

SWARAJ ENGINES LIMITED

Works :

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

The logo for Swaraj Engines Limited, featuring the word "Swaraj" in white capital letters on a green rectangular background.

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02/SP/EXCH
23rd January, 2018

The General Manager
Corp. Relationship Deptt
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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 23rd January, 2018 at Mumbai have approved the Unaudited Financial Results of the Company for the third quarter and nine month period ended 31st December, 2017. 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 UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2017

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue from Operations	18,326	20,866	17,410	61,011	56,847	74,918
Other Income	490	510	444	1,482	1,361	1,718
Total Income	18,816	21,376	17,854	62,493	58,208	76,636
Expenses						
a) Cost of Materials Consumed	13,962	15,255	11,812	43,924	37,758	49,292
b) Changes in Inventories of Finished Goods and Work-in-Progress	(236)	324	(374)	(331)	(244)	262
c) Excise Duty	-	-	1,933	2,421	6,310	8,304
d) Employee Benefits Expense	888	887	806	2,583	2,291	3,098
e) Finance Costs	-	-	5	-	9	12
f) Depreciation and Amortization Expense	420	423	395	1,265	1,208	1,628
g) Other Expenses	1,145	892	934	3,111	2,677	3,494
Total Expenses	16,179	17,781	15,511	52,973	50,009	66,090
Profit before Exceptional Items and Tax	2,637	3,595	2,343	9,520	8,199	10,546
Exceptional Items	-	-	-	-	-	-
Profit before Tax	2,637	3,595	2,343	9,520	8,199	10,546
Tax Expense - Current	929	1,212	853	3,267	2,921	3,796
- Deferred	(15)	33	(40)	30	(77)	(133)
- Total	914	1,245	813	3,297	2,844	3,663
Profit for the Period	1,723	2,350	1,530	6,223	5,355	6,883
Other Comprehensive Income						
A) (i) Items that will not be reclassified to Profit or Loss	-	-	-	-	-	30
(ii) Income Tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	(10)
B) (i) Items that will be reclassified to Profit or Loss	-	-	-	-	-	-
(ii) Income Tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
Other Comprehensive Income (Net of Tax)	-	-	-	-	-	20
Total Comprehensive Income for the Period	1,723	2,350	1,530	6,223	5,355	6,903
Paid-up Equity Share Capital (Face Value ₹10/-)	1,242	1,242	1,242	1,242	1,242	1,242
Other Equity	-	-	-	-	-	27,095
Earning Per Share (not annualized)						
- Basic	₹ 13.88	₹ 18.92	₹ 12.32	₹ 50.11	₹ 43.12	₹ 55.42
- Diluted	₹ 13.86	₹ 18.89	₹ 12.31	₹ 50.06	₹ 43.08	₹ 55.38

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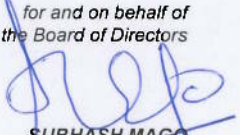
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STATEMENT OF UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2017

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 23rd January, 2018. The Statutory Auditors of the company has conducted a Limited Review of the above financial results.
2. 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. Post the applicability of GST with effect from 1st July 2017, Sales are disclosed net of GST. Accordingly, the Gross Sales figures for the quarter and nine months ended 31st December 2017 are not comparable with the Sales Figures depicted in the results for the previous periods. Similarly, other expenses are also netted off to the extent of ₹ 115 Lakhs for the quarter ended 30th September, 2017 on account of reversal of Excise Duty on Finished Stock as the same is no longer required consequent to implementation of GST.
4. The Board, at its meeting held on 28th November 2017, approved a proposal for the Company to buyback its fully paid-up equity shares of face value of Rs.10/- each from the eligible equity shareholders of the Company on a proportionate basis by way of tender offer for an amount not exceeding Rs.70.74 Crores in accordance with the provisions of the Companies Act, 2013 and SEBI (Buy back of Securities) Regulations, 1998. The shareholders approved the said proposal of buyback of Equity Shares through the postal ballot, the result of which was declared on 3rd January 2018. The Buyback offer comprises a purchase of upto 2,94,746 Equity Shares aggregating to 2.37% of the paid-up equity share capital of the Company at a price of Rs.2,400/- per equity share. The buyback will be offered to all eligible equity shareholders of the Company as on the Record Date i.e. 12th January 2018.
The proposed buy back is expected to be concluded in the next quarter and will result in reduction in Equity Share Capital & General Reserve, not exceeding, Rs.0.29 Crores and Rs.70.45 Crores respectively.
5. 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".
6. Previous year/period figures have been regrouped / recast, wherever necessary, to make them comparable.

for and on behalf of
the Board of Directors


SUBHASH MAGA
Whole Time Director &
Chief Executive Officer

INDEPENDENT AUDITOR'S REVIEW REPORT

To,
The Board of Directors
Swaraj Engines Limited

**LIMITED REVIEW REPORT OF THE STANDALONE UNAUDITED FINANCIAL RESULTS OF
SWARAJ ENGINES LIMITED FOR THE QUARTER AND NINE MONTHS ENDED 31.12.2017**

1. We have reviewed the accompanying statement of Standalone Unaudited Financial Results for the quarter and nine months ended 31st December, 2017 ("the Statement") of **Swaraj Engines Limited** ("the Company") being submitted by the Company, pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principals laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind-AS 34") prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial results based on our review.

2. We conducted our review of the Statement 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, to the extent applicable. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether Statement is free of material misstatements. 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.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed, in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B.K. Khare & Co.

Chartered Accountants

Firm Registration No. - 105102W



Padmini Khare Kaicker

Partner

Membership No. 044784

Place: Mumbai

Date: January 23, 2018

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Press Release

Swaraj Engines Posted PAT of Rs. 17.2 crores for Q3 – up 12.6%

Mumbai, 23rd January, 2018: 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, 2017.

Q3 (Oct. – Dec. 2017)

On the strength of growth journey witnessed in the tractor industry during the current fiscal and in the backdrop of continued strong engines demand emerged from its key customer – Swaraj Division of Mahindra & Mahindra Limited – the Company posted its ever best Q3 financial results in terms of both engine sales volume and profit.

The engine sales for the third quarter ended 31st December, 2017 stood at 21,971 units as compared to 19,150 for the same period last year, an increase on 14.7%. This is the 9th successive quarter where the Company has registered growth over the respective corresponding quarter of previous financial year.

Reflecting above volume growth and increased demand for higher horse power engines, net operating revenue for the third quarter at Rs. 183.3 crores registered an increase of 18.4% over last year's Rs. 154.8 crores. The increase in operating expenses is primarily on account of onetime expense provided for Company's ongoing buyback proposal.

Profit Before Tax (PBT) for this quarter stood at Rs. 26.4 crores (last year Rs. 23.4 crores) and Profit After Tax was Rs. 17.2 crores (last year Rs. 15.3 crores).

Nine month period (Apr. – Dec. 2017)

For the cumulative nine month period ended 31st December, 2017, the engine sales volume at 70,242 units witnessed a growth of 12.5% over 62,455 units sold during the corresponding period of last year. With the growth in engine sales, total operating revenue for this period also moved to Rs. 585.9 crores from last year's Rs. 505.4 crores.

While Profit Before Tax for the nine month period stood at Rs. 95.2 crores (last year Rs. 82.0 crores) - up 16.1%, Profit After Tax at Rs. 62.2 crores (last year Rs. 53.5 crores) registered an increase of 16.2% and has translated into a basic earning per share of Rs. 50.11 (last year Rs. 43.12).

Update on Buyback

The Board of Directors, at its meeting held on 28th November, 2017, approved a proposal for the Company to buyback upto 2,94,746 fully paid up equity shares of Rs.10/- each (representing 2.37% of total Paid-up Equity Share Capital) from its shareholders at a price of Rs. 2,400/- per equity share on a proportionate basis by way of a tender offer for an aggregate amount not exceeding Rs. 70.74 crores in accordance with the

provisions of the Companies Act, 2013 and the SEBI (Buy Back of Securities) Regulations, 1998. The buyback proposal was also approved by the shareholders through postal ballot, the results of which were declared on 3rd January, 2018. The Company has received observations from Securities and Exchange Board of India (SEBI) on the Draft Letter of Offer for the Buyback and in accordance with the SEBI (Buyback of Securities) Regulations, 1998, the Letter of Offer for the Buyback to eligible shareholders appearing on the record date of 12th January, 2018 will be mailed / despatched by 24th January, 2018. The offer will open on 31st January, 2018 and will end on 14th February, 2018.

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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