

SWARAJ ENGINES LIMITED

Works :

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



SWARAJ

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

02/SP/EXCH
25th April, 2017

The General Manager
Corp. Relationship Deptt.
BSE Ltd.

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: Outcome of the Board Meeting

A) Audited Financial Results for the year ended 31st March, 2017

This is to inform that the Board of Directors of Swaraj Engines Limited in their meeting held today the **25th April, 2017** have approved the Audited financial results of the Company for the year ended 31st March, 2017. Copy of the audited results and press release together with Independent Auditors Report and Form A are enclosed herewith.

B) Recommendation of Dividend

Further, the Board, while approving the annual accounts, has recommended an equity dividend of 180% (Rs.18 per share) for the financial year ended 31st March, 2017. Further, keeping in view of the Company's fund position, the Board, over and above the said normal dividend, has also recommended a special dividend payment of 250% (Rs.25 per share), taking the total dividend to 430% (Rs.43 per share) for FY 2016-17.

C) Annual General Meeting and Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from 8th July, 2017 to 14th July, 2017 (both days inclusive) for the purpose of determining the Members eligible to receive the dividend, if declared by the shareholders at the ensuing Annual General Meeting scheduled to be held on 24th July, 2017. The dividend, if declared, shall be paid on and from 29th July, 2017.

D) Changes in Directorship

The Board of Directors in its today's meeting also took note of the resignation of Shri Rajan Wadhera from the Directorship of the Company with effect from 24th April, 2017. The Board also noted that consequent to completion of his tenure as Whole Time Director on 31st March, 2017, Shri M.N.Kaushal ceased to be a Director of the Company.

Further, Shri Rajesh Jejurikar has been co-opted as Additional Director of the Company w.e.f. 25th April, 2017. The Board has also appointed Shri Subhash Mago as Whole Time Director of the Company designated as Whole Time Director and Chief Executive Officer for a period from 25th April, 2017 to 31st March, 2020.

You are requested to kindly take note of the above.

With regards,

For Swaraj Engines Limited



(M.S.GREWAL)
Company Secretary

SWARAJ ENGINES LIMITED

CIN : L50210PB1985PLC006473

Regd. 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

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2017

₹ Lakhs

Particulars	Quarter Ended			Year Ended	
	31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
	(Refer Note 6)		(Refer Note 6)		
Income from Operations (Net)	16,077	15,477	11,399	66,614	52,591
Other Income	357	444	402	1,718	1,630
Total Income (Net)	16,434	15,921	11,801	68,332	54,221
Expenses					
a) Cost of Materials Consumed	11,534	11,812	8,796	49,292	39,600
b) Changes in Inventories of Finished Goods and Work-in-Progress	506	(374)	(336)	262	(27)
c) Employee Benefits Expense	807	806	628	3,098	2,675
d) Finance Costs	3	5	-	12	5
e) Depreciation and Amortization Expense	420	395	350	1,628	1,380
f) Other Expenses	817	934	709	3,494	2,967
Total Expenses	14,087	13,578	10,147	57,786	46,600
Profit before Exceptional Items and Tax	2,347	2,343	1,654	10,546	7,621
Exceptional Items	-	-	-	-	-
Profit before Tax	2,347	2,343	1,654	10,546	7,621
Tax Expense - Current	875	853	397	3,796	2,330
- Deferred	(56)	(40)	80	(133)	160
- Total	819	813	477	3,663	2,490
Net Profit for the Period	1,528	1,530	1,177	6,883	5,131
Other Comprehensive Income (Net of Tax)	20	-	(11)	20	(11)
Total Comprehensive Income	1,548	1,530	1,166	6,903	5,120
Paid-up Equity Share Capital (Face Value ₹10/-)	1,242	1,242	1,242	1,242	1,242
Other Equity	-	-	-	27,095	25,102
Earning Per Share (not annualized)					
- Basic	₹ 12.30	₹ 12.32	₹ 9.47	₹ 55.42	₹ 41.31
- Diluted	₹ 12.30	₹ 12.31	₹ 9.46	₹ 55.38	₹ 41.30

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STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTES:

1. Statement of Assets and Liabilities

Particulars	₹ Lakhs	
	As At	As At
	31.03.2017	31.03.2016
	(Audited)	(Audited)
I. ASSETS		
Non-Current Assets		
a) Property, Plant & Equipment	9,092	10,141
b) Capital Work-in-Progress	38	17
c) Investment Property	25	25
d) Intangible Assets	8	7
e) Intangible Assets under Development	46	16
f) Other Non-Current Assets	384	418
Total - Non-Current Assets	9,593	10,624
Current Assets		
a) Inventories	2,608	2,775
b) Financial Assets		
i) Investments	4,891	1,040
ii) Trade Receivables	1,307	749
iii) Cash and Cash Equivalents	199	72
iv) Other Balances with Banks	4,668	10,704
v) Other Financial Assets	13,754	7,398
c) Other Current Assets	196	297
Total - Current Assets	27,623	23,035
TOTAL ASSETS	37,216	33,659
II. EQUITY AND LIABILITIES		
Equity		
a) Equity Share Capital	1,242	1,242
b) Other Equity	27,095	25,102
Total Equity	28,337	26,344
Liabilities		
Non-Current Liabilities		
a) Provisions	289	252
b) Deferred Tax Liabilities (Net)	627	760
Total - Non-Current Liabilities	916	1,012
Current Liabilities		
a) Financial Liabilities		
i) Trade Payables	7,013	5,401
ii) Other Financial Liabilities	288	462
b) Provisions	227	214
c) Other Current Liabilities	435	226
Total - Current Liabilities	7,963	6,303
TOTAL - EQUITY AND LIABILITIES	37,216	33,659

2. The above results were reviewed by the Audit Committee and thereafter approved by the Board of Directors in their meeting held at Mumbai on 25th April, 2017. The Statutory Auditors have audited the financial results for the year ended 31st March, 2017 and have expressed an unqualified audit opinion. The information presented above is extracted from the audited Ind AS financial statements. The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder.

3. The Company has adopted all the Ind-AS standards on 1st April, 2016 with the transition date as 1st April, 2015, 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 Companies Act, 2013 read with relevant rules issued thereunder.

4. The Board of Directors have recommended a dividend of Rs.18 per share and a special dividend of Rs.25 per share taking the total dividend to Rs.43 per share, subject to the approval of the shareholders at the Annual General Meeting.

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**STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE
YEAR ENDED 31ST MARCH, 2017**

5. Reconciliation between Financial Results, as previously reported under Indian GAAP and Ind AS for previous quarters/year presented are as under:

Nature of Adjustments	₹ Lakhs	
	Profit Reconciliation	
	Quarter ended	Year ended
	31.03.2016	31.03.2016
Net Profit as per Previous Indian GAAP	1165	5120
i) Actuarial (gain) / loss on employee defined funds recognized in Other Comprehensive Income	11	11
ii) Employee Stock Compensation valued at Fair Value	1	1
iii) Discounting impact of Long Term Provision	-	(1)
Total (i to iii)	12	11
Net Profit before OCI under Ind AS	1177	5131
Other Comprehensive Income (Net of Tax)	(11)	(11)
Total Comprehensive Income under Ind AS	1166	5120

Nature of Adjustments	₹ Lakhs	
	Equity Reconciliation	
	As at 31.03.2016	As at 01.04.2015
Equity under Previous GAAP	21405	21207
i) Dividend and Tax on Dividend	4933	4933
ii) Discounting impact of Long Term Provision	6	7
Total (i to ii)	4,939	4,940
Equity as per Ind-AS	26,344	26,147

6. The figures for the last quarter are the balancing figures between the audited figures in respect of full financial year and the published unaudited year to date figures upto the third quarter of the financial year.

7. 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".

8. Previous year/period figures have been regrouped / recast, wherever necessary, to make them comparable.

for and on behalf of
the Board of Directors


SUDHIR MANKAD
Chairman



Press Release

(25th April, 2017)

**F17 PBT at Rs. 105.5 crores up by 38%
Board Recommends 430 % Dividend**

Mumbai, 25th April, 2017: The Board of Directors of Swaraj Engines Limited (SEL) today announced the audited financial results for the quarter and year ended 31st March, 2017.

FY 2016-17

Riding on the impressive growth witnessed in the tractor industry and the strong engine demand emerged from Swaraj Division of Mahindra & Mahindra Limited during the year, SEL today reported its ever best yearly financial performance in terms of both sale volumes and profit. Registering a volume growth of 28%, the Company has attained its ever highest engine sales of 82,297 units (last year 64,088 units) and consequently, Net Operating Revenue for fiscal 2017 moved to Rs.666.1 crores, compared to Rs. 525.9 crores for the last year.

It is also pertinent to note that this growth has been accompanied with an improvement in its working capital and profit margins both at Operating and PBT level. While operating profit for the year at Rs. 104.7 crores (last year Rs. 73.8 crores) registered a growth of 42% and margin improvement of 170 basis point over last year, the Profit Before Tax crossed Rs. 100 crores mark for the first time and reached Rs. 105.5 (last year Rs. 76.2 crores) – a growth of 38%.

Profit After Tax for the year, including other comprehensive income (net of tax), stood at Rs. 69.0 crores (last year Rs. 51.2 crores).

Q4 (January – March 17)

As strong engine demand continued in Q4 as well, sales grew by 42% and achieved its highest ever fourth quarter engine sales volume of 19,842 units, against 13,970 units for the corresponding period of last year. On this volume, the Company's net operating revenue for the quarter stood at Rs. 160.8 crores, compared to last year's Rs. 114.0 crores.

While the Profit Before Tax for the quarter at Rs. 23.5 crores (last year Rs. 16.5 crores) grew by 42%, due to higher tax provision compared to last year where the Company had claimed benefit of Investment allowance, Profit After Tax, including other comprehensive income (net of tax), grew by 32% to reach Rs. 15.5 crores (last year Rs. 11.7 crores).

Dividend

The Board, while approving the annual accounts, has recommended an equity dividend of 180% (Rs.18 per share) for the financial year ended 31st March, 2017. Further, considering the overall fund position of the Company, the Board, over and above the said normal dividend, has also recommended a special dividend payment of 250% (Rs. 25 per share), taking the total dividend to 430% (Rs.43 per share) for the FY 2016-17.

Changes at Board Level

The Board today also took note that consequent to his resignation with effect from 24th April, 2017, Shri Rajan Wadhera ceased to be a Director of the Company and upon completion of his term on 31st March, 2017, Shri M.N.Kaushal, Whole Time Director, also ceased to be a Director of Company.

Further, the Board has today appointed Shri Rajesh Jejurikar as an Additional Director and Shri Subhash Mago as Whole Time Director designated as Whole Time Director and Chief Executive Officer for a period from 25th April, 2017 to 31st March, 2020.

About Swaraj Engines Ltd.

Swaraj Engines Limited (SEL) was set up in 1985 in Mohali, Punjab. SEL is primarily in the business of supplying engines to the Swaraj Division of Mahindra & Mahindra Ltd. (M&M).

For further information please contact:

For further information please contact:

Mr. Subhash Mago, Chief Executive Officer
Swaraj Engines Ltd.
Phone: (+91-172) 2234941-47
Email: mago.subhash@swarajenterprise.com

DAVINDER S. JAAJ & CO.

CHARTERED ACCOUNTANTS

Office : SCO 18, IInd Floor, Sector 17-E, Chandigarh - 160 017

Tel. : 91-172-4630700, 2703706 E-mail : jaajco@gmail.com

Auditor's Report On Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,

The Board of Directors,
Swaraj Engines Limited.

We have audited the quarterly financial results of Swaraj Engines Limited ('the Company') for the quarter ended March 31, 2017 as well as the year to date results for the period April 1, 2016 to March 31, 2017, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

These quarterly as well as year to date financial results have been prepared on the basis of the Ind AS Interim Financial Statements, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (Ind AS 34), prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued there under; or by the Institute of Chartered Accountants of India, as applicable and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us, these quarterly as well as year to date financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (ii) give a true and fair view of the net profit and other financial information for the quarter ended on March 31, 2017 as well as the year to date results for the period from April 1, 2016 to March 31, 2017.

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

Works :

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Phase IX, S.A.S. Nagar,
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(Near Chandigarh)



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FORM A

1.	Name of the Company	Swaraj Engines Limited
2.	Annual financial statements for the year ended	31 st March, 2017
3.	Type of Audit Observation	Un-modified Audit Report
4.	Frequency of Observation	N.A.

Handwritten signature of Rajinder Arora in blue ink.

Rajinder Arora
Chief Financial Officer

Handwritten signature of Subhash Mago in blue ink.

Subhash Mago
Whole Time Director &
Chief Executive Officer

For Davinder S. Jaaj & Co.
Chartered Accountants
(FRN – 000969N)

Handwritten signature of Sumeet Singh Dhir in blue ink.

(Sumeet Singh Dhir)
Partner
Membership No. 094370

Handwritten signature of Dileep C. Choksi in blue ink.

Dileep C. Choksi
Chairman of Audit Committee