

SWARAJ ENGINES LIMITED

Works :

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



Tel. : 0172-2234941- 47, 2234950
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Email : mail@swarajenterprise.com

02/SP/EXCH
24th January, 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: UNAUDITED FINANCIAL RESULTS

Dear Sir,

This is to inform that Board of Directors of Swaraj Engines Limited in their meeting held today the 24th January, 2017 at Mumbai have approved the Unaudited Financial Results of the Company for the third quarter and nine month period ended 31st December, 2016. Copies of Unaudited Results, Limited Review Report from the Company's Statutory Auditors and Press Release are enclosed.

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 UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2016

Particulars	Quarter Ended			Nine Months Ended		Rs. Lakhs
	31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015	Year Ended
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Income from Operations						
Net Sales / Income from Operations	15407	17807	10511	50310	41003	52343
Other Operating Income	70	84	48	227	189	248
Total Income from Operations (Net of Excise duty)	15477	17891	10559	50537	41192	52591
Expenses						
a) Cost of Materials Consumed	11812	13410	7667	37758	30804	39600
b) Purchase of Stock-in-Trade	-	-	-	-	-	-
c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(374)	(130)	338	(244)	309	(27)
d) Employee Benefits Expense	806	756	652	2291	2047	2675
e) Depreciation and Amortisation Expense	395	418	325	1208	1030	1380
f) Other Expenses	934	938	626	2677	2258	2967
Total Expenses	13573	15392	9608	43690	36448	46595
Profit from Operations before Other Income, Finance Costs and Exceptional Items	1904	2499	951	6847	4744	5996
Other Income	444	450	374	1361	1228	1630
Profit from Ordinary Activities before Finance Costs and Exceptional Items	2348	2949	1325	8208	5972	7626
Finance Costs	5	3	4	9	5	5
Profit from Ordinary Activities after Finance Costs but before Exceptional Items	2343	2946	1321	8199	5967	7621
Exceptional Items	-	-	-	-	-	-
Profit from Ordinary Activities before Tax	2343	2946	1321	8199	5967	7621
Tax Expense - Current	853	1048	463	2921	1933	2330
- Deferred	(40)	(27)	23	(77)	80	160
- Total	813	1021	486	2844	2013	2490
Net Profit from Ordinary Activities after Tax	1530	1925	835	5355	3954	5131
Extraordinary Items (Net of Tax Expense)	-	-	-	-	-	-
Net Profit for the Period	1530	1925	835	5355	3954	5131
Share of Profit / (Loss) of Associates	-	-	-	-	-	-
Minority Interest	-	-	-	-	-	-
Net Profit after Taxes, Minority Interest and Share of Profit / (Loss) of Associates	1530	1925	835	5355	3954	5131
Other Comprehensive Income (Net of Tax)	-	-	-	-	-	(11)
Total Comprehensive Income	1530	1925	835	5355	3954	5120
Paid-up Equity Share Capital (Face Value Rs.10/-)	1242	1242	1242	1242	1242	1242
Reserves (excluding Revaluation Reserves)	--	--	--	--	--	25102
Earning Per Share (before Extraordinary items) (not annualised)						
- Basic	Rs.12.32	Rs.15.50	Rs. 6.72	Rs.43.12	Rs. 31.84	Rs. 41.22
- Diluted	Rs.12.31	Rs.15.49	Rs. 6.72	Rs.43.08	Rs. 31.84	Rs. 41.21
Earning Per Share (after Extraordinary items) (not annualised)						
- Basic	Rs.12.32	Rs.15.50	Rs. 6.72	Rs.43.12	Rs. 31.84	Rs. 41.22
- Diluted	Rs.12.31	Rs.15.49	Rs. 6.72	Rs.43.08	Rs. 31.84	Rs. 41.21

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**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE
QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2016****NOTES:**

1. The above results were reviewed by the Audit Committee and thereafter approved by the Board of Directors in their meeting held at Mumbai on 24th January, 2017. The Statutory Auditors of the Company has conducted a Limited Review of the above financial results.
2. The Company has adopted Indian Accounting Standards (Ind-AS) from April 1,2016 and accordingly, these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act , 2013 read with the relevant rules issued thereunder and other accounting principles relevant thereto.
3. Reconciliation between Financial Results, as previously reported under Indian GAAP and Ind AS for previous quarters/year presented are as under:

Nature of Adjustments	Profit Reconciliation		
	Quarter ended	Nine Months ended	Year ended
	31.12.2015	31.12.2015	31.03.2016
Net Profit as per Previous Indian GAAP	836	3955	5120
i) Acturial (gain) / loss on employee defined funds recognised in Other Comprehensive Income	-	-	11
ii) Employee Stock Compensation valued at Fair Value	-	-	1
iii) Discounting impact of Long Term Provision	(1)	(1)	(1)
Total (i to iii)	(1)	(1)	11
Net Profit before OCI under Ind AS	835	3954	5131
Other Comprehensive Income (Net of Tax)	-	-	(11)
Total Comprehensive Income under Ind AS	835	3954	5120

4. 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".
5. 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

DAVINDER S. JAAJ & CO.

CHARTERED ACCOUNTANTS

Office : SCO 18, IIInd Floor, Sector 17-E, Chandigarh - 160 017
Tel. : 91-172-4630700, 2703706 E-mail : jaajco@gmail.com

The Board of Directors,
Swaraj Engines Limited,
S.A.S.Nagar (Mohali),
Punjab

Limited Review Report

We have reviewed the accompanying statement of unaudited financial results of Swaraj Engines Limited ("the Company") for the quarter and nine months ended on 31st December 2016, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This statement is the responsibility of the Company's Management and approved by the Board of Directors, which have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 'Internal Financial Reporting' ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the aforesaid Indian Accounting Standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For M/S DAVINDER S.JAAJ & CO.
Chartered Accountants
Firm Registration No: 000969N

Sumeet Singh Dhir
Partner
Membership No: 094370



Place: Chandigarh
Date : 24th January 2017

Press Release**Swaraj Engines Q3 profit Zooms 83%**

Mumbai, 24th January, 2017: The Board of Directors of Swaraj Engines Limited (SEL) met today to consider and approve the financial results for the third quarter and nine month period ended 31st December, 2016.

Riding on the strong engines demand from its key customer – Swaraj Division of Mahindra & Mahindra Limited, **SEL posted a significant jump of 83% in its Profit After Tax at 15.3 crores** for the third quarter ended 31st December, 2016.

Q3 (Oct. – Dec. 2016)

In the backdrop of growth witnessed in the tractor industry during the current fiscal, demand for tractor engines stayed strong during third quarter as well. As a result, engine sales for Q3 of current fiscal registered an impressive growth of 49.1% and achieved its ever highest third quarter engines sale of 19,150 units as compared 12,845 units during corresponding quarter of last year.

Reflecting above volume growth, net operating revenue for the third quarter stood at Rs. 154.8 crores compared to last year's Rs. 105.6 crores - a growth of 46.6%. The enhanced level of operations and overall operational efficiencies helped to improve the Operating Margin (EBITDA) by 280 basis points - 14.9% compared to last year's 12.1%.

Profit Before Tax (PBT) for this quarter at Rs. 23.4 crores (last year Rs. 13.2 crores) posted a growth of 77.3% with improvement in margin from 12.5% to 15.1%. Profit After Tax for the quarter stood at Rs. 15.3 crores (last year Rs. 8.4 crores).

Nine month period (Apr. – Dec. 2016)

On the strength of growth posted in all the three quarters of current fiscal, the nine month period ended 31st December, 2016 witnessed a cumulative increase of 24.6% in engine sales volume which stood at 62,455 units as compared to 50,118 units sold during the same period last year. While Profit Before Tax for the nine month period stood at Rs. 82.0 crores (last year Rs. 59.7 crores), Profit After Tax at Rs. 53.5 crores (last year Rs. 39.5 crores) has translated into a basic earning per share of Rs. 43.12 (last year Rs. 31.84).

Taking note of the emerging demand scenario in the coming years and to timely cater the upcoming demand of its key customer, the Board of Directors have today also considered and approved the capacity enhancement project to increase its capacity to 1,20,000 per annum from existing 1,05,000 per annum by the end of next fiscal. This capacity expansion will be fully financed through the internal resources.



About Swaraj Engines Ltd.

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

For further information please contact:

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