.
Shri S. Durgashankar	Non Independent	4	1	No	5	-	3
Shri Dileep C. Choksi	Independent	4	3	Yes	8	4	4
Smt. Neera Saggi	Independent	4	4	Yes	9	1	6
Shri Rajesh Jejurikar (appointed w.e.f. 25.04.2017)	Non Independent	N.A.	N.A.	N.A.	5	-	1
Executive							
Shri M.N. Kaushal, Whole Time Director (ceased w.e.f. 01.04.2017)	Non Independent	4	4	Yes	N.A.	N.A.	N.A.
Shri Subhash Mago, Whole Time Director & Chief Executive Officer (appointed w.e.f. 25.04.2017)	Non Independent	N.A.	N.A.	N.A.	1	-	1

Excluding private, foreign and companies registered under Section 25 of the Companies Act, 1956 or Section 8 of the Companies Act, 2013.

[^] Excludes Alternate Directorships but includes Additional Directorships and Directorship in Swaraj Engines Ltd.

+ Committees considered are Audit Committee and Stakeholders Relationship Committee, including that of Swaraj Engines Ltd.

- None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in the Listing Regulations), across all the public companies in which he is a Director.
- The Senior Management has made disclosures to the Board confirming that there are no material, financial and/or commercial transactions between them and the Company which could have potential conflict of interest with the Company at large.

B. 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. Details of the familiarization programme of the independent directors are available on the website of the Company (www.swarajenterprise.com).

During the financial year 2016-17, 4 Board Meetings were held on 26th April, 2016, 26th July, 2016, 24th October, 2016 and 24th January, 2017. The gap between two Meetings did not exceed four months.

The 30th Annual General Meeting (AGM) was held on 26th July, 2016.

C. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, a system has been put in place to carry out performance evaluation of the Board, its Committees and individual directors. An appraisal format has been devised covering various aspects of the Board's functioning such as adequacy of composition of the Board and its Committees, Board process, culture and accountability etc. Similarly, a separate format is also formulated for carrying out evaluation of the performance of individual Directors including the Chairman of the Board, which inter alia include parameters such as level of engagement and contribution, understanding of industry and global trends, and independence of judgement etc.

D. Directors Profile

The brief profile of the Company's Board of Directors is given below:

Shri Sudhir Mankad

Shri Sudhir Mankad joined the Company's Board in July, 2012.

Shri Mankad belongs to Indian Administrative Services (IAS). He holds Masters' degree in History from University of Delhi. He has served in various capacities both in Government of India and the State of Gujarat. His last assignment was as Chief Secretary, Govt. of Gujarat. He has served as a Chairman / Director on Board of several cement, power, fertilizer and finance companies. He had also worked on the Finance Committee of Central Universities and had been associated with several educational institutions and NGOs. Shri Mankad has also been appointed as Part Time Non-Executive Director on the Central Board of Reserve Bank of India from March'16.

Shri Mankad is also a Chairman of Gujarat International Finance Tec-city Co. Limited and Director of Deepak Nitrite Limited, Gruh Finance Limited, Mahindra Intertrade Limited, National Securities Depository Limited, IL&FS Skills Development Corp. Limited, Navin Fluorine International Limited and IL&FS Education & Technology Services Limited.

The details of Shri Mankad's Membership in Committees are given below :

S.No.	Name of the Company	Name of Committee	Position Held
1.	Deepak Nitrite Limited	Audit Committee Nomination and Remuneration Committee Corporate Social Responsibility Committee	Member Chairman Chairman
2.	Gruh Finance Limited	Nomination and Remuneration Committee Corporate Social Responsibility Committee Stakeholders Relationship Committee	Chairman Member Member
3.	Mahindra Intertrade Limited	Audit Committee Corporate Social Responsibility Committee Nomination and Remuneration Committee	Chairman Member Member
4.	National Securities Depository Limited	Audit Committee Corporate Social Responsibility Committee Nomination and Remuneration Committee	Member Member Member
5.	IL&FS Skills Development Corp. Limited	Audit Committee	Member

S.No.	Name of the Company	Name of Committee	Position Held
6.	Navin Fluorine International Limited	Corporate Social Responsibility Committee	Chairman
7.	IL&FS Education & Technology Services Limited	Audit Committee	Member
8.	Swaraj Engines Limited	Nomination and Remuneration Committee	Member
		Corporate Social Responsibility Committee	Chairman

Shri Mankad does not hold any shares in the Company.

Dr. Pawan Goenka

Dr. Pawan Goenka is on the Board of the Company since May 2010.

Dr. Goenka is a Mechanical Engineer from I.I.T. Kanpur. Post his Engineering degree, he earned his Ph.D from Cornell University, U.S.A. He is also a graduate of the Harvard Business School, Advanced Management Program. Dr. Goenka is currently the Managing Director of Mahindra & Mahindra Limited (M&M). Having joined M&M in 1993, in April, 2003 he was appointed COO of Automotive Sector, in September 2005, he became President, and in April, 2010 he assumed responsibility for both the Automotive and Farm Equipment Sectors. He was appointed to the post of Executive Director of Mahindra & Mahindra Ltd. in 2013. Prior to joining M&M, he served with General Motors R&D Centre at Detroit, U.S.A. He is an internationally acknowledged scientist-manager with several citations to his credit. He is a fellow of SAE International and the Indian National Academy of Engineers. In 2014, he was appointed Chairman of the Board of Governors at the Indian Institute of Technology (IIT), Madras.

Dr. Goenka is also the Chairman of Mahindra Vehicle Manufacturers Limited, SsangYong Motor Company Limited, Mahindra & Mahindra South Africa (Pty) Limited, Mahindra USA Inc., Mahindra Racing U.K. Limited, Mitsubishi Mahindra Agricultural Machinery Co. Limited, Mahindra Electric Mobility Limited, Mahindra Agri Solutions Limited and Mahindra Automotive North America Inc. and Director of Mahindra First Choice Wheels Limited, Mahindra Two Wheelers Limited and Mahindra Yueda (Yancheng) Tractor Co. Limited.

The details of Dr. Goenka's Membership in Committees are given below:

S.No.	Name of the Company	Name of Committee	Position Held
1.	Mahindra & Mahindra Limited	Corporate Social Responsibility Committee	Member
		Loans & Investment Committee	Member
		Stakeholders Relationship Committee	Member
		Research & Development Committee	Member
		Sale of Assets Committee	Member
		Risk Management Committee	Chairman
2.	Mahindra Vehicle Manufacturers Limited	CSR Committee	Member
		Nomination and Remuneration Committee	Member
		Strategic Investments Committee	Chairman

S.No.	Name of the Company	Name of Committee	Position Held
3.	SsangYong Motor Company Limited	Management Committee	Chairman
		Outside Director Candidate Recommendation Committee	Member
4.	Swaraj Engines Limited	Nomination and Remuneration Committee	Member
5.	Mahindra Electric Mobility Limited	Nomination and Remuneration Committee	Member
6.	Mahindra Agri Solutions Limited	Nomination and Remuneration Committee	Member

Dr. Goenka does not hold any shares in the Company.

Dr. T.N. Kapoor

Dr. T.N.Kapoor has been a Director of the Company since 1998.

Dr. Kapoor possesses a Master's degree in Commerce, a Bachelor's degree in Law and a Doctorate in Philosophy. He is an eminent Educationist and has been Professor and Dean, Faculty of Business Management & Commerce in Panjab University. He is a Management Advisor and is associated with several Public Limited Companies. He is also a Director of Omax Autos Limited and Sterling Tools Limited.

The details of Dr. Kapoor's Membership in Committees are given below :

S.No.	Name of the Company	Name of Committee	Position Held
1.	Omax Autos Limited	Stakeholders Relationship Committee	Chairman
		Audit Committee	Member
		Nomination and Remuneration Committee	Member
		Corporate Social Responsibility Committee	Member
		Executive Committee	Chairman
2.	Sterling Tools Limited	Audit Committee	Member
		Stakeholders Relationship Committee	Chairman
		Nomination and Remuneration Committee	Member
3.	Swaraj Engines Limited	Audit Committee	Member
		Stakeholders Relationship Committee	Chairman
		Nomination and Remuneration Committee	Chairman

Dr. Kapoor does not hold any shares in the Company.

Shri R.R. Deshpande

Shri R.R. Deshpande is on the Board of the Company since January, 2008.

Shri Deshpande, a Mechanical Engineer, is currently Joint Managing Director, Kirloskar Oil Engines Limited (KOEL). He is working with Kirloskar Group since 1977 and has vast experience in Projects, Production and Material Services.

The details of Shri Deshpande's Membership in Committees are given below :

S.No.	Name of the Company	Name of Committee	Position Held
1.	Kirloskar Oil Engines Limited	Stakeholders Relationship Committee	Member

Shri Deshpande does not hold any shares in the Company.

Shri Vijay Varma

Shri Vijay Varma has been a Director of the Company since January, 2009.

Shri. Varma, a Mechanical Engineer from College of Engineering, Pune, served with Kirloskar Oil Engines Limited and had held key positions in domestic and export marketing & sales, setting up power plant, heading business to generate and sell power, managing projects in strategy development, process engineering and information technology. He was also involved in negotiating, setting up and closing technology transfers and joint ventures, acquisitions of businesses and general management.

His last assignment in Kirloskar Group was as Managing Director & President of Kirloskar Proprietary Ltd. to manage, promote and protect brands and trademarks owned and used by Kirloskar Group.

Since 2010, Shri Varma chairs Indian Diesel Manufacturers' Association (IDEMA), and is also promoter and managing committee member of International Internal Combustion Engine Manufacturers' Association (IICEMA).

The details of Shri Varma's Membership in Committees are given below:

S.No.	Name of the Company	Name of Committee	Position Held
1.	Swaraj Engines Limited	Corporate Social Responsibility Committee	Member

Shri Varma does not hold any shares in the Company.

Shri S. Durgashankar

Shri S. Durgashankar joined the Company's Board in June, 2014.

Shri S. Durgashankar, a Chartered Accountant, is currently President - Group Merger & Acquisitions (M&A), Corporate Accounts and Group Secretarial and Member of the Group Executive Board at Mahindra & Mahindra Ltd. (M&M). During his overall work experience of 30+ years, he has handled a wide spectrum of Corporate Finance assignments at senior levels. At M&M, he was instrumental in setting up the M&A division and has a rich M&A experience, having facilitated many domestic & international M&A transactions for the Mahindra Group. He was earlier Corporate Treasurer and Head of Treasury & Investor Relations at M&M. Prior to his current assignment, he was CFO of Mahindra Satyam.

Shri Durgashankar is also a Director of Mahindra Integrated Business Solutions Pvt. Limited, EPC Industrie Limited, Mahindra Vehicles Manufacturers Limited, Mahindra eMarket Limited, Mahindra Namaste Limited, Mitsubishi Mahindra Agricultural Machinery Co. Limited and Mahindra HZPC Pvt. Limited.

The details of Shri Durgashankar's Membership in Committees are given below:

S.No.	Name of the Company	Name of Committee	Position Held
1.	EPC Industrie Limited	Audit Committee Nomination and Remuneration Committee Corporate Social Responsibility Committee	Member Member Member
2.	Mahindra Vehicle Manufacturers Limited	Audit Committee Committee of Strategic Investments	Member Member
3.	Swaraj Engines Limited	Audit Committee	Member

Shri Durgashankar does not hold any shares in the Company.

Shri Dileep C. Choksi

Shri Dileep C. Choksi joined the Company's Board in June, 2014.

Shri Dileep C. Choksi, a Chartered Accountant by profession, has over 38 years of experience having qualified as a Lawyer and a Cost Accountant. He was the former Joint Managing Partner of Deloitte in India before setting up of C.C. Chokshi Advisors Pvt. Ltd. His areas of specialization include tax planning and structuring for domestic and international clients, including expatriates, finalizing collaborations and joint ventures, executive advisory and decision support, corporate restructuring with a focus on start-up, turnaround and change management strategies and analyzing tax impact of various instruments.

Shri Choksi is also a Director of ICICI Bank Limited, ICICI Home Finance Co. Limited, Lupin Limited, Hexaware Technologies Limited, AIA Engineering Limited, Arvind Limited, Tata Housing Development Co. Limited, Mafatlal Cipherspace Pvt. Limited, Miramac Properties Pvt. Limited and Vardan Ceqube Advisors Pvt. Limited.

The details of Shri Choksi's Membership in Committees are given below :

S.No.	Name of the Company	Name of Committee	Position Held
1.	ICICI Bank Limited	Audit Committee Fraud Monitoring Committee Risk Committee Review Committee for identification of wilful defaulters/non co-operative borrowers	Member Member Member Member
2.	ICICI Home Finance Co. Limited	Audit & Risk Management Committee Nomination and Remuneration Committee Corporate Social Responsibility Committee Management Committee	Chairman Chairman Member Member
3.	Lupin Limited	Audit Committee	Member

S.No.	Name of the Company	Name of Committee	Position Held
4.	Hexaware Technologies Limited	Audit, Governance & Compliance Committee Shareholders Relationship Committee	Chairman Member
5.	Arvind Limited	Audit Committee Nomination and Remuneration Committee	Chairman Member
6.	Tata Housing Development Co. Limited	Audit Committee Nomination and Remuneration Committee	Member Member
7.	Swaraj Engines Limited	Audit Committee	Chairman

Shri Choksi does not hold any shares in the Company.

Smt. Neera Saggi

Smt. Neera Saggi joined the Company's Board in October, 2014.

Smt. Neera Saggi, Master in English Literature and an MBA, joined the Indian Administrative Service in 1980 and before taking a voluntary retirement in 2008, she served in various capacities both in Government of India and State of West Bengal. Besides other assignments, she was District Magistrate and Collector, Hooghly, West Bengal, Deputy Chairperson of the Jawaharlal Nehru Port Trust, Secretary to Governor of West Bengal, CMD of Hindustan Diamond Company Pvt. Limited and Development Commissioner of Special Economic Zones, Ministry of Commerce, Govt. of India. Smt. Saggi's last assignment was Chief Executive of L&T Seawoods Pvt. Ltd.

Smt. Saggi is also Director of Tata Projects Limited, TRF Limited, Tata Consulting Engineers Limited, Tata Realty and Infrastructure Limited, Maithon Power Limited, Mahindra Heavy Engines Limited, GE Power India Limited and GE T&D India Limited.

The details of Smt. Saggi's Membership in Committees are given below :

S.No.	Name of the Company	Name of Committee	Position Held
1.	Tata Projects Limited	Audit Committee Nomination and Remuneration Committee Corporate Social Responsibility Committee	Member Member Chairman
2.	TRF Limited	Audit Committee Corporate Social Responsibility Committee	Member Member
3.	Tata Consulting Engineers Limited	Audit Committee Nomination and Remuneration Committee Corporate Social Responsibility Committee	Member Member Chairman

S.No.	Name of the Company	Name of Committee	Position Held
4.	Tata Realty and Infrastructure Limited	Audit Committee Nomination and Remuneration Committee Corporate Social Responsibility Committee	Member Member Member
5.	Maithon Power Limited	Audit Committee Nomination and Remuneration Committee	Member Member
6.	Swaraj Engines Limited	Audit Committee	Member
7.	Mahindra Heavy Engines Limited	Audit Committee Nomination and Remuneration Committee	Chairman Member

Smt. Saggi does not hold any shares in the Company.

Shri Rajesh Jejurikar

Shri Rajesh Jejurikar has joined the Company's Board as an Additional Director with effect from 25th April, 2017.

Shri Jejurikar holds degree in Economics and Statistics from Mumbai University. A 1986 batch MBA from S.P. Jain Institute of Management, Shri Jejurikar has attended the Advanced Management Program at The Wharton School, University of Pennsylvania and was awarded the British Chevening Scholarship to study at the Manchester Business School, UK. Shri Jejurikar joined the Automotive Sector of Mahindra & Mahindra Ltd. as Vice-President - Marketing in 2000 and over the years, he moved from being an Executive Vice-President - Sales & Marketing to Managing Director, Mahindra Renault and Chief of Operations of the Automotive Division. In 2010, Shri Jejurikar was appointed Chief Executive for the Automotive Division and Member of the Group Executive Board. Shri Jejurikar, after having a short stint in the media industry, rejoined M&M in 2013 and is currently President of Farm Equipment Sector (FES) and a Member of the Group Executive Board of Mahindra & Mahindra Limited. He also oversees the Mahindra Two Wheelers business. Mahindra Two Wheelers Ltd. owns 51% stake in Peugeot Motorcycles, the oldest motorized two-wheeler manufacturer in the world.

Shri Jejurikar is the current President of the Tractor Manufacturers Association (TMA). He is a visiting faculty at S.P. Jain Institute of Management and is on their Governing Body. He also has an honorary position on the Enactus India National Advisory Board.

Shri Jejurikar was also on the Board of Swaraj Engines Limited from April, 2013 to April, 2014.

Shri Jejurikar is also Chairman of Trringo.com Limited, Peugeot Motorcycle SAS, Hisarlar Makine Sanayi ve Ticaret Anonim Sirketi and Hisarlar Ithalat Ihracat Pazarlama Anonim Sirketi and Director of Mahindra Gujarat Tractor Limited, Mahindra Two Wheelers Limited, Mahindra First Choice Wheels Limited, Mahindra USA Inc., Mahindra Two Wheelers Europe Holdings S.a r.l., Mahindra Racing SRL (Italy) and Mitsubishi Mahindra Agricultural Machinery Co. Limited.

The details of Shri Jejurikar's Membership in Committees are given below :

S.No.	Name of the Company	Name of Committee	Position Held
1.	Mahindra Gujarat Tractor Limited	Nomination and Remuneration Committee	Member
2.	Mahindra Two Wheelers Limited	Nomination and Remuneration Committee	Chairman
3.	Peugeot Motorcycle SAS	Nomination and Compensation Committee Strategy and Synergies Committee Audit and Finance Committee	Member Chairman Member
4.	Swaraj Engines Limited	Stakeholders Relationship Committee Corporate Social Responsibility Committee	Member Member

Shri Jejurikar does not hold any shares in the Company.

Shri Subhash Mago

Shri Subhash Mago has joined the Company's Board as an Additional Director with effect from 25th April, 2017 and has been appointed as Whole Time Director & Chief Executive Officer for a period from 25th April, 2017 to 31st March, 2020.

Shri Mago, who is Chief Executive Officer of the Company with effect from 1st October, 2016, is a Bachelor of Engineering from IIT, Roorkee and has more than 35 years experience in Purchasing, Manufacturing, Quality Systems, Component Development, Supply Chain Management, Value Engineering and New Product Development. After working for 17 years in Maruti Udyog Ltd., he joined Mahindra & Mahindra Ltd. (M&M) in 2000 and since then has worked on many strategic assignments. His last assignment in M&M was Senior Vice-President of Farm Division - Component Development & Material Management (CDMM).

The details of Shri Mago's Membership in Committees are given below :

S.No.	Name of the Company	Name of Committee	Position Held
1.	Swaraj Engines Limited	Stakeholders Relationship Committee Corporate Social Responsibility Committee	Member Member

Shri Mago does not hold any shares in the Company.

III Committees of the Board

A. Audit Committee

The Audit Committee currently comprises of the following Non-Executive Directors of which three are Independent, including the Chairman of the Committee:

- Shri Dileep C. Choksi, Chairman
- Dr. T.N. Kapoor
- Shri S. Durgashankar
- Smt. Neera Saggi

All the Members of the Committee have vast experience and knowledge of corporate affairs & financial management and possess accounting and financial management expertise.

The role, terms of reference and the authority and powers of this Committee are in conformity with the requirements of the Companies Act, 2013 and the Listing Regulations. The functions of the Audit Committee inter alia include review of systems and procedures, overseeing the functioning of internal audit, the effectiveness of internal controls and regulatory compliances. It also reviews Company's financial reporting process, disclosure of financial information, observations of auditors and recommends the appointment of statutory auditors, their fees and reviews quarterly / annual financial statements before submission to the Board. It is also empowered to inter alia review Management Discussion and Analysis of financial condition, results of operations and related party transactions. Generally, all items listed in Regulation 18(3) of the Listing Regulations are covered in the terms of reference. The Audit Committee has been granted powers as prescribed under Regulation 18(2)(c) of the Listing Regulations. The meetings of the Audit Committee are also attended by the Whole-time Director, the Statutory Auditors, the Internal Auditor and the Company Secretary besides other senior functionaries of the Company as and when required.

The Company Secretary acts as the Secretary to the Committee.

Shri Dileep C. Choksi, the Chairman of the Audit Committee, attended the last Annual General Meeting held on 26th July, 2016.

During the financial year under review, 4 meetings of Audit Committee of the Board were held on 26th April, 2016, 26th July, 2016, 24th October, 2016 and 24th January, 2017. The gap between the two meetings did not exceed four months.

Attendance record of the Members of the Audit Committee for FY 2016-17 is as under:

Name of the Member Director	No. of Meetings Held	No. of Meetings Attended
Shri Dileep C. Choksi	4	3
Dr. T.N. Kapoor	4	4
Shri S. Durgashankar	4	1
Smt. Neera Saggi	4	4

B. Stakeholders Relationship Committee

The Stakeholders Relationship Committee functions under the Chairmanship of Dr. T.N. Kapoor, Non-Executive Independent Director and presently comprises the following Directors:

- Dr. T.N. Kapoor, Chairman
- Shri Rajesh Jejurikar
(co-opted w.e.f. 25.04.2017)
- Shri Subhash Mago
(co-opted w.e.f. 25.04.2017)

Consequent upon his resignation from the Directorship of the Company, Shri Rajan Wadhwa ceased to be a Member of the Committee w.e.f. 24.04.2017. Further, upon completion of his tenure as Whole Time Director, Shri M.N. Kaushal also ceased to be a Member of the Committee w.e.f. 01.04.2017.

Shri M.S. Grewal, Company Secretary, is the Compliance Officer of the Company.

The Committee meets at periodic intervals, to approve inter alia, transfer/transmission of shares, issue of duplicate share certificates and review status of investors' grievances and the functioning of the Share Department / Registrar & Share Transfer Agents in order to render effective and quality services to investors.

During the financial year under review, 4 meetings of Stakeholders Relationship Committee were held on 26th April, 2016, 26th July, 2016, 24th October, 2016 and 24th January, 2017.

Attendance record of the Members of the Stakeholders Relationship Committee for FY 2016-17 is as under:

Name of the Member Director	No. of Meetings Held	No. of Meetings Attended
Dr. T.N. Kapoor	4	4
Shri Rajan Wadhwa (ceased to be a Member w.e.f. 24.04.2017)	4	4
Shri M.N. Kaushal (ceased to be a Member w.e.f. 01.04.2017)	4	4

The Company had received 121 enquiries/complaints from the shareholders and all of them have been attended / resolved.

As on date, there are no shares pending for transfer received during the year under review.

C. Nomination and Remuneration Committee

The Nomination and Remuneration Committee presently comprises of following three Non-Executive Directors of which two are Independent, including the Chairman of the Committee:

- Dr. T.N. Kapoor, Chairman
- Shri Sudhir Mankad
- Dr. Pawan Goenka

The purpose of the Committee inter alia include 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; formulation of process for evaluation of directors performance; and to deal with such other matters and functions as may be prescribed from time to time.

During the financial year, 1 meeting of Nomination and Remuneration Committee of the Board was held on 26th July, 2016.

Attendance record of the Members of the Nomination and Remuneration Committee for FY 2016-17 is as under:

Name of the Member Director	No. of Meetings Held	No. of Meetings Attended
Dr. T.N. Kapoor	1	1
Shri Sudhir Mankad	1	1
Dr. Pawan Goenka	1	1

D. Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee currently comprises of the following four Directors with Non-Executive Independent Director as its Chairman:

- Shri Sudhir Mankad, Chairman
- Shri Vijay Varma
- Shri Rajesh Jejurikar
(co-opted w.e.f. 25.04.2017)
- Shri Subhash Mago
(co-opted w.e.f. 25.04.2017)

Consequent upon his resignation from the Directorship of the Company, Shri Rajan Wadhera ceased to be a Member of the Committee w.e.f. 24.04.2017. Further, upon completion of his tenure as Whole Time Director, Shri M.N. Kaushal also ceased to be a Member of the Committee w.e.f. 01.04.2017.

The role of the CSR Committee, inter alia, is to :

- formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- recommend the amount of expenditure to be incurred on the CSR activities;
- monitor the CSR Policy of the Company from time to time.

During the financial year, 1 meeting of Corporate Social Responsibility Committee of the Board was held on 24th January, 2017.

Attendance record of the Members of the Corporate Social Responsibility Committee for FY 2016-17 is as under :

Name of the Member Director	No. of Meetings Held	No. of Meetings Attended
Shri Sudhir Mankad	1	1
Shri Vijay Varma	1	1
Shri Rajan Wadhera (ceased to be a Member w.e.f. 24.04.2017)	1	1
Shri M.N. Kaushal (ceased to be a Member w.e.f. 01.04.2017)	1	1

IV Remuneration to Directors

Remuneration Policy

The key provisions of the policies related to selection and appointment of Directors and their remuneration are given below:

a) Policy for Selection and appointment of Directors

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 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.
- Based on recommendation of the NRC, the Board evaluates the candidature and decide 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.

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.

b) Policy for Remuneration to Directors

i) Non-Executive Directors 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 committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act, 2013 and the Listing 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 consists of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits 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.

Remuneration Details

Non-Executive Directors, other than representative Directors of M&M, are paid sitting fees 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. The existing sitting fees paid to Non-Executive Directors is as under:

- Rs. 50,000 for every Board Meeting
- Rs. 30,000 for every Committee(s) Meeting (other than Stakeholders Relationship Committee)
- Rs. 5,000 for every Stakeholders Relationship Committee Meeting

From the financial year 2011-12, the Board had also approved the payment of commission to Directors who are neither in the Whole-time employment of the Company nor the Whole-time Director, Managing Director, Executive Director(s) and such of the remainder as may not desire to participate, upto one per cent per annum of the net profits of the Company distributed in such proportions as the Board of Directors may decide from time to time, subject to a limit of one quarter per cent of the net profits of the financial year for each such Director.

The details of Directors' remuneration for FY 2016-17 is as follows:

Independent Non-Executive Directors

(Rs. in lacs)

Name of the Directors who were in receipt of sitting fees / commission during FY 2016-17	Sitting Fees for Board and Committee Meetings paid during FY 2016-17	Commission payable for FY 2016-17	Total
Shri Sudhir Mankad	2.60	5.00	7.60
Dr. T.N. Kapoor	3.70	5.00	8.70
Shri R.R. Deshpande	2.00	5.00	7.00
Shri Vijay Varma	2.30	5.00	7.30
Shri Dileep C. Choksi	2.40	5.00	7.40
Smt. Neera Saggi	3.20	5.00	8.20

Executive - Whole-time Director

(Rs. in lacs)

Name of Director	Salary (Basic and Allowances)	Commission	Contribution to Provident Fund	Other Perquisites	Stock Option	Total	Service Contract (Tenure)
Shri M.N. Kaushal (Whole Time Director)	88.00	Nil	2.81	Nil	Nil	90.81	1st April, 2012 to 31st March, 2017

Note: Above excludes:

- 1603 stock options granted by the Company which will be vested and become due for exercise in the subsequent period.
- stock options from Associate Company - Mahindra & Mahindra Limited.

V General Body Meetings

Details of last three Annual General Meetings (AGMs) of the Company are given below:

Year	Date	Time	Special Resolutions passed
2014	31st July, 2014	2.30 P.M.	–
2015	28th July, 2015	2.00 P.M.	1. Revision in the remuneration of Shri M.N. Kaushal, Whole Time Director with effect from 1st October, 2014. 2. Approval for the related party transactions. 3. Approval to the Employee Stock Option Scheme - 2015.
2016	26th July, 2016	12.30 P.M.	1. Approval and adoption of new Articles of Association of the Company. 2. Approval of payment of commission to the Non-Executive Directors of the Company.

The above meetings were held at Swaraj Engines Ltd., Plot No. 2, Industrial Phase IX, S.A.S. Nagar (Mohali), Punjab. No Extraordinary General Meeting was held during the past three years.

There was no matter which required to be passed through postal ballot during the year and the Company does not propose any special resolution to be conducted through postal ballot.

VI Means of Communication

- a) In compliance with the requirements of the Listing Regulations, the Company regularly intimates quarterly unaudited as well as audited financial results to the Stock Exchanges immediately after they are taken on record by the Board. These financial results are normally published in the leading financial / national / regional newspapers (Business Standard - Q1 to Q3 results, Financial Express - Q4 & full year results and Punjabi Tribune) and are also displayed on the website of the Company www.swarajenterprise.com;
- b) The official news releases are displayed on the Company's website www.swarajenterprise.com;
- c) During the year ended 31st March, 2017, no presentations were made to institutional investors or analysts.

VII Shareholder Information

1. 31st Annual General Meeting

Date	:	24th July, 2017
Time	:	3.00 P.M.
Venue	:	Swaraj Engines Ltd., Plot No. 2, Industrial Phase IX, S.A.S. Nagar (Mohali), Punjab - 160 062

2. Financial Calendar (tentative)

The Financial year covers the period from 1st April to 31st March.

Calendar for the Board Meetings to be held to review / approve the financial results of the Company for FY 2017-18 is given below:

• Quarter ending 30th June, 2017	Last week of July, 2017
• Half year ending 30th September, 2017	Third week of October, 2017
• Quarter ending 31st December, 2017	Last week of January, 2018
• Year ending 31st March, 2018	May, 2018

Note: The above schedules are indicative.

3. Dividend Payment

The dividend, if declared, shall be paid on and from 29th July, 2017.

4. Date of Book Closure

8th July, 2017 to 14th July, 2017 (both days inclusive)

5. Listing on Stock Exchanges

- (i) BSE Ltd. (BSE)
25th Floor, P.J. Towers, Dalal Street, Mumbai - 400001
- (ii) National Stock Exchange of India Ltd. (NSE)
Exchange Plaza, C-1, Block G, Bandra Kurla Complex,
Bandra (East), Mumbai - 400051

Listing Fee for FY 2017-18 for both these stock exchanges has been paid.

6. Stock Code

- | | | |
|--|---|-----------|
| (i) BSE Ltd. (BSE) | : | 500407 |
| (ii) National Stock Exchange of India Ltd. (NSE) | : | SWARAJENG |

7. CIN : L50210PB1985PLC006473

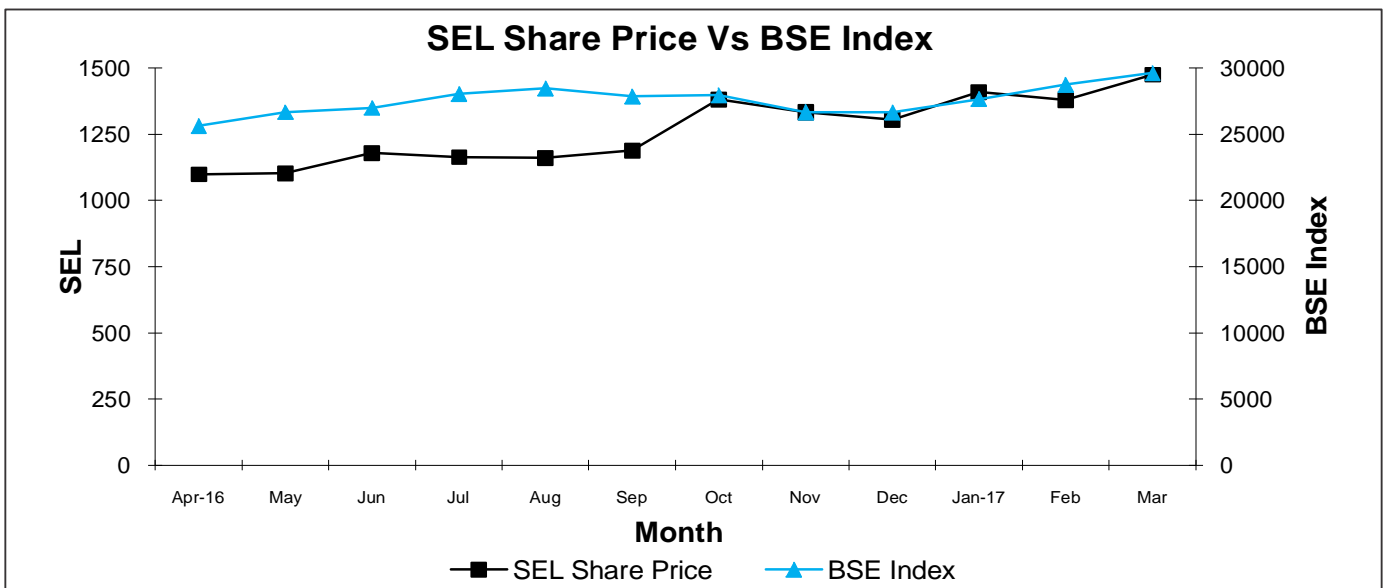
8. Stock Price Data

Monthly (April 2016 - March 2017) High - Low Quotations of shares traded at BSE & National Stock Exchange are as under:

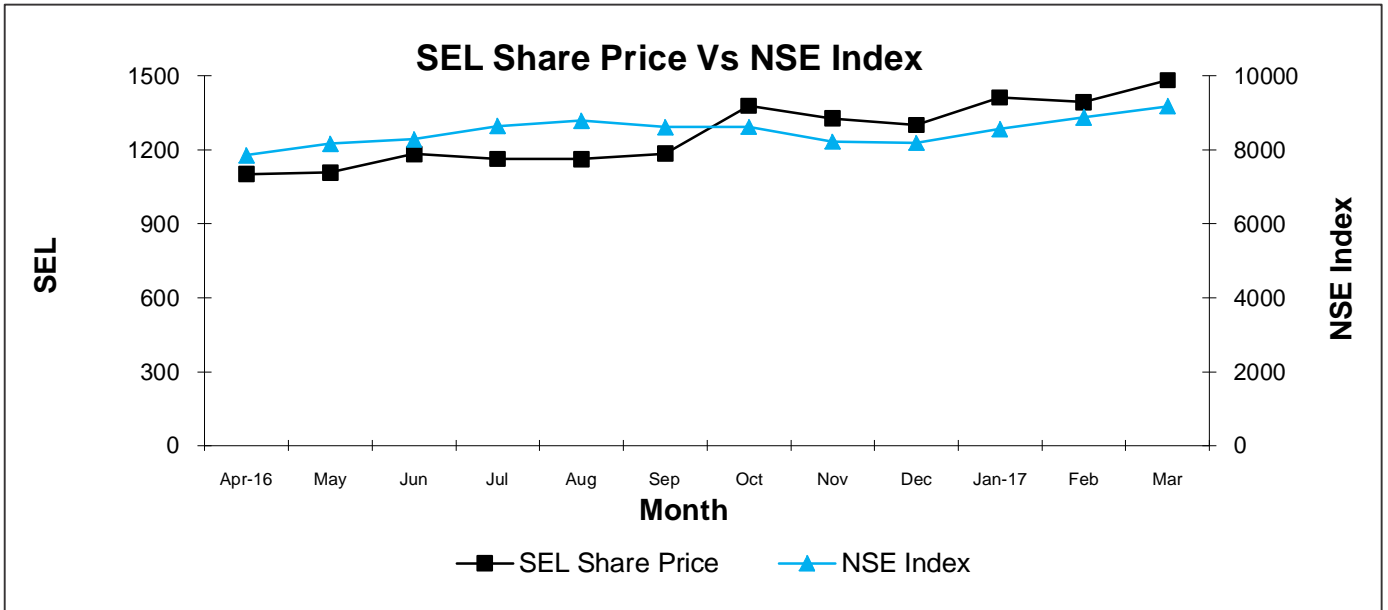
Month	BSE		National Stock Exchange (NSE)	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2016	1175.00	844.25	1174.90	850.35
May 2016	1172.00	1079.75	1177.00	1078.80
June 2016	1207.90	1092.50	1206.00	1092.05
July 2016	1294.00	1110.00	1294.80	1102.15
August 2016	1176.50	1110.00	1181.05	1109.80
September 2016	1226.75	1140.00	1226.00	1138.00
October 2016	1425.00	1205.00	1428.00	1201.05
November 2016	1423.85	1214.80	1430.00	1250.00
December 2016	1431.00	1292.00	1397.30	1290.10
January 2017	1450.00	1290.00	1449.00	1280.05
February 2017	1452.05	1365.00	1451.00	1352.40
March 2017	1486.00	1322.00	1498.40	1316.00

9. Stock Price Performance

SEL Share Price performance relative to BSE Sensitive Index



SEL Share Price performance relative to NSE Index (S&P CNX Nifty Index)



Note: Based on the month end closing share price of SEL and BSE / NSE Index.

10. Registrar and Transfer Agents

M/s MCS Share Transfer Agent Limited (MCS), F-65, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi - 110 020 are 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.

Tel No. : 011 - 41406149

Fax No. : 011 - 41709881

Email address : helpdeskdelhi@mcsregistrars.com

Contact Person: Shri Amar Jit

Share Transfer & other Communication regarding Share Certificates, Dividends and Change of Address etc. may be addressed to Registrar, M/s MCS Share Transfer Agent Limited or to the Share Department of the Company at its Registered Office at Phase IV, Industrial Area, S.A.S. Nagar (Mohali), Punjab - 160 055.

11. Transfer System for physical shares

Share transfers are being registered & returned within the stipulated timeline from the date of receipt, if the documents are valid in all respects.

Total number of shares transferred during FY 2016-17 was 4160 (Previous Year 2300).

Against the opening balance of 5350 shares (21 folios) lying in Unclaimed Suspense Account, no claim was made during the year.

12. Shareholding Pattern as on 31st March, 2017

Category of Shareholders	No. of Shareholders	No. of Shares held	% of Holding
1 Promoters	2	62,86,417	50.62
2 Mutual Funds	18	14,91,670	12.01
3 Financial Institutions / Banks	2	1054	0.01
4 Insurance Companies	2	24,588	0.20
5 Foreign Institutional Investors	14	6,24,662	5.03
6 Bodies Corporate - Indian	324	4,15,115	3.34
7 NRIs	357	2,05,874	1.66
8 Indian Public	11,716	33,69,840	27.13
9 OCB	1	600	0.00
Total	12,436	1,24,19,820	100.00

13. Distribution Pattern of Shareholding as on 31st March, 2017

No. of Equity Shares held	No. of Shareholders		No. of Shares held	
	Numbers	% Total	Numbers	% Total
1 - 500	11,084	89.13	8,76,022	7.05
501 - 1000	853	6.86	5,89,402	4.75
1001 - 5000	409	3.29	8,60,420	6.93
5001 - 10000	42	0.34	2,92,226	2.35
10001 - 50000	24	0.19	5,36,190	4.32
50001 & above	24	0.19	92,65,560	74.60
Total	12,436	100.00	1,24,19,820	100.00

14. Dematerialisation of Shares

The trading in Equity Shares of Swaraj Engines Limited is permitted only in dematerialised form. The Company has joined National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to facilitate the trading. As on 31st March, 2017, 98.7% of the equity capital is held in electronic form.

International Securities Identification Number (ISIN): INE277A01016 (with NSDL and CDSL)

15. Outstanding GDR's / ADR's / Warrants / Convertible Instruments

Not Applicable.

16. Plant Location

Swaraj Engines Limited
Plot No. 2, Industrial Phase IX,
S.A.S. Nagar (Mohali), Punjab - 160 062

17. Address for correspondence

Registrar and Share Transfer Agent

M/s MCS Share Transfer Agent Limited
Unit: Swaraj Engines Ltd.

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

Email: helpdeskdelhi@mcsregistrars.com

Phone : 011 - 41406149

Fax : 011 - 41709881

Compliance Officer & Company Secretary

Shri M.S. Grewal, Company Secretary

Registered Office:

Swaraj Engines Ltd.

Phase-IV, Industrial Area

S.A.S. Nagar (Mohali), Punjab - 160 055.

Email: selinvestor@swarajenterprise.com

Phone : 0172- 2271620-27

Fax : 0172- 2272731

18. Website Address : www.swarajenterprise.com**VIII Other Disclosures****A. Disclosure of transactions with Related Parties**

During FY 2016-17, all transactions entered into with related parties were in the ordinary course of business and on arm's length basis. 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. The Company has no subsidiary. Details of related parties and transactions with them are covered at Note 2.29 of the Annual Accounts. The policy for related party transactions approved by the Board of Directors of the Company is available at Company's website www.swarajenterprise.com

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. 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 Ethics & 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. The details of Whistle Blower Policy are available at the Company's website www.swarajenterprise.com

D. Disclosure of Accounting Treatment in preparation of Financial Statements

In preparation of the financial statements, the Company has followed the Accounting Standards laid down by the Companies (Accounting Standards) Rules, 2006. The significant accounting policies which are consistently applied are set out under Note 1 of the Annual Accounts.

E. CEO / CFO Certification

As required under Regulation 17(8) of the Listing Regulations, Chief Executive Officer and Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the year ended 31st March, 2017.

F. Management Discussion and Analysis Report

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

G. Risk Management

Business risk evaluation and management is an ongoing process within the Company. For each function, the impact and probability of various risks are made and necessary control measures are identified to mitigate these risks, thereby reducing the impact and probability of the risk. During the year, a detailed exercise on "Risk Assessment" related to Company's main functional areas was carried out.

The Board is apprised of the risk assessment and mitigation process followed by the Company.

H. Code for prevention of Insider Trading Practices

In compliance with SEBI's Regulations on prevention of insider trading, the Company has laid down a comprehensive Code of Conduct for prevention of insider trading for its designated employees. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company, and cautioning them of the consequences of violations.

IX Compliance with Mandatory requirements

The Company has complied with the mandatory requirements of the Code of Corporate Governance as stipulated under the Listing Regulations.

X Adoption of the non-mandatory requirements**a) Audit Qualifications**

During the financial year under review, there is no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure regime of unqualified financial statements.

b) Separate Posts of Chairman and CEO

The Company has separate persons to the post of Chairman and Whole Time Director & CEO.

c) 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.

XI 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.swarajenterprise.com). All Board Members and Senior Management Personnel have affirmed compliance with this Code. A declaration signed by the Whole Time Director & CEO to this effect is enclosed at the end of this Report.

Mumbai, 25th April, 2017

DECLARATION BY THE WHOLE TIME DIRECTOR & CHIEF EXECUTIVE OFFICER UNDER SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**To****The Members of Swaraj Engines Limited**

I, Subhash Mago, Whole Time Director & Chief Executive Officer of Swaraj Engines Limited declare 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, 2017.

Mumbai, 25th April, 2017

Subhash Mago
Whole Time Director &
Chief Executive Officer

Auditor's Certificate on Compliance with the Conditions of Corporate Governance**To****The Members of Swaraj Engines Limited**

We have examined the compliance of conditions of Corporate Governance by Swaraj Engines Limited ("the Company") for the year ended 31st March, 2017, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI. 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.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of the Corporate Governance as specified in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V of the Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Mumbai, 25th April, 2017

For DAVINDER S. JAAJ & CO.
Chartered Accountants
(FRN – 000969N)

SUMEET SINGH DHIR
Partner
Membership No. 94370

ANNEXURE A TO DIRECTORS' REPORT

FORM NO. AOC-2

[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

a)	Name(s) of the related party and nature of relationship	Not applicable
b)	Nature of contracts/arrangements/transactions	Not applicable
c)	Duration of the contracts/ arrangements/transactions	Not applicable
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Not applicable
e)	Justification for entering into such contracts or arrangements or transactions	Not applicable
f)	Date(s) of approval by the Board	Not applicable
g)	Amount paid as advances, if any	Not applicable
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	Not applicable

2. Details of material contracts or arrangements or transactions at arm's length basis:

a)	Name(s) of the related party and nature of relationship	Mahindra & Mahindra Limited, Associate Company
b)	Nature of contracts/arrangements/transactions	Sale, purchase, service or supply of goods or materials, availing or rendering of services, leasing of property of any kind, selling or otherwise disposing of or buying property of any kind or any other transaction in the ordinary course of business and at arm's length.
c)	Duration of contracts/arrangements/transactions	FY 2016-17
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Total value of transactions during FY 2016-17 was Rs. 809.67 crores (excluding dividend paid – Rs. 13.62 crores).
e)	Date(s) of approval by the Board, if any	Not applicable
f)	Amount paid as advances, if any	NIL

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai
Date : 25th April, 2017

(SUDHIR MANKAD)
Chairman

ANNEXURE B TO DIRECTORS' 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

Sr. No.	Requirements	Disclosure
1	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year.	14.76 Times
2	The percentage increase in remuneration of each Director, CEO, CFO & CS.	WTD - Nil CEO - NA* CFO - 11.8% CS - 10.0%
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 increased by 9.88%. The calculation of % increase in median remuneration is done based on comparable employees.
4	The number of permanent employees on the rolls of the company.	There were 389 permanent employees as on 31st March, 2017.
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 thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The average percentage change in Managerial employees is 8.59% whereas the average percentage change in Non-Managerial employees is 10.96% in 2016-17.
6	Affirmation that the remuneration is as per the remuneration policy of the company	Yes, it is affirmed.

* The remuneration of CEO started from 1st October, 2016.

ANNEXURE C TO DIRECTORS' REPORT

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[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,
Swaraj Engines Limited,
Phase IV, SAS Nagar,
Punjab

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SWARAJ ENGINES 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 Swaraj Engines Limited's 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, 2017 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 SWARAJ ENGINES LIMITED ("the Company") for the financial year ended on March 31, 2017 according to the provisions of:

- (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, in reference of the Employee Stock Option Scheme.
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- Not applicable as the company has not issued any securities during the financial year under review.
 - e) The 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.

- f) 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.
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 including the amendments thereof- Not applicable as the company has not delisted any securities from any stock exchange during the financial year under review.
 - h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998- Not applicable as the company has not bought back any of its securities 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 the National Stock Exchange of India Limited and 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 was no change in the composition of the Board of Directors during the year.
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 and taken on record by the board of directors in their meeting(s), 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 the company in its annual general meeting held on 26th July, 2016, passed special resolutions for:

- Approval and adoption of new Articles of Association of the Company.
- Approval of payment of commission to the Non-Executive Directors of the Company.

I further report that, there were no instances of

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (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.

For A. ARORA & COMPANY
AJAY K. ARORA
(Proprietor)

Place : Chandigarh
Date : 22.04.2017

FCS No. 2191
C P No.: 993

ANNEXURE D TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

The brief outline of Company's CSR Policy is given below:

a) CSR Philosophy

The Company recognises that basic purpose of the business is not only to deliver Commercial Objectives but also to act as a "Socially Responsible Corporate Citizen". Therefore, the Company is committed to improve the quality of life for the Community and Society at large.

The Company strongly believes that Economic, Environmental & Social Performance hang together and blending passion for Corporate performance with compassion for Communities is central to the Company's corporate philosophy and to pursue this, the Company endeavours to make CSR (Corporate Social Responsibility) a key Business Process for sustainable development.

b) Objective of the CSR Policy

The objective of this policy is to -

- Promote a unified and strategic approach to CSR across the Company by incorporating under one 'Rise for Good' umbrella the diverse range of its philanthropic giving, identifying select constituencies and causes to work with, thereby ensuring a high social impact.
- Ensure an increased commitment at all levels in the organisation, by encouraging employees to participate in the Company's CSR and give back to society in an organised manner through the employee volunteering programme called ESOPs.

c) CSR Thrust Areas

The Company will focus its efforts within the constituencies of girls, youth & rural people through programs designed in the domains of education, health and environment. The Company may also make contributions to its Associate Companies' Corporate Foundations/Trusts towards its corpus for projects approved by the Board.

The Company's commitment to CSR will be manifested by investing resources within the broad framework of Schedule VII of the Companies Act, 2013.

The CSR Policy is available at Company's following Web-link :<http://www.swarajenterprise.com/policies>

2. Composition of the CSR Committee:

During FY 2016-17, the CSR Committee comprised the following Directors:

1. Shri Sudhir Mankad, Chairman (Independent Director)
2. Shri Vijay Varma (Non-Independent Director)
3. Shri Rajan Wadhera (Non-Independent Director)
4. Shri M.N. Kaushal (Whole Time Director)

In the Meeting of Board of Directors of the Company held on 25th April, 2017, the CSR Committee was reconstituted and presently comprises of the following Directors:

1. Shri Sudhir Mankad, Chairman (Independent Director)
2. Shri Vijay Varma (Non-Independent Director)
3. Shri Rajesh Jejurikar (Non-Independent Director)
4. Shri Subhash Mago (Whole Time Director & Chief Executive Officer)

3. Average net profit of the Company for last three financial years : Rs. 8394.80 Lacs
4. Prescribed CSR Expenditure (two per cent of the amount mentioned in item 3 above) : Rs.167.90 Lacs
5. Details of the CSR spent for the financial year:
 - a. Total amount to be spent for the financial year: Rs. 167.90 Lacs
 - b. Amount unspent/unpaid : Rs. 5.22 Lacs
 - c. Manner in which the amount spent during the financial year is detailed below:

Sr. No.	Projects / Activities	Sector	Locations	Amount Outlay (Budget) Project or Program wise	Amount spent on the project or programs	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing Agency
			State(s)	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
1.	Girl Education (Project Nanhi Kali)	Promoting Education	Andhra Pradesh, Chhattisgarh, Delhi, Haryana, Madhya Pradesh, Maharashtra, Karnataka, Tamil Nadu and Rajasthan	20.0	20.0	20.0	Through Implementing Agency – K.C. Mahindra Education Trust and Naandi Foundation
2.	Contribution to Prime Minister National Relief Fund	Prime Minister National Relief Fund	Pan India	50.0	50.0	50.0	Prime Minister National Relief Fund
3.	Contribution towards Life Saving equipments for Pediatric Intensive Care Unit (PICU) of Post Graduate Institute of Medical Education and Research (PGIMER)	Healthcare	Chandigarh	34.20	34.20	34.20	Direct
4.	Hearse Vans to Sewa Bharti, NGO for PGIMER	Healthcare	Chandigarh	22.30	22.30	22.30	Direct
5.	Up-gradation of School Infrastructure	Promoting Education	Punjab	12.40	6.20	6.20	Direct
6.	Contribution towards Providing Infrastructure to Society for the Rehabilitation of Mentally Challenged (SOREM) for the welfare of physically and mentally challenged children	Promoting Education, Healthcare etc.	Chandigarh	7.20	7.20	7.20	Direct

Sr. No.	Projects / Activities	Sector	Locations	Amount Outlay (Budget) Project or Programs wise	Amount spent on the project or programs	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing Agency
			State(s)	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
7.	Misc. Activities/ Initiatives	Awareness Campaigns towards Environment Sustainability/ Safety, Blood Donation Camps and other social Activities for overall goodness for the society at large	Punjab/ Chandigarh	21.80	22.78	22.78	Direct
		Total		167.90	162.68	162.68	

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Subhash Mago
 Whole Time Director & Chief Executive Officer
 25th April, 2017

Sudhir Mankad
 Chairman

ANNEXURE E TO DIRECTORS' REPORT

Particulars as per the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2017

A. CONSERVATION OF ENERGY:

(a) Steps taken for conservation of energy:

Although the activities of the Company are not energy-intensive, necessary measures are taken to contain and bring about savings in energy consumption through improved operational methods and implementation of Energy Management Systems.

The following initiatives towards energy conservation were taken during the year:

- Installation of variable frequency drives.
- Alternate use of transformers in Sub-station for reduction in energy consumption.
- Introduction of LED lamps as a replacement of fluorescent lamps in administration block.
- Introduction of timers on machines.
- Utilization of ETP & STP treated water for gardening/horticulture purposes

(b) Steps taken by the company for utilising alternate sources of energy: The Company is exploring potential of using alternate source of energy which may be considered for implementation in future.

(c) Capital investment on energy conservation equipments: Rs. 9.0 lacs on various energy conservation projects.

Above initiatives besides being energy efficient are also environment friendly.

Overall annualized savings for the year - Rs. 23.0 lacs.

B. TECHNOLOGY ABSORPTION:

(a) The efforts made towards technology absorption:

- Successful development and commercialization of 42 HP engine
- Two Cylinder Genset Engine is under testing

During the year under review, the company's focus continued on technology upgradation and development of new engines in middle and higher HP range. Besides this, the Company is also constantly working on value engineering with focused efforts towards reducing the cost of ownership for customers.

(b) Benefits derived as a result of the above efforts: Expansion of product range.

(c) While no technology has been imported during the last 4 years, the Company has gone for high technology imported machines which helped to enhance the overall productivity and reduction in rework / rejection.

(d) Expenditure on R&D: The Company spent revenue expenditure of Rs. 2.60 crores on Research & Development work during the year, which was 0.3% of the total turnover.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year, there were no exports. Foreign Exchange Outgo is contained in Note No. 2.38 of Notes on Accounts in the Annual Report.

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai
Date : 25th April, 2017

(SUDHIR MANKAD)
Chairman

ANNEXURE F TO DIRECTORS' REPORT

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2017

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT - 9

I. Registration and Other Details

CIN	L50210PB1985PLC006473
Registration Date	24-09-1985
Name of the Company	Swaraj Engines Limited
Category / Sub-Category of the Company	Public Limited Company
Address of the Registered Office and contact details	Phase IV, Industrial Area, S.A.S. Nagar (Mohali) Punjab - 160055 Tel. No. 0172-2271620-27
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	M/s MCS Share Transfer Agent Limited F-65, 1st Floor, Okhla Industrial Area, Phase I, New Delhi - 110020 Tel No. 011-41406149

II. Principal Business Activities of the Company

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Engines & its parts	29104	100%

III. Particulars of Holding, Subsidiary and Associate Companies

Name and address of the Company	CIN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
Mahindra & Mahindra Limited	L65990MH1945PLC004558	Associate	33.22	2(6)

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01-04-2016)				No. of shares held at the end of the year (as on 31-03-2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individuals/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	6286417	-	6286417	50.62	6286417	-	6286417	50.62	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):	6286417	-	6286417	50.62	6286417	-	6286417	50.62	-
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A)=(A)(1)+(A)(2)	6286417	-	6286417	50.62	6286417	-	6286417	50.62	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Fund	1173370	-	1173370	9.45	1491670	-	1491670	12.01	2.56
b) Banks / FI	11565	300	11865	0.10	1054	-	1054	0.01	-0.09
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	21101	-	21101	0.17	24588	-	24588	0.20	0.03
g) FIs	618595	-	618595	4.98	624662	-	624662	5.03	0.05
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):	1824631	300	1824931	14.69	2141974	-	2141974	17.24	2.55

SWARAJ ENGINES LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01-04-2016)				No. of shares held at the end of the year (as on 31-03-2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	701340	603	701943	5.65	519249	1803	521052	4.20	-1.45
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs.1 lakh	2230262	141610	2371872	19.10	2168263	130800	2299063	18.51	-0.59
ii) Individual Shareholders holding nominal share capital in excess of Rs.1 lakh	939975	33000	972975	7.83	878390	33000	911390	7.34	-0.49
c) Others (specify)									
i) Trusts & Foundations	57905	-	57905	0.47	53450	-	53450	0.43	-0.04
ii) NRIs/OCBs	203777	-	203777	1.64	206474	-	206474	1.66	0.02
Sub-Total (B)(2):	4133259	175213	4308472	34.69	3825826	165603	3991429	32.14	-2.55
Total Public Shareholding (B)=(B)(1)+(B)(2)	5957890	175513	6133403	49.38	5967800	165603	6133403	49.38	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	12244307	175513	12419820	100.00	12254217	165603	12419820	100.00	-

(ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year (as on 01-04-2016)			Shareholding at the end of the year (as on 31-03-2017)			% change in shareholding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	
Mahindra & Mahindra Ltd.	4126417	33.22	-	4126417	33.22	-	-
Kirloskar Industries Ltd.	2160000	17.39	-	2160000	17.39	-	-
Total	6286417	50.62	-	6286417	50.62	-	-

(iii) Change in Promoters Shareholding

	Shareholding at the beginning of the year (as on 01-04-2016)		Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	6286417	50.62	6286417	50.62
Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	Nil	Nil	Nil	Nil
At the end of the year	6286417	50.62	6286417	50.62

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Name of Shareholder	Shareholding at the beginning of the year (as on 01-04-2016)		Change in Shareholding (No. of Shares)		Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
	No. of Shares	% of total shares of the Company	Increase/ (Decrease)	Date/ Reason*	No. of Shares	% of total shares of the Company
1. DSP Blackrock Micro Cap Fund	323300	2.60	219 24299 590 28610 6017 4560 934 3175 11	08-04-2016 29-04-2016 13-05-2016 20-05-2016 27-05-2016 03-06-2016 10-06-2016 17-06-2016 30-06-2016	391715	3.15
2. Pinebridge Investments Asia Limited A/C Pinebridge Investments GF Mauritius Ltd.	340648	2.74	-	-	340648	2.74
3. Reeta Keyur Parikh	176500	1.42	-	-	176500	1.42
4. National Westminster Bank Plc-As Trustee of The Jupiter India Fund	176099	1.42	-	-	176099	1.42
5. Vikram Chinubhai Shah & Rashmi Vikram Shah	176000	1.42	-	-	176000	1.42
6. SBI Magnum Midcap Fund	159423	1.28	-	-	159423	1.28
7. Franklin India Smaller Companies Fund	203551	1.64	(20000) (20000) (5626) (4374)	22-04-2016 20-05-2016 21-10-2016 28-10-2016	153551	1.24

Name of Shareholder	Shareholding at the beginning of the year (as on 01-04-2016)		Change in Shareholding (No. of Shares)		Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
	No. of Shares	% of total shares of the Company	Increase/ (Decrease)	Date/ Reason*	No. of Shares	% of total shares of the Company
8. HDFC Small Cap Fund	150000	1.21	–	–	150000	1.21
9. Tata Investment Corporation Limited	130000	1.05	–	–	130000	1.05
10. L and T Mutual Fund Trustee Ltd-L and T India Spec	71259	0.57	46600 4882 1989 2000	05-08-2016 26-08-2016 02-09-2016 24-02-2017	126730	1.02

* Reason for Change in Shareholding is Transfer.

Note: Top ten shareholders of the Company as on 31st March, 2017 have been considered for the above disclosure.

(v) Shareholding of Directors and Key Managerial Personnel

Name of Director and KMP	Shareholding at the beginning of the year (as on 01-04-2016)		Change in Shareholding (No. of Shares)		Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
	No. of Shares	% of total shares of the Company	Increase/ (Decrease)	Date/ Reason	No. of Shares	% of total shares of the Company
Directors						
1. Sh. M.N. Kaushal, Whole Time Director	1307	0.01	–	–	1307	0.01
KMPs						
1. Sh. Rajinder Arora, CFO	750	0.006	300	05-08-2016/ Market Purchase	1050	0.008

V. Indebtedness

The Company has not availed any loan during the year and is debt free Company.

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:

(Rs. in Lacs)

S. No.	Particulars of Remuneration	Sh. M.N. Kaushal Whole Time Director	Total Amount
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	86.12	86.12
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0.40	0.40
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-
2	Stock Option*	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- others	-	-
5	Others	-	-
	Total (A)	86.52	86.52

*Excludes:

- 1603 stock options granted by the Company which will be vested and become due for exercise in the subsequent period.
- stock options from Associate Company - Mahindra & Mahindra Limited.

B. Remuneration to other Directors:

1. Independent Directors

(Rs. in Lacs)

Particulars of Remuneration	Name of Directors				Total Amount
	Sh. Sudhir Mankad	Dr. T.N. Kapoor	Sh. Dileep C. Choksi	Smt. Neera Saggi	
- Fee for attending Board/ Committee Meetings	2.60	3.70	2.40	3.20	11.90
- Commission	5.00	5.00	5.00	5.00	20.00
- Others	-	-	-	-	-
Total (B)(1)	7.60	8.70	7.40	8.20	31.90

2. Other Non-Executive Directors

(Rs. in Lacs)

Particulars of Remuneration	Name of Directors		Total Amount
	Sh. R.R. Deshpande	Sh. Vijay Varma	
- Fee for attending Board/Committee Meetings	2.00	2.30	4.30
- Commission	5.00	5.00	10.00
- Others	-	-	-
Total (B)(2)	7.00	7.30	14.30
Total (B)= (B)(1)+ (B)(2)			46.20

Note: Remuneration paid to the directors is well within the limit prescribed in the Companies Act, 2013.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Rs. in Lacs)

S. No.	Particulars of Remuneration	Sh. Subhash Mago CEO (appointed w.e.f. 01.10.2016)	Sh. M.S. Grewal Company Secretary	Sh. Rajinder Arora CFO	Total Amount
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	42.13	5.88	10.24	58.25
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0.51	0.12	0.29	0.92
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Option*	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others	-	-	-	-
5	Others	-	-	-	-
	Total (C)	42.64	6.00	10.53	59.17

*Excludes stock options from Associate Company – Mahindra & Mahindra Limited.

VII. Penalties / Punishment / Compounding of Offences

There were no penalties / punishment / compounding of offences for the year ended 31st March, 2017.

BALANCE SHEET AS AT 31ST MARCH, 2017

(Rs. in Lacs)

Particulars	Note	31st March, 2017	31st March, 2016	1st April, 2015
I. ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	2.1	9092.12	10140.72	8351.12
(b) Capital Work-in-Progress	–	37.88	17.32	478.27
(c) Investment Property	2.2	24.70	25.23	25.76
(d) Intangible Assets	2.3	7.80	7.56	8.03
(e) Intangible Assets under Development	–	45.84	15.87	–
(f) Other Non-current Assets	2.4	384.48	417.86	585.83
Total Non-Current Assets		<u>9592.82</u>	<u>10624.56</u>	<u>9449.01</u>
Current Assets				
(a) Inventories	2.5	2608.27	2774.86	3314.15
(b) Financial Assets				
(i) Investments	2.6	4891.03	1040.33	4203.85
(ii) Trade Receivables	2.7	1307.23	749.20	686.76
(iii) Cash and Cash Equivalents	2.8	199.06	71.60	63.57
(iv) Other Bank Balances	2.8	4667.61	10703.72	11227.11
(v) Other Financial Assets	2.9	13754.09	7397.64	3281.56
(c) Other Current Assets	2.10	195.66	297.39	304.13
Total Current Assets		<u>27622.95</u>	<u>23034.74</u>	<u>23081.13</u>
TOTAL ASSETS		<u>37215.77</u>	<u>33659.30</u>	<u>32530.14</u>
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	2.11	1241.98	1241.98	1241.98
(b) Other Equity (Refer SOCE)		27094.96	25101.78	24904.85
Total Equity		<u>28336.94</u>	<u>26343.76</u>	<u>26146.83</u>
Liabilities				
Non-Current Liabilities				
(a) Long Term Provisions	2.12	288.38	252.56	213.81
(b) Deferred Tax Liabilities (Net)	2.13	627.17	760.06	631.53
Total Non-Current Liabilities		<u>915.55</u>	<u>1012.62</u>	<u>845.34</u>
Current Liabilities				
(a) Financial Liabilities				
(i) Trade Payables	2.14	7013.42	5400.63	4817.61
(ii) Other Financial Liabilities	2.15	288.40	461.78	317.65
(b) Short Term Provisions	2.16	226.55	214.13	237.68
(c) Other Current Liabilities	2.17	434.91	226.38	165.03
Total Current Liabilities		<u>7963.28</u>	<u>6302.92</u>	<u>5537.97</u>
Total EQUITY AND LIABILITIES		<u>37215.77</u>	<u>33659.30</u>	<u>32530.14</u>
Significant Accounting Policies	1			
Notes on Accounts	2			

As per our report of even date attached

For DAVINDER S. JAAJ & CO.
Chartered Accountants (FRN000969N)

SUMEET SINGH DHIR
Partner
Membership No. 094370

M.S. GREWAL
Company Secretary

RAJINDER ARORA
Chief Financial Officer

Mumbai, 25th April, 2017

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

FOR AND ON BEHALF OF THE BOARD

SUDHIR MANKAD
Chairman

SUBHASH MAGO
Whole Time Director &
Chief Executive Officer

Mumbai, 25th April, 2017

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. in Lacs)

Particulars	Note	2017	2016
Revenue from Operations (Gross)	2.18	74917.86	59199.80
Other Income	2.19	1717.70	1629.50
Total Income		76635.56	60829.30
EXPENSES			
Cost of Raw Materials Consumed	2.20	49291.87	39600.09
Changes in Inventories of Finished Goods and Work-in-Progress	2.21	261.80	(27.50)
Excise duty on Sales		8303.43	6609.01
Employee Benefits Expense	2.22	3097.67	2675.26
Finance Costs	2.23	12.16	4.54
Depreciation and Amortisation Expense	2.1, 2.2 & 2.3	1628.07	1379.84
Other Expenses	2.24	3494.44	2966.56
Total Expenses		66089.44	53207.80
Profit Before Exceptional Items and Tax		10546.12	7621.50
Exceptional Items		-	-
Profit Before Tax		10546.12	7621.50
Tax Expense			
(1) Current Tax	2.13	3795.50	2330.51
(2) Deferred Tax	2.13	(132.89)	159.76
Total Tax Expense		3662.61	2490.27
Profit After Tax		6883.51	5131.23
Other Comprehensive Income			
A		19.73	(10.81)
(i) Items that will not be reclassified to profit and loss		30.23	(16.53)
(ii) Income tax related to above		(10.50)	5.72
B		-	-
(i) Items that may be reclassified to profit and loss		-	-
(ii) Income tax related to above		-	-
Total Comprehensive Income for the period		6903.24	5120.42
Earning per Equity Share :			
(1) Basic Earning Per Share (Rs.)	2.25	55.42	41.31
(2) Diluted Earning Per Share (Rs.)		55.38	41.30
Significant Accounting Policies	1		
Notes on Accounts	2		

As per our report of even date attached

For DAVINDER S. JAAJ & CO.
Chartered Accountants (FRN000969N)

SUMEET SINGH DHIR
Partner
Membership No. 094370

M.S. GREWAL
Company Secretary

RAJINDER ARORA
Chief Financial Officer

Mumbai, 25th April, 2017

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

FOR AND ON BEHALF OF THE BOARD

SUDHIR MANKAD
Chairman

SUBHASH MAGO
Whole Time Director &
Chief Executive Officer

Mumbai, 25th April, 2017

STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH, 2017

A. CHANGES IN EQUITY SHARE CAPITAL

(Rs. in Lacs)

Particulars	As at		
	31st March, 2017	31st March, 2016	1st April, 2015
Outstanding at the beginning	1241.98	1241.98	1241.98
Changes in equity share capital during the year	–	–	–
Outstanding at the end	1241.98	1241.98	1241.98

B. CHANGES IN OTHER EQUITY

For the year ended 31st March, 2017

(Rs. in Lacs)

Particulars	Reserves and Surplus					Total
	Retained Earnings	General Reserve	Capital Reserve	Other Reserve- Employee Stock option Outstanding Reserve	Other Comprehensive Income- Actuarial Gain/(Loss)	
As at 1st April, 2016	9106.36	15996.76	0.05	9.42	(10.81)	25101.78
Profit / (Loss) for the Year	6883.51	–	–	–	19.73	6903.24
Dividend paid on Equity Shares	(4098.54)	–	–	–	–	(4098.54)
Dividend Distribution Tax	(834.37)	–	–	–	–	(834.37)
Options expensed during the period	–	–	–	22.85	–	22.85
As at 31st March, 2017	11056.96	15996.76	0.05	32.27	8.92	27094.96

For the year ended 31st March, 2016

(Rs. in Lacs)

Particulars	Reserves and Surplus					Total
	Retained Earnings	General Reserve	Capital Reserve	Other Reserve- Employee Stock Option Outstanding Reserve	Other Comprehensive Income- Actuarial Gain/(Loss)	
As at 1st April, 2015	3949.96	15996.76	18.71	–	–	19965.43
Transitional Changes due Ind-AS	4958.08	–	(18.66)	–	–	4939.42
Restated Balance as at 1st April, 2015	8908.04	15996.76	0.05	–	–	24904.85
Profit / (Loss) for the Year	5131.23	–	–	–	(10.81)	5120.42
Dividend paid on Equity Shares	(4098.54)	–	–	–	–	(4098.54)
Dividend Distribution Tax	(834.37)	–	–	–	–	(834.37)
Options expensed during the period	–	–	–	9.42	–	9.42
As at 31st March, 2016	9106.36	15996.76	0.05	9.42	(10.81)	25101.78

As per our report of even date attached

For DAVINDER S. JAAJ & CO.
Chartered Accountants (FRN000969N)

SUMEET SINGH DHIR
Partner
Membership No. 094370

M.S. GREWAL
Company Secretary

RAJINDER ARORA
Chief Financial Officer

Mumbai, 25th April, 2017

FOR AND ON BEHALF OF THE BOARD

SUDHIR MANKAD
Chairman

SUBHASH MAGO
Whole Time Director &
Chief Executive Officer

Mumbai, 25th April, 2017

1. COMPANY'S OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

1.1 Company's Overview

Swaraj Engines Limited (SEL) is a public limited company incorporated and domiciled in India. SEL has its works / principal place of business at Plot No. 2, Phase-IX, Industrial Area, S.A.S. Nagar (Mohali), Punjab, India and registered office at Phase-IV, Industrial Area, S.A.S. Nagar (Mohali), Punjab, India.

SEL is in the business of manufacturing diesel engines and hi-tech engine components. Diesel Engines are specifically designed for tractor application.

The Shares of the Company are listed on both BSE Limited and National Stock Exchange of India Limited.

1.2 Basis of Preparation and Presentation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

The financial statements are approved by the Company's Board of Directors and authorised for issue on 25th April 2017.

1.3 Property Plant and Equipment

- i) Property, Plant & Equipment are carried at cost of construction or acquisition less depreciation. Costs directly attributable to acquisition are capitalized until the Property, Plant & Equipment are ready to use.
- ii) When an asset is scrapped, or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit (including capital profit) or loss, if any, is reflected in Profit and Loss Account.
- iii) Depreciation on Tangible Assets (except Land) is provided on Straight Line Method, pro-rata monthly rests, as per the life prescribed in Schedule II of the Companies Act, 2013 except for fixed assets mentioned in para (iv) below.
- iv) In the following cases, Lower useful life is considered than those prescribed in Schedule II of the Companies Act, 2013

<u>Nature of Assets</u>	<u>Life adopted in Accounts</u>
-------------------------	---------------------------------

- | | |
|------------------------------|---------|
| a) Patterns, Blocks and Dies | 4 Years |
| b) Vehicles | 4 Years |

- v) The assets' residual value, useful lives and methods of depreciation are reviewed at each financial year end, and adjustment if any, is made prospectively.

1.4 Investment Properties

Investment Properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured at cost and the same is derecognized upon disposal or when it is permanently withdrawn from use with no future economic benefits are expected from the disposal.

Depreciation is provided on Straight Line Method, pro-rata monthly rests, as per the life prescribed for Building in Schedule II of the Companies Act, 2013.

1.5 Inventories

Inventories are valued at cost (excluding cenvat credit) or net realizable value, whichever is lower. Cost of inventories includes appropriate portion of allocable overheads, wherever applicable, and is ascertained on monthly weighted average basis. Finished Goods includes Excise Duty payable.

Excise Duty payable on finished goods is charged to Profit and Loss Account.

1.6 Foreign currency transactions

Foreign currency transactions are recorded at rates of exchange prevailing on the date of transaction. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of year is recognized as income or expense, as the case may be.

1.7 Employee Benefits

Company's contributions paid/payable during the year to ESIC and Labour Welfare Fund are recognized in the Statement of Profit and Loss.

Company contributes to the appropriate authorities its share of the Members Provident Fund Account as per the Employees' Provident Fund Act, 1952.

Company contributes to a trust, which has taken Master Policy with the Life Insurance Corporation of India to cover its liability towards employees' gratuity. Provisions in respect of liabilities of gratuity and leave encashment are made based on actuarial valuation made by an independent actuary as at the balance sheet date. Gains and Losses through re-measurements of the net defined benefit liability are recognized in other comprehensive income. The actual return of the plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income.

In respect of Employee Stock Option Scheme:

The compensation cost of stock options granted to employees is measured by the Fair Value Method. The fair value, determined at the grant date of the underlying equity shares, is recognized and amortised on straight line basis over the vesting period.

1.8 Revenue Recognition

Sale of Goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have been passed, at which time all the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Dividend and Interest Income

Dividend income from investments is recognised when the right to receive payment has been established.

Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the deposits and at the interest rate settled with the Bank.

1.9 Intangible Assets

Intangible assets are carried at cost and amortized on Straight line method, so as to reflect the pattern in which the assets economic benefits are consumed.

i) Development expenditure:

Development expenditure incurred on technical services and other project/product related expenses are amortized over the estimated period of benefit, not exceeding five years. Amortization commences as and when the asset is available for use.

ii) Software Expenditure:

Software Expenditure incurred is amortized on pro-rata basis over a period not exceeding four years, commencing from the year in which the expenditure is incurred.

1.10 Taxes on Income

Current tax is determined as the amount of tax payable in respect of the taxable income for the year.

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period

1.11 Financial Instruments

Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instruments. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price.

1.12 Product Warranty

In respect of warranty on sale of engines, the estimated cost of warranty is accrued at the time of sale. The estimate for accounting of warranty is periodically reviewed and revisions are made as and when required.

1.13 Impairment of Assets

The carrying value of assets at each balance sheet date are reviewed for Impairment .If any indication exists , the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount.

1.14 Accounting policies not specifically referred above are consistent with generally accepted accounting practices.

2.1 PROPERTY, PLANT AND EQUIPMENT

(Refer Note 1.3)

Following are the changes in the carrying value of Property, Plant and Equipment for the year ended 31st March, 2017:

(Rs. in Lacs)

Description of Assets	Land	Buildings	Plant and Equipment	Office Equipments	Furniture and Fixtures	Electrical Installations	Vehicles	Total
Gross Carrying Value as at 1st April, 2016	50.68	1454.56	17037.96	147.17	92.91	451.18	20.28	19254.74
Additions during the year*	-	77.17	429.51	6.96	2.00	18.23	58.74	592.61
Disposals/Adjustments during the year	-	-	336.49	1.50	1.57	0.20	-	339.76
Gross Carrying Value as at 31st March, 2017 (A)	50.68	1531.73	17130.98	152.63	93.34	469.21	79.02	19507.59
Accumulated depreciation as at 1st April, 2016	-	519.67	8193.03	93.74	73.09	218.76	15.73	9114.02
Depreciation expense for the year	-	44.78	1521.56	18.90	3.46	27.10	9.03	1624.83
Accumulated depreciation on disposals adjustment during the year	-	-	320.15	1.50	1.53	0.20	-	323.38
Accumulated depreciation as at 31st March, 2017 (B)	-	564.45	9394.44	111.14	75.02	245.66	24.76	10415.47
Carrying Value as at 31st March, 2017 (A-B)	50.68	967.28	7736.54	41.49	18.32	223.55	54.26	9092.12

* includes Vehicle in transit - Rs. 13.48 Lacs

Following are the changes in the carrying value of Property, Plant and Equipment for the year ended 31st March, 2016:

(Rs. in Lacs)

Description of Assets	Land	Buildings	Plant and Equipment	Office Equipments	Furniture and Fixtures	Electrical Installations	Vehicles	Total
Gross Carrying Value as at 1st April, 2015	50.68	1378.61	14170.57	128.61	88.41	436.52	20.28	16273.68
Others - Classified as Investment Property	-	33.35	-	-	-	-	-	33.35
Restated Gross Carrying Value as at 1st April, 2015	50.68	1345.26	14170.57	128.61	88.41	436.52	20.28	16240.33
Additions during the year	-	109.30	3023.01	19.30	4.50	14.66	-	3170.77
Disposals/Adjustment during the year	-	-	155.62	0.74	-	-	-	156.36
Gross Carrying Value as at 31st March, 2016 (A)	50.68	1454.56	17037.96	147.17	92.91	451.18	20.28	19254.74
Accumulated depreciation as at 1st April, 2015	-	489.26	7054.25	77.08	69.68	193.96	12.57	7896.80
Others- Classification of Investment Property	-	7.59	-	-	-	-	-	7.59
Restated Accumulated depreciation as at 1st April, 2015	-	481.67	7054.25	77.08	69.68	193.96	12.57	7889.21
Depreciation expense for the year	-	38.00	1288.25	17.37	3.41	24.80	3.16	1374.99
Accumulated depreciation on disposal/ adjustment during the year	-	-	149.47	0.71	-	-	-	150.18
Accumulated depreciation as at 31st March, 2016 (B)	-	519.67	8193.03	93.74	73.09	218.76	15.73	9114.02
Carrying Value as at 31st March, 2016 (A-B)	50.68	934.89	8844.93	53.43	19.82	232.42	4.55	10140.72
Carrying Value as at 1st April, 2015	50.68	863.59	7116.32	51.53	18.73	242.56	7.71	8351.12

2.2 INVESTMENT PROPERTY

(Refer Note 1.4)

Following are the changes in the carrying value of Investment Property for the year ended 31st March, 2017:

Description of Assets	(Rs. in Lacs)
Description of Assets	Investment Property
Gross Carrying Value as at 1st April, 2016	33.35
Additions during the year	-
Disposals during the year	-
Gross Carrying Value as at 31st March, 2017	(A) 33.35
Accumulated depreciation as at 1st April, 2016	8.12
Depreciation expense for the year	0.53
Accumulated depreciation on disposal/adjustment during the year	-
Accumulated depreciation as at 31st March, 2017	(B) 8.65
Carrying Value as at 31st March 2017	(A-B) 24.70

Following are the changes in the carrying value of Investment Property for the year ended 31st March, 2016:

Description of Assets	(Rs. in Lacs)
Description of Assets	Investment Property
Gross Carrying Value as at 1st April, 2015	-
Transferred from Property, Plant and Equipment	33.35
Restated Gross Carrying Value as at 1st April, 2015	33.35
Additions during the year	-
Disposals/Adjustment during the year	-
Gross Carrying Value as at 31st March, 2016	(A) 33.35
Accumulated depreciation as at 1st April, 2015	-
Transferred from Property, Plant and Equipment	7.59
Restated Accumulated depreciation as at 1st April, 2015	7.59
Depreciation expense for the year	0.53
Accumulated depreciation on disposal/adjustment during the year	-
Accumulated depreciation as at 31st March, 2016	(B) 8.12
Carrying Value as at 31st March, 2016	(A-B) 25.23
Carrying Value as at 1st April, 2015	25.76

Fair value disclosure on Company's Investment Properties

Part of Company's administrative building/block is letted out and the same is classified as Investment Property based on the nature, characteristics and risks.

As at 31st March, 2017, the fair value of the property is Rs.88.41 Lacs. This valuation is performed by accredited independent valuer, which is based on replacement cost method and same is categorised at Level 2.

2.3 INTANGIBLE ASSETS

(Refer Note 1.9)

Following are the changes in the carrying value of Intangible Assets for the year ended 31st March, 2017:

		(Rs. in Lacs)
Description of Assets		Computer Software
Gross Carrying Value as at 1st April, 2016		69.81
Additions during the year		2.95
Disposals/Adjustment during the year		-
Gross Carrying Value as at 31st March, 2017	(A)	72.76
Accumulated depreciation as at 1st April, 2016		62.25
Amortisation expense for the year		2.71
Accumulated depreciation on disposal/adjustment during the year		-
Accumulated depreciation as at 31st March, 2017	(B)	64.96
Carrying Value as at 31st March, 2017	(A-B)	7.80

Following are the changes in the carrying value of Intangible Assets for the year ended 31st March, 2016: (Rs. in Lacs)

		(Rs. in Lacs)
Description of Assets		Computer Software
Gross Carrying Value as at 1st April, 2015		65.96
Additions during the year		3.85
Disposals/Adjustment during the year		-
Gross Carrying Value as at 31st March, 2016	(A)	69.81
Accumulated depreciation as at 1st April, 2015		57.93
Amortisation expense for the year		4.32
Accumulated depreciation on disposal/adjustment during the year		-
Accumulated depreciation as at 31st March, 2016	(B)	62.25
Carrying Value as at 31st March, 2016	(A-B)	7.56
Carrying Value as at 1st April, 2015		8.03

2.4 OTHER NON-CURRENT ASSETS

(Rs. in Lacs)

Particulars	As at		
	31st March, 2017	31st March, 2016	1st April, 2015
Capital advances - Considered Good			
Secured	-	-	71.78
Unsecured	31.12	28.11	145.93
Security Deposits-Considered Good			
Unsecured	29.43	29.43	29.43
Other advances -Considered Good			
Income Tax (Net of Provisions)	159.82	172.23	147.94
Others	164.11	188.09	190.75
Total	384.48	417.86	585.83

2.5 INVENTORIES

(Refer Note 1.5)

(Rs. in Lacs)

Particulars	As at		
	31st March, 2017	31st March, 2016	1st April, 2015
Raw Materials & Components*	1542.93	1471.42	1845.91
Work-in-Progress	266.54	251.22	333.71
Finished Goods	459.90	737.02	627.03
Stores and Spares #	204.92	156.97	207.95
Loose Tools	133.98	158.23	299.55
Total	2608.27	2774.86	3314.15

* including Goods-in-transit Rs.196.39 Lacs, 2016 - Rs.176.64 Lacs, 2015 - Rs. 177.94 Lacs

including Goods-in-transit Nil, 2016 - Nil, 2015 - Rs. 1.66 Lacs

2.6 CURRENT INVESTMENTS

(Rs. in Lacs)

Particulars	Face Value per unit (in Rs.)	As at					
		31st March, 2017		31st March, 2016		1st April, 2015	
		Number	Amount	Number	Amount	Number	Amount
Unquoted Investments							
Carried at Fair Value through profit and loss							
Investments in Mutual Funds							
Mahindra ALP-SBY-Direct-Daily Dividend	1,000	190247	1911.39	-	-	-	-
Kotak Floater Short Term- Growth - (Regular Plan)	1,000	56640	1508.78	-	-	-	-
SBI Magnum Insta Cash Fund-(Regular Plan)- Growth	1,000	13968	500.90	-	-	-	-
Kotak Liquid Scheme Plan A - Daily Dividend - (Regular Plan)	1,000	-	-	-	-	142166	1738.42
ICICI Prudential Money Market Fund - Growth - Regular Plan - Daily Dividend Reinvestment	100	222898	500.00	-	-	-	-
ICICI Prudential Money Market Fund	100	469206	469.96	1038986	1040.33	1030077	1031.40
Birla Sun Life Cash Plus - Daily Dividend - Regular Plan - Reinvestment	100	-	-	-	-	595988	597.15
Birla Sun Life Floating Rate Fund Short Term Plan - Daily Dividend - Reinvestment	100	-	-	-	-	207919	207.96
DWS Insta Cash Plus Fund - Daily Dividend - Reinvestment	100	-	-	-	-	314103	315.06
HDFC Liquid Fund - Dividend - Daily Reinvest	10	-	-	-	-	3077566	313.86
Total			4891.03		1040.33		4203.85

2.7 TRADE RECEIVABLES

(Refer Note 2.29)

(Rs. in Lacs)

Particulars	As at		
	31st March, 2017	31st March, 2016	1st April, 2015
Unsecured, considered good	1307.23	749.20	686.76
Of the above, Trade Receivables from:			
- Related Parties	1207.33	636.91	565.33
- Others	99.90	112.29	121.43

2.8 CASH & BANK BALANCES

(Rs. in Lacs)

Particulars	As at		
	31st March, 2017	31st March, 2016	1st April, 2015
Cash and Cash Equivalents			
Balances with Banks	197.13	69.51	60.45
Cash on hand	1.93	2.09	3.12
Total	199.06	71.60	63.57

Other Bank Balances

Balances with Bank held as Margin Money & Deposit against Guarantees	594.00	2213.00	1600.00
Fixed Deposits with Original maturity greater than 3 months but upto 12 months	3936.00	8375.00	9528.00
Earmarked balances with banks - Unpaid/Unclaimed Dividend	137.61	115.72	99.11
Total	4667.61	10703.72	11227.11

2.9 OTHER FINANCIAL ASSETS

(Rs. in Lacs)

Particulars	As at		
	31st March, 2017	31st March, 2016	1st April, 2015
Financial assets at carrying value			
Bank Deposit with Original Maturity for more than 12 months	13098.00	6651.00	2695.00
Interest Accrued on Deposits	617.41	710.50	555.91
Advances to Suppliers	17.16	6.73	3.37
Advances to Employees	21.52	29.41	27.28
Total	13754.09	7397.64	3281.56

2.10 OTHER CURRENT ASSETS

(Rs. in Lacs)

Particulars	As at		
	31st March, 2017	31st March, 2016	1st April, 2015
Balance with Excise Authorities	24.86	36.12	13.34
Prepaid Expenses	20.99	13.76	14.84
Other Advances recoverable in cash or kind			
- CENVAT	88.97	180.47	201.34
- Value Added Tax	27.29	30.17	41.15
- Others	33.55	36.87	33.46
Total	195.66	297.39	304.13

2.11 EQUITY SHARE CAPITAL

(Rs. in Lacs)

Particulars	As at		
	31st March, 2017	31st March, 2016	1st April, 2015
Authorised:			
Equity Shares, Rs. 10/- par value 2,50,00,000 (2016 : 2,50,00,000) Equity Shares	2500.00	2500.00	2500.00
Issued, Subscribed and Paid-Up:			
Equity Shares, Rs. 10/- par value 1,24,19,820 (2016 : 1,24,19,820) Equity Shares fully paid-up	1241.98	1241.98	1241.98
	1241.98	1241.98	1241.98

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.

The Board of Directors, in their meeting held on 26th April, 2016, proposed a total dividend of Rs.33 per equity share (including Rs. 18 per share as special dividend) and the same was approved by the shareholders at the Annual General Meeting held on 26th July, 2016, this has resulted in a cash outflow of Rs. 4932.91 lacs, including corporate dividend tax of Rs. 834.37 lacs during 2016-17.

Proposed Dividend

The Board of Directors, in their meeting held on 25th April, 2017, proposed a total dividend of Rs. 43 per equity share (including Rs.25 per share as special dividend) for the financial year ended on 31st March, 2017, the proposal is subject to the approval of shareholders at the Annual General Meeting and if approved, would result in a cash outflow of Rs. 6427.73 lacs including corporate dividend tax of Rs.1087.20 lacs.

(i) Equity Shareholders holding more than 5% shares:

Name	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	Number of Shares held	% of Shareholding	Number of Shares held	% of Shareholding	Number of Shares held	% of Shareholding
Mahindra & Mahindra Limited (M&M)	41,26,417	33.22%	41,26,417	33.22%	41,26,417	33.22%
Kirloskar Industries Limited (KIL)	21,60,000	17.39%	21,60,000	17.39%	21,60,000	17.39%

(ii) Reconciliation of the number of shares outstanding and the amount of share capital :

Description	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	No. of Shares	Share Capital Rs. in lacs	No. of Shares	Share Capital Rs. in lacs	No. of Shares	Share Capital Rs. in lacs
Number of equity shares at the beginning	1,24,19,820	1241.98	1,24,19,820	1241.98	1,24,19,820	1241.98
Movement in equity during the year	-	-	-	-	-	-
Number of equity shares at the closing	1,24,19,820	1241.98	1,24,19,820	1241.98	1,24,19,820	1241.98

In the last 5 years, the Company has not :

- allotted any shares as fully paid up pursuant to contract(s) without payment being received in cash,
- allotted any bonus shares,
- bought back its shares.

(iii) Employee Stock Option

Under the Employee Stock Option Scheme - 2015 (ESOS -2015), 31,000 Equity Shares of the face value of Rs. 10/- are available for being granted to eligible employees on the recommendation of the Nomination and Remuneration Committee. Further, during the financial year 2015-16, Company granted 9389 Equity Shares at face value to the eligible employees. As per the ESOS-2015, Options granted vest in four instalments on the expiry of 18 months, 30 months, 42 months and 54 months respectively. The options may be exercised on any day over a period of 5 years from the date of vesting. Numbers of vested options are exercisable subject to minimum of 50 or number of options vested whichever is lower.

Activity in ESOS-2015 are as follows :

Particulars	No. of shares		
	31st March, 2017	31st March, 2016	1st April, 2015
Outstanding at the beginning	9,389	-	-
Granted during the year	-	9,389	-
Forfeited/Expired	1,350	-	-
Exercised during the year	-	-	-
Outstanding at the end	8,039	9,389	-

The fair value on the date of grant is estimated using the Black-Scholes model with the following assumptions :

Grant date	8th December 2015
Share price in market at the time of option grant (Rs.)	911.75
Exercise price (Rs.)	10.00
Expected volatility (%)	28.67
Expected life of the option (years)	5.73
Expected dividends (%)	1.65
Risk-free interest rate (%)	7.69
Weighted average fair value as on grant date (Rs.)	823.18

2.12 LONG TERM PROVISIONS

(Rs. in Lacs)

Particulars	As at		
	31st March, 2017	31st March, 2016	1st April, 2015
Provision for Employee Benefits (Refer Note 1.7)			
– Provision for Leave Encashment	257.26	233.03	192.02
Others			
– Provision for Warranty (Refer Note 2.43)	31.12	19.53	21.79
Total	288.38	252.56	213.81

2.13 CURRENT TAX AND DEFERRED TAX (Refer Note 1.10)

(a) Deferred Tax

(Rs. in Lacs)

Particulars	As at		
	31st March, 2017	31st March, 2016	1st April, 2015
Deferred Tax Liabilities			
– On Property, Plant & Equipment	785.25	860.85	724.10
Deferred Tax Assets			
– On Employee benefits	158.08	100.79	92.57
Deferred Tax Liabilities / (Assets)	627.17	760.06	631.53

(b) Income Tax recognised in Profit and Loss

(Rs. in Lacs)

Particulars	Year ended	Year ended
	31st March, 2017	31st March, 2016
Current Tax	3795.50	2330.51
Deferred Tax	(132.89)	159.76
Total Income Tax expense	3662.61	2490.27

(c) Reconciliation of Income Tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarised below :

(Rs. in Lacs)

Particulars	Year ended	Year ended
	31st March, 2017	31st March, 2016
Profit before tax	10546.12	7621.50
Income tax expense calculated at 34.61% (2016: 34.61 % incl. Sur & Cess)	3649.80	2637.65
Income not considered for tax purposes	(52.62)	(78.92)
Effect of estimated non-deductible expenses	55.72	65.88
Tax incentive - Investment Allowance	-	(133.41)
Others (including temporary difference)	9.71	(0.93)
Income Tax expense recognised in profit and loss	3662.61	2490.27

2.14 TRADE PAYABLES

(Rs. in Lacs)

Particulars	As at		
	31st March, 2017	31st March, 2016	1st April, 2015
Trade payable - Micro, Small and Medium enterprises (Refer Note 2.41)	1441.21	959.87	854.92
Trade payable - Other than Micro, Small and Medium enterprises	4658.33	3770.90	3442.25
Accruals	913.88	669.86	520.44
Total	7013.42	5400.63	4817.61

2.15 OTHER FINANCIAL LIABILITIES

(Rs. in Lacs)

Particulars	As at		
	31st March, 2017	31st March, 2016	1st April, 2015
Current Liabilities at Carrying Value			
Capital Purchases	97.46	296.19	158.71
Others	35.34	35.41	41.58
Deposits & Retention Money	17.99	14.46	18.25
Unpaid / Unclaimed Dividend*	137.61	115.72	99.11
Total	288.40	461.78	317.65

* There is no amount due and outstanding to be credited to Investor Education and Protection Fund as on 31st March, 2017.

2.16 SHORT TERM PROVISIONS

(Rs. in Lacs)

Particulars	As at		
	31st March, 2017	31st March, 2016	1st April, 2015
Provision for Employee Benefits (Refer Note 1.7)			
– Provision for Gratuity (Refer Note 2.28)	19.38	57.35	97.60
– Provision for Leave Encashment	72.70	68.98	59.82
Others			
– Provision for Warranty (Refer Note 2.43)	134.47	87.80	80.26
Total	226.55	214.13	237.68

2.17 OTHER CURRENT LIABILITIES

(Rs. in Lacs)

Particulars	As at		
	31st March, 2017	31st March, 2016	1st April, 2015
Advances received from customers	1.41	0.28	1.55
Statutory dues	433.50	226.10	163.48
Total	434.91	226.38	165.03

2.18 REVENUE FROM OPERATIONS (Refer Note 2.34)

(Rs. in Lacs)

Particulars	2017	2016
	Revenue from sale of products (including excise duty)	74583.49
Revenue from rendering of services	3.12	4.85
Other operating revenue	331.25	273.56
Total	74917.86	59199.80

2.19 OTHER INCOME

(Rs. in Lacs)

Particulars	2017	2016
Interest Income	1625.38	1392.89
Dividend Income from Investments carried at fair value through profit or loss	120.13	215.73
Rental income from Investment property	13.46	11.63
Profit/ (Loss) on Sale of Investments carried at fair value through profit or loss	(70.30)	–
Fair Value Gain / (Loss) on Investments carried at fair value through profit or loss	14.52	–
Profit / (Loss) on disposal of Property, Plant and Equipment	13.06	8.80
Misc Income	1.45	0.45
Total	1717.70	1629.50

2.20 COST OF MATERIALS CONSUMED

(Refer Note 2.36)

(Rs. in Lacs)

Particulars	2017	2016
Opening stock	1294.77	1667.96
Add: Purchases	49366.46	39275.51
	<u>50661.23</u>	<u>40943.47</u>
Less:		
Closing Stock	1346.53	1294.77
Other Jobs	<u>22.83</u>	<u>48.61</u>
	1369.36	1343.38
Total	49291.87	39600.09

2.21 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(Rs. in Lacs)

Particulars	2017	2016
Inventories at the end of the year:		
Finished goods	459.90	737.02
Work-in-progress	266.54	251.22
	<u>726.44</u>	<u>988.24</u>
Inventories at the beginning of the year:		
Finished goods	737.02	627.03
Work-in-progress	251.22	333.71
	<u>988.24</u>	<u>960.74</u>
Net (increase) / decrease	261.80	(27.50)

2.22 EMPLOYEE BENEFITS EXPENSE (Refer Note 1.7)

(Rs. in Lacs)

Particulars	2017	2016
Salaries and Wages	2521.47	2226.20
Contribution to provident and other funds	193.60	173.22
Employee Stock Compensation	41.64	9.42
Staff welfare expenses	340.96	266.42
Total	3097.67	2675.26

2.23 FINANCE COSTS

(Rs. in Lacs)

Particulars	2017	2016
Interest expense & Bank Charges	1.54	3.18
Exchange Fluctuation	14.07	0.60
Interest Unwinding (Income) / Expense	(3.45)	0.76
Total	12.16	4.54

2.24 OTHER EXPENSES

(Rs. in Lacs)

Particulars	2017	2016
Power, Fuel & Water Charges	522.83	434.91
Consumption of Stores & Spares	1027.45	890.80
Hire & Service Charges	595.21	494.20
Rates and Taxes	11.73	5.32
Insurance	18.07	18.17
Repairs and Maintenance		
– Buildings	13.29	13.46
– Machinery	404.09	272.37
– Others	18.21	21.26
Postage & Telephone	5.80	5.40
Printing & Stationery	15.35	9.89
Travelling & Conveyance Expenses	77.52	57.82
Auditors' Remuneration		
– Statutory Auditor's		
Audit Fee	2.78	2.75
Tax Audit Fee	0.51	0.50
Other Services	2.98	1.75
Expenses Reimbursed	0.81	0.87
– Cost Auditor's		
Audit Fee	0.71	0.70
CSR Expenses (Refer Note 2.39)	168.88	170.00
Research & Development Expenses	259.62	212.93
Other Marketing Expenses	119.29	96.65
Miscellaneous Expenses	229.31	256.81
Total	3494.44	2966.56

2.25 EARNING PER SHARE

(Rs. in Lacs)

Particulars	2017	2016
Profit for the year	6883.51	5131.23
Profit for the year for diluted earning per share	6883.51	5131.23
Weighted average number of Ordinary Equity Shares used in Computing basic earning per share	12419820	12419820
Effect of potential Ordinary Equity Shares on employee stock options	7981	3094
Weighted average number of Ordinary Equity Shares used in Computing diluted earning per share	12427801	12422914
Basic earning per share (Rs.) (Face Value of Rs. 10 per share)	55.42	41.31
Diluted earning per share (Rs.)	55.38	41.30

2.26 Financial Instruments

(Refer Note 1.11)

Capital management

Company's capital management objectives are to:

- ensure the company's ability to continue as a going concern
- provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

For the purposes of the Company's Capital Management, capital includes issued capital and all other equity reserves. Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

(Rs. in Lacs)

Particulars	31st March, 2017	31st March, 2016	1st April, 2015
Equity Share Capital	1241.98	1241.98	1241.98
Other Equity Reserves	27094.96	25101.78	24904.85
Total	28336.94	26343.76	26146.83

Categories of Financial Assets and Financial Liabilities

As at 31st March, 2017

(Rs. in Lacs)

Particulars	Amortised Costs	Fair Value through Profit or Loss	Fair Value through OCI	Total Carrying Value	Total Fair value
Current Assets					
Investments	-	4891.03	-	4891.03	4891.03
Trade Receivables	1307.23	-	-	1307.23	1307.23
Cash and Cash Equivalents	199.06	-	-	199.06	199.06
Other Bank Balances	4667.61	-	-	4667.61	4667.61
Other Financial Assets	13754.09	-	-	13754.09	13754.09
Total Financial Assets	19927.99	4891.03	-	24819.02	24819.02

Current Liabilities

Trade Payables	7013.42	-	-	7013.42	7013.42
Other Financial Liabilities	288.40	-	-	288.40	288.40
Total Financial Liabilities	7301.82	-	-	7301.82	7301.82

As at 31st March, 2016

(Rs. in Lacs)

Particulars	Amortised Costs	Fair Value through Profit or Loss	Fair Value through OCI	Total Carrying Value	Total Fair Value
Current Assets					
Investments	-	1040.33	-	1040.33	1040.33
Trade Receivables	749.20	-	-	749.20	749.20
Cash and Cash Equivalents	71.60	-	-	71.60	71.60
Other Bank Balances	10703.72	-	-	10703.72	10703.72
Other Financial Assets	7397.64	-	-	7397.64	7397.64
Total Financial Assets	18922.16	1040.33	-	19962.49	19962.49
Current Liabilities					
Trade Payables	5400.63	-	-	5400.63	5400.63
Other Financial Liabilities	461.78	-	-	461.78	461.78
Total Financial Liabilities	5862.41	-	-	5862.41	5862.41

As at 1st April, 2015

(Rs. in Lacs)

Particulars	Amortised Costs	Fair Value through Profit or Loss	Fair Value through OCI	Total Carrying Value	Total Fair Value
Current Assets					
Investments	-	4203.85	-	4203.85	4203.85
Trade Receivables	686.76	-	-	686.76	686.76
Cash and Cash Equivalents	63.57	-	-	63.57	63.57
Other Bank Balances	11227.11	-	-	11227.11	11227.11
Other Financial Assets	3281.56	-	-	3281.56	3281.56
Total Financial Assets	15259.00	4203.85	-	19462.85	19462.85
Current Liabilities					
Trade Payables	4817.61	-	-	4817.61	4817.61
Other Financial Liabilities	317.65	-	-	317.65	317.65
Total Financial Liabilities	5135.26	-	-	5135.26	5135.26

Financial Risk Management Framework

Company's activities expose it to financial risks viz credit risk and liquidity risk.

Credit Risk

Majority of Company's Receivables pertain to Mahindra & Mahindra Limited, an Associate Company. Based on the overall credit worthiness of Receivables, coupled with their past track record, Company expects No / Minimum Risk with regard to its outstanding receivables.

Also, there is mechanism in place to periodically track the outstanding amount and assess the same with regard to its

realisation. Company expect all the debtors to be realised in full, accordingly no provision has been made in the books of account.

Credit risk on cash and cash equivalents is limited as Company generally invest in deposits with banks. Further, Investments are primarily in debt based liquid mutual funds only and the same are fairly spread across various schemes.

Liquidity Risk

(i) Liquidity Risk Management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast & actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of Financial Liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the earliest date on which the Company can be required to pay. Financial Liabilities include Trade Payables, Capital Purchases, Unpaid/Unclaimed Dividend etc. which are in the normal course of business having maturity plan of less than 1 year and non-interest bearing.

(Rs. in Lacs)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
31st March, 2017				
Trade Payables	7013.42	–	–	–
Other Financial Liabilities	288.40	–	–	–
Total	7301.82	–	–	–
31st March, 2016				
Trade Payables	5400.63	–	–	–
Other Financial Liabilities	461.78	–	–	–
Total	5862.41	–	–	–
1st April, 2015				
Trade Payables	4817.61	–	–	–
Other Financial Liabilities	317.65	–	–	–
Total	5135.26	–	–	–

As at 31st March, 2017, the Company had a working capital of Rs. 196.60 crores including cash and bank balance & bank deposits of Rs. 178.27 crores and investment of Rs. 48.91 crores.

As at 31st March 2016, the Company had a working capital of Rs. 167.32 crores including cash and bank balance & bank deposits of Rs. 173.11 crores and investment of Rs. 10.40 crores.

Accordingly, company do not perceive any liquidity risk.

(iii) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period: (Rs. in Lacs)

Particulars	31st March, 2017	31st March, 2016	1st April, 2015
Secured Bank Overdraft facility			
– Expiring within one year	–	–	–
– Expiring beyond one year	500	500	500
Total	500	500	500

2.27 Fair Value Measurement

The fair values of the Financial Assets and Liabilities are included in the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

Level 1 - Quoted (unadjusted prices) in active markets for identical assets or liabilities.

Level 2 - Other Techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 - Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Fair Valuation Techniques and Inputs used - recurring Items

(Rs. in Lacs)

Financial Assets/ Financial Liabilities measured at Fair value	Fair value as at			Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	31st March, 2017	31st March, 2016	1st April, 2015			
Financial Assets						
Investments in Mutual Fund	4891.03	1040.30	4203.85	Level 2	As on Date NAV of the Unquoted Fund	–
Total Financial Assets	4891.03	1040.30	4203.85			

2.28 Employee benefits

(Refer Note 1.7)

Defined benefit plans – as per Actuarial Valuation on 31st March, 2017

(Rs. in Lacs)

Particulars	Gratuity - Funded	
	2017	2016
I. Expenses Recognised in the Statement of Profit & Loss Account		
1. Current Service Cost	40.44	40.47
2. Interest	47.61	40.42
3. Expected Return on plan assets	(37.46)	(39.38)
4. Total Expense	50.59	41.51
II. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31st March	664.09	605.31
2. Fair value of plan assets as at 31st March	644.71	547.96
3. Surplus/(Deficit)	(19.38)	(57.35)
III. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	605.31	518.78
2. Expenses Recognised in Profit and Loss Account		
– Current Service Cost	40.44	40.47
– Interest Expense/(Income)	47.61	40.42
3. Recognised in Other Comprehensive Income		
Re-measurement Gains / (Losses)		
– Actuarial Gain/(Loss) arising from:		
i. Demographic Assumptions	-	-
ii. Financial Assumptions	4.11	-
iii. Experience Adjustments	(28.18)	19.81
4. Benefit payments	(5.20)	(14.17)
5. Present value of defined benefit obligation at the end of the year	664.09	605.31
IV. Change in fair value of assets during the year ended 31st March		
1. Fair value of plan assets at the beginning of the year	547.97	421.18
2. Expected return on plan assets	42.61	39.38
3. Recognised in Other Comprehensive Income		
Re-measurement Gains / (Losses)		
– Actual Return on plan assets in excess of the expected return	6.16	3.28
4. Contributions by employer (including benefit payments recoverable)	60.22	98.30
5. Benefit payments	(12.25)	(14.17)
6. Fair value of plan assets at the end of the year	644.71	547.97
V. The Major categories of plan assets		
– Funded with LIC	100.00%	100.00%

(Rs. in Lacs)

Particulars	Gratuity - Funded	
	2017	2016
VI. Actuarial assumptions		
1. Discount rate	7.45%	7.90%
2. Expected Return	8.00%	8.50%
3. In-Service Mortality	IAL 2006-08 Ultimate	IAL 2006-08 Ultimate
4. Turnover Rate	5.00%	5.00%
5. Salary Rise - Officers	8.00%	8.00%
6. Salary Rise - Workers	5.00%	5.00%
7. Remaining Working Life	19.33 Years	20.79 Years

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is: (Rs. in Lacs)

Principal assumption		Changes in assumption	Increase/(Decrease) impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	2017	0.50%	(22.46)	23.75
	2016	0.50%	(20.95)	22.19
Salary growth rate	2017	0.50%	23.96	(22.86)
	2016	0.50%	22.48	(21.42)

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

2.29 Related Party Transactions

Name of the Related Companies	Mahindra & Mahindra Limited (M&M) - Associate Company Mahindra Agri Solutions Ltd. (MASL) - Subsidiary of M&M Mahindra HZPC Pvt. Ltd. (MHZPC) - Subsidiary of M&M
Key Management Personnel	Shri M.N. Kaushal (Whole Time Director) (Upto 31.03.2017) Shri Subhash Mago (CEO) (w.e.f. 01.10.2016)

Details of transactions between the Company and its related parties are disclosed below: (Rs. in Lacs)

Particulars	2017	2016
i) Associates		
a. Purchase of raw materials and components	1710.79	1061.01
M&M	1710.79	1061.01
b. Sale of finished goods (net of warranty)	78797.88	62239.66
M&M	78797.88	62239.66
c. Purchases of fixed assets	46.16	8.31
M&M	46.16	8.31
d. Receiving of services	390.66	460.16
M&M	390.66	460.16
e. Rendering of services	23.54	97.63
M&M	21.70	96.55
MHZPC	0.88	1.08
MASL	0.96	–
f. Dividend paid	1361.72	1361.72
M&M	1361.72	1361.72
Aggregate balances outstanding as at the year end		
– Receivables	1207.33	636.91
M&M	1207.11	636.91
MASL	0.22	–
– Payables	22.73	0.10
M&M	22.73	0.10
– Other Advance	–	16.18
M&M	–	16.18
ii) Key Management Personnel		
a) Remuneration*	135.38	75.11
– Shri M.N.Kaushal	90.81	75.11
– Shri Subhash Mago	44.57	–
b) Dividend paid	0.43	0.43
– Shri. M.N.Kaushal	0.43	0.43

*excludes stock option from Associate Company - Mahindra & Mahindra Limited.

2.30 Contingent Liabilities and Commitments (To the extent not provided for)

(Rs. in Lacs)

Particulars	As at		
	31st March, 2017	31st March, 2016	1st April, 2015
Contingent Liabilities			
Claims against the Company not acknowledged as debt			
– Excise matters in dispute	87.47	101.59	101.59
– Income Tax matters in dispute*	148.94	148.94	228.39
– Others**	351.57	241.67	241.67

Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances and deposits)	338.91	666.55	2562.71
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*Assessment of Income Tax is completed upto Assessment Year 2014-15. There is no demand which is disputed in Appeal and not provided for. For earlier Assessment Years, tax authorities have filed appeals/references which involve an estimated liability of Rs. 148.94 Lacs (31.03.2016 - Rs. 148.94 Lacs)

**Represents demand for enhanced compensation for land allotted to Company in 1988. Company is in appeal with Hon'ble Supreme Court of India. Pending appeal, Rs. 100.00 lacs was deposited with the court during the financial year 2008-09 and the same forms part of Other Non-Current assets under Note 2.4.

2.31 While letters for confirmation of balance of sundry creditors, sundry debtors and material lying with vendors have been sent, only few responded. Rests are subject to confirmation.

2.32 Segment Reporting

The Company is primarily engaged in the business of diesel engines, diesel engine components and spare parts. As the basic nature of these activities are governed by the same set of risk, returns and internal business reporting system, accordingly these have been grouped as single segment in above disclosures as per Ind AS-108 dealing with " Operating Segment".

2.33 Particulars in respect of goods manufactured:

Class of Goods	Unit of Qty	2017	2016
Production			
Engine	Nos.	81,989	64,256
Despatches			
Engine	Nos.	82,297	64,088

2.34 Particulars in respect of Revenue from Operations (Gross):

(Rs. in Lacs)

Class of Goods	2017	2016
Sale of Products		
Engines	72800.56	57343.57
Engine Components	384.19	186.69
Spares	1398.74	1395.98
Total	74583.49	58926.24
Other operating revenue		
Scrap & Others	334.37	273.56
Total	74917.86	59199.80

2.35 Particulars in respect of Finished Goods:

Class of Goods	Unit of Qty	Opening Balance		Closing Balance	
		Qty.	Rs. in Lacs	Qty.	Rs. in Lacs
Engines	Nos.	966* (813)	737.02 (627.03)	644* (966*)	459.90 (737.02)

* Excludes 14 Nos. (2016 : 15 Nos.) engines consumed for R&D purposes

2.36 Analysis of Raw Materials consumed:

(Rs. in Lacs)

Class of Goods	2017	2016
Crank Shaft Assy	4302.21	3448.62
Crank Case Assy	5415.35	4381.76
Flywheel	2173.09	1946.45
Fuel Pump Assy	5735.59	4484.78
Others (including components)	31665.63	25338.48
Total	49291.87	39600.09

Notes : The amounts of all the items in Analysis of Raw Materials consumed represent the issues during the year. The figure of others (including components) is a balancing figure based on total consumption shown in Note No. 2.20 and includes adjustments for excess/ shortage/damages/obsolete found on physical verification.

2.37 Value of imported and indigenous Raw Materials, Components, Stores and Spares etc. consumed and percentage of each in Total Consumption

Particulars	2017		2016	
	%age	Rs. in Lacs	%age	Rs. in Lacs
Raw Material & Components				
Imported	0.02	10.81	0.02	7.99
Indigenous	99.98	49281.06	99.98	39592.10
	100.00	49291.87	100.00	39600.09
Stores, Consumables, Spares & Loose Tools				
Imported	-	-	-	-
Indigenous	100.00	1027.45	100.00	890.80
	100.00	1027.45	100.00	890.80

2.38 Value of Imports on CIF Basis:

(Rs. in Lacs)

Particulars	2017	2016
Raw Material & Components	10.66	7.83
Stores & Spares*	-	4.98
Capital Goods	8.20	1027.96
Total	18.86	1040.77

* forming part of R&D Expenditure for previous year ending March 31, 2016

2.39 CSR Expenditure:

(a) Gross Amount required to be spent – Rs. 167.90 lacs.

(b) Amount spent during the year on: (Rs. in Lacs)

Particulars	In Cash	Yet to be paid in Cash	Total
(i) Construction/Acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	162.68	6.20	168.88

2.40 Disclosure on Specified Bank Notes (SBNs) :

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBNs) held and transacted during the period from November 9, 2016 to December 30, 2016, the denomination-wise SBNs and other notes as per the notification is given below: (in Rs.)

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	148500	13402	161902
(+) Permitted receipts	-	787624	787624
(-) Permitted payments	-	556096	556096
(-) Amount deposited in Banks	148500	-	148500
Closing cash in hand as on December 30, 2016	-	244930	244930

* for the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated the 8th November, 2016.

2.41 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Micro, Small and Medium Enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro, Small and Medium enterprises, which are outstanding for more than the stipulated period, are given below :-

Particulars	31st March, 2017	31st March, 2016
(a) Dues remaining unpaid as at 31st March		
– Principal	-	-
– Interest on the above	-	-
(b) Interest paid in terms of Section 16 of the Act along with the amount of payment made to the supplier beyond the appointed date during the year		
– Principal paid beyond the appointed date	-	-
– Interest paid in terms of Section 16 of the Act	-	-
(c) Amount of interest due and payable for the period of delay in payments made beyond the appointed date during the year	-	-
(d) Further interest due and payable even in succeeding year, until such date when the interest due as above are actually paid to the small enterprises	-	-
(e) Amount of interest accrued and remaining unpaid as at 31st March	-	-

2.42 First-time adoption of Ind-AS

These financial statements, for the year ended 31st March, 2017, are the Company's first financial statements prepared in accordance with Ind-AS. For periods up to and including the year ended 31st March, 2016, the Company prepared its financial statements in accordance with statutory reporting requirement in India immediately before adopting Ind-AS ('previous GAAP'). Accordingly, the Company has prepared financial statements which comply with Ind-AS applicable for periods ending on or after 31st March, 2017, together with the comparative period data as at and for the year ended 31st March, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's Opening Balance Sheet was prepared as at 1st April, 2015, the Company's date of transition to Ind-AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April, 2015 and the financial statements as at and for the year ended 31st March, 2016.

Exemptions applied - Company has not opted for any exemptions as given in Ind-AS 101
First Time Ind-AS Adoption reconciliations

The effect of the company's transition to Ind-AS is summarized in this note as follows:

- (i) Reconciliation of Equity and Net Profit as previously reported under Indian GAAP to Ind-AS;
- (ii) Adjustments to the statement of cash flows.

(i) (a) Reconciliation of Total Equity as at 31st March, 2016 and 1st April, 2015:

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 1st April, 2015
Equity as reported under previous GAAP	21404.89	21207.41
Ind-AS: Adjustments increase / (decrease):		
Dividends not recognised as liability until declared	4932.91	4932.91
Discounting of Provisions	5.96	6.51
Equity as reported under Ind-AS	26343.76	26146.83

(i) (b) Reconciliation of Total Comprehensive Income for the year ended 31st March, 2016:

(Rs. in Lacs)

Particulars	Year Ended 31st March, 2016
Profit or Loss as per previous GAAP	5120.07
Ind-AS: Adjustments Increase/(Decrease):	
Actuarial (Gain) / Loss on employee defined fund recognised in other comprehensive Income (net of tax)	10.81
Discounting Impact of Long Term Provisions	(0.55)
Employee Stock Compensation Valued at Fair Value	0.90
Total adjustment to profit or loss	11.16
Profit or Loss under Ind-AS	5131.23
Other comprehensive income	(10.81)
Total Comprehensive Income under Ind-AS	5120.42

Note: No statement of comprehensive income was produced under previous GAAP. Therefore, the reconciliation starts with profit under previous GAAP.

(ii) Material adjustments to the Statement of Cash Flows

(Rs. in Lacs)

Particulars	Year ended 31 March, 2016		
	Previous GAAP	Ind AS Adjustments	Ind AS
Net cash flows from operating activities	6303.15	0.76	6303.91
Net cash flows from investing activities	(1375.04)	-	(1375.04)
Net cash flows from financing activities	(4920.08)	(0.76)	(4920.84)
Net increase / (decrease) in cash and cash equivalents	8.03	-	8.03
Cash and cash equivalents at beginning of period	63.57	-	63.57
Cash and cash equivalents at end of period	71.60	-	71.60

Analysis of cash and cash equivalents as at 31st March, 2016 and 1st April, 2015 for the purpose of Statement of Cash flows under Ind-AS

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 1st April, 2015
Cash and cash equivalents for the purpose of Statement of Cash flows as per Previous GAAP	71.60	63.57
Cash and cash equivalents for the purpose of Statement of Cash flows as per Ind-AS	71.60	63.57

2.43 Provision for warranty relates to sale of engines, the estimated cost of which is accrued at the time of sale.

(Rs. in Lacs)

Particulars	31st March, 2017	31st March, 2016
Balance as at 1st April	107.33	102.05
Add : Provision made during the year	164.70	73.18
Less : Utilisation during the year	102.99	68.66
Less : Unwinding of Discount and effect of changes in the discount rate	3.45	(0.76)
Balance as at 31st March	165.59	107.33
Out of the above :-		
Classified as Non-Current	31.12	19.53
Classified as Current	134.47	87.80
	165.59	107.33

2.44 Previous year's figures have been regrouped, wherever necessary, so as to correspond with those of the current year.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. in Lacs)

	2017	2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax for the year	10546.12	7621.50
Adjustments for :		
Depreciation and amortisation	1628.07	1379.84
Employee Stock Compensation	22.85	9.42
Interest (Received) / Paid (Net)	(1613.22)	(1388.35)
Return on Mutual Fund Investments (Net)	(49.83)	(215.73)
(Profit)/Loss on disposal of Property, Plant and Equipment	(13.06)	(8.80)
(Gain)/Loss on Investments carried at fair value through Profit and Loss	(14.52)	-
Actuarial Gain/(Loss) on re-measurement of Defined Benefit Liability	30.23	(16.53)
Operating Profit Before Working Capital Changes	10536.64	7381.35
Movements in Working Capital:		
(Increase)/Decrease in Trade and Other Receivables (Non-Current/Current)	(344.78)	(23.52)
(Increase)/Decrease in Inventories	166.59	539.29
(Decrease)/Increase in Trade and Other Payables (Non-Current/Current)	1674.29	787.09
Cash Generated from Operations	12032.74	8684.21
Income taxes paid (Net of refund)	(3793.59)	(2380.30)
Cash Flow Before Extraordinary Items	8239.15	6303.91
Extraordinary Items	-	-
Net Cash Generated from Operating Activities	8239.15	6303.91
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Investments Sales / (Purchase) (Net)	(3836.18)	3163.52
Bank Deposit (Placed) / Matured (Net)	(389.00)	(3416.00)
Interest received	1625.38	1392.89
Return on Mutual Fund Investment (Net)	49.83	215.73
Purchase of Property, Plant and Equipment & Intangible [^]	(646.09)	(2729.54)
Increase in Ear Marked Balances	(21.89)	(16.61)
Proceeds from disposal of Property, Plant and Equipment	29.44	14.97
Net Cash (used in) / Generated from Investing Activities	(3188.51)	(1375.04)
([^] excludes Capital Advances)		

C. CASH FLOWS FROM FINANCING ACTIVITIES

Dividends paid to owners of the Company (including DDT)	(4911.02)	(4916.30)
Interest and Finance Charges paid	(12.16)	(4.54)
Net Cash used in Financing Activities	<u>(4923.18)</u>	<u>(4920.84)</u>
Net Increase / (Decrease) in Cash and Cash Equivalents	127.46	8.03
Cash and Cash Equivalents at the beginning of the year	71.60	63.57
Cash and Cash Equivalents at the end of the year	199.06	71.60

Note : Previous year figures have been regrouped wherever found necessary.

As per our report of even date attached

For DAVINDER S. JAAJ & CO.
Chartered Accountants (FRN000969N)

FOR AND ON BEHALF OF THE BOARD

SUMEET SINGH DHIR
Partner
Membership No. 094370

M.S. GREWAL
Company Secretary

SUDHIR MANKAD
Chairman

RAJINDER ARORA
Chief Financial Officer

SUBHASH MAGO
Whole Time Director &
Chief Executive Officer

Mumbai, 25th April, 2017

Mumbai, 25th April, 2017

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Swaraj Engines Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Swaraj Engines Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss (Including Other Comprehensive income), the Cash Flow Statement and the statement for change in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Management and Board of Directors of the Company is responsible for the matters stated in Section 134(5) of the Companies Act 2013 ("The Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (including other comprehensive income), cash flows and change in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management and Board of Directors of the Company, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by 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, of the state of affairs (financial position) of the Company as at 31st March, 2017, its profit (financial performance including other comprehensive income), its cash flows and the changes in Equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by section 143(3) of the Act, we report that:

- i. 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;
- ii. 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;
- iii. The Balance Sheet, Statement of Profit and Loss, Cash Flow Statement and statement of changes in Equity dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued there under.
- v. On the basis of written representations received from the Directors, as on 31st March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- vi. 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".
- vii. 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:
 - a) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer note 2.30 to the financial statements;
 - b) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - c) There was no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Company during the year.
 - d) The Company has provided requisite disclosure in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer note 2.40 to the financial statements;

For DAVINDER S. JAAJ & CO.
Chartered Accountants
(FRN – 000969N)

SUMEET SINGH DHIR
Partner
Membership No. 094370

Place : Mumbai
Date : 25th April, 2017

ANNEXURE TO THE AUDITORS' REPORT

The annexure referred to in our report to the members of **Swaraj Engines Limited** ('the company') for the year ended 31st March 2017. We report that

(i) Regarding Fixed Assets:

- a. The Company has maintained proper records to show full particulars, including quantitative details and situation of Fixed Assets;
- b. The fixed assets have not been physically verified by the management during the year but the company has a system of periodic verification of fixed assets. In our opinion, the frequency of verification is at reasonable intervals considering the size of the company.
- c. The title deeds of immovable properties are held in the name of the company.

(ii) Regarding Inventory:

- a. The stocks of finished goods, stores, spare parts and raw materials of the Company in its possession have been physically verified by the management at reasonable period. Stock-in-transit as on 31st March 2017 has been verified by the management on subsequent receipt of the goods.
- b. In our opinion, the procedures of physical verification of stocks followed by the management were reasonable and adequate in relation to the size of the Company and nature of its business.
- c. The company is maintaining proper records for inventory and discrepancies between the physical stocks and the book stocks, which have been properly dealt with in the books of account, were not material.

(iii) Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Act.

(iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.

(v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

(vi) On the basis of information given to us, we are of the opinion that, prima facie, the cost records and accounts prescribed by the Central Government of India, under sub section (1) of section 148 of the Companies Act 2013, have been maintained. However, we are not required to and have not carried out any detailed examination of such accounts and records.

(vii) Regarding Statutory Dues:

- a) The Company has been regular during the year in depositing undisputed dues with Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Excise & Custom duty and other statutory dues with the appropriate authorities. According to the information given to us, there were no undisputed unpaid statutory dues outstanding as at 31st March 2017 for a period of more than six months from the date they became payable.

- b) Details of dues of Income-tax & Excise Duty which have not been deposited as on 31st March, 2017 on account of disputes are given below :

(Rs. in lacs)

Statute	Nature	Forum where dispute is pending	Amount involved
Central Excise Act, 1944	Excise Duty	Appellate Authority - Tribunal Level	25.59
Income Tax Act, 1961	Income Tax	High Court Assessing Officer	113.83 35.11

- (viii) In our opinion and on the basis of records produced before us, the Company has not defaulted in the repayment of dues to Banks, Financial Institutions, Government or debenture holders.
- (ix) The company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Hence, the provisions of clause 3 (ix) of the Order are not applicable to the Company and not commented upon.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Ind AS Financial Statements as required by the applicable Indian Accounting Standards.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and not commented upon.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For DAVINDER S. JAAJ & CO.
Chartered Accountants
(FRN – 000969N)

SUMEET SINGH DHIR
Partner
Membership No. 094370

Place : Mumbai
Date : 25th April, 2017

ANNEXURE: B TO AUDITORS REPORT**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

We have audited the internal financial controls over financial reporting of **SWARAJ ENGINES LIMITED**, ("the Company") as on March 31, 2017 in conjunction with our audit of the 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". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 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 audit 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 preparation 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 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 financial statements.

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, 2017, 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 DAVINDER S. JAAJ & CO.
Chartered Accountants
(FRN – 000969N)

SUMEET SINGH DHIR
Partner
Membership No. 094370

Place : Mumbai
Date : 25th April, 2017

SWARAJ ENGINES LIMITED

Registered Office :

Phase-IV, Industrial Area, S.A.S. Nagar (Mohali), Punjab-160 055
Tel. : 0172-2271620-27, Fax : 0172-2272731
Email : selinvestor@swarajenterprise.com;
Website : www.swarajenterprise.com

31st Annual General Meeting - 24th July, 2017

Folio No.

Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall.

DP ID*

Client ID*

NAME OF THE SHAREHOLDER/PROXY
ADDRESS

No. of Shares held :

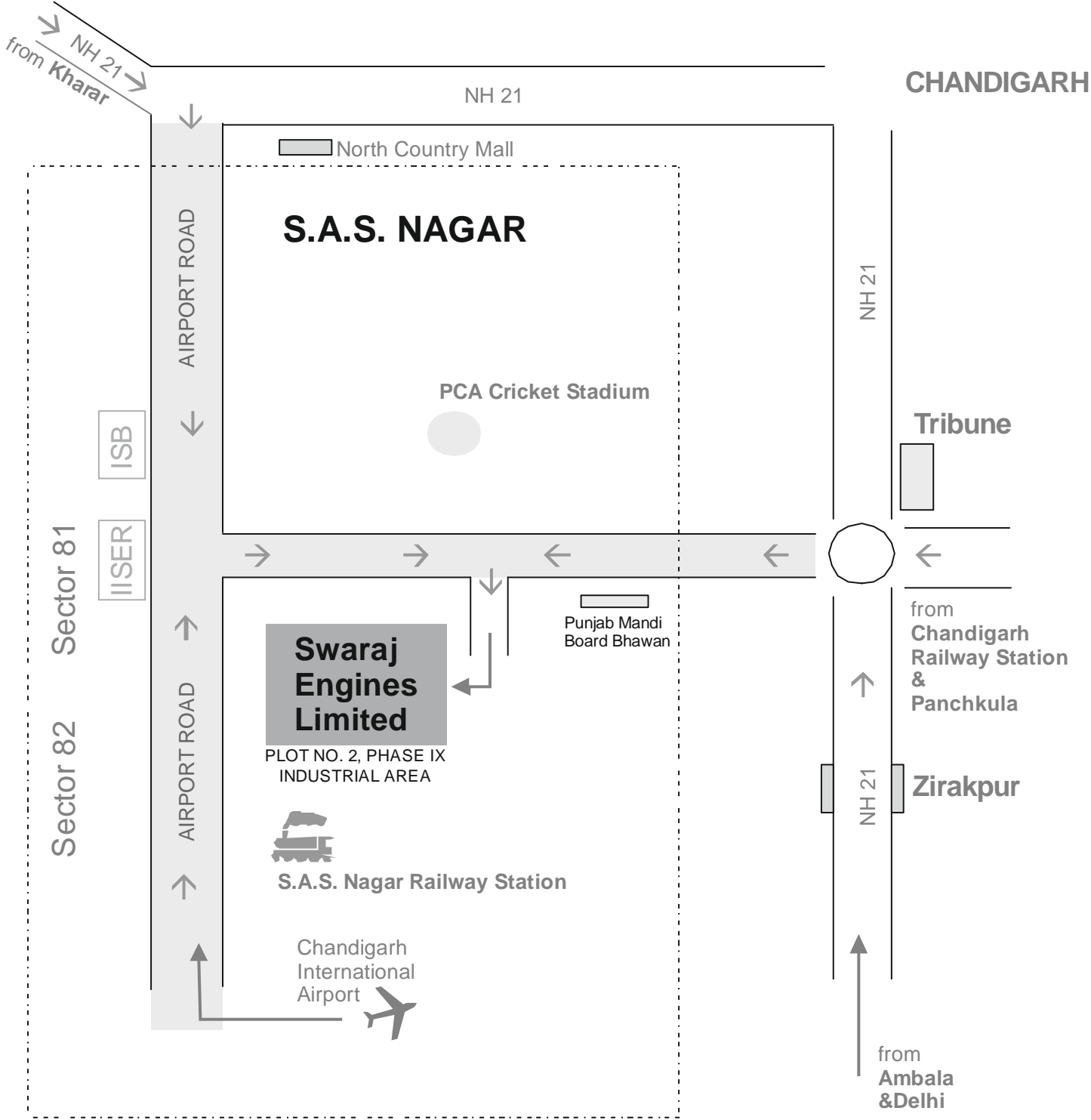
I hereby record my presence at the 31st ANNUAL GENERAL MEETING of the Company at its Works at Plot No. 2, Industrial Phase IX, S.A.S. Nagar (Mohali), Punjab -160 062 on Monday, the 24th July, 2017 at 3:00 p.m.

*To be used for shares held in
electronic form

SIGNATURE OF THE SHAREHOLDER/PROXY



ROUTE MAP FOR AGM VENUE



PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of Companies (Management and Administration Rules, 2014)]

SWARAJ ENGINES LIMITED

(CIN: L50210PB1985PLC006473)

Regd. Office: Phase IV, industrial Area, S.A.S.Nagar (Mohali), Punjab-160055, Tel. 0172-2271620-27, Fax : 0172-2272731

Email:selinvestor@swarajenterprise.com, Website: www.swarajenterprise.com

Name of the Member (s):
Registered Address:
Email id:
Folio / DP ID-Client ID No:

I/We, being the member(s) of _____ shares of the above named Company hereby appoint :

- (1) Name _____ Address _____
E-mail id _____ Signature _____ or falling him;
- (2) Name _____ Address _____
E-mail id _____ Signature _____ or falling him;
- (3) Name _____ Address _____
E-mail id _____ Signature _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual General Meeting of the Company, to be held on Monday, 24th July, 2017 at 3.00 p.m. at the Works of the Company at Plot No. 2, Industrial Phase IX, S.A.S.Nagar (Mohali), Punjab - 160062 and at any adjournment thereof in respect of such resolutions as are indicated below:

	Resolutions	Optional*	
		For	Against
	Ordinary Business		
1	To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2017 and the Reports of the Directors and Auditors thereon.		
2	Declaration of Dividend on Equity Shares.		
3	Re-appointment of Shri S. Durgashankar (DIN 00044713) as a Director, who retires by rotation and, being eligible, offers himself for re-appointment.		
4	Re-appointment of Dr. Pawan Goenka (DIN 00254502) as a Director, who retires by rotation and, being eligible, offers himself for re-appointment.		
5	Appointment of Auditors and fix their remuneration		
	Special Business		
6	Appointment of Shri Rajesh Jejurikar (DIN 00046823) as Director of the Company.		
7	Appointment of Shri Subhash Mago (DIN 07797207) as Director of the Company.		
8	Appointment of Shri Subhash Mago (DIN 07797207) as Whole Time Director of the Company and approval of the remuneration payable to him.		
9	Ratification of the remuneration payable to the Cost Auditors of the Company.		

Signed this _____ day of _____ 2017

Signature of Shareholder _____

Signature of Proxyholder(s) _____

Affix
Revenue
Stamp

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 31st Annual General Meeting.
- *3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in the above box before submission.