

# 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.

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

02/SP/EXCH  
26<sup>th</sup> April, 2016

**The General Manager  
Corp. Relationship Deptt  
BSE Ltd.**

1<sup>st</sup>. 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: AUDITED FINANCIAL RESULTS**

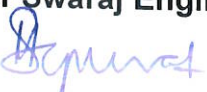
Dear Sir,

This is to inform that Board of Directors of Swaraj Engines Limited in their meeting held today the **26<sup>th</sup> April, 2016** at Mumbai have approved the Audited financial results of the Company for the financial year ended 31<sup>st</sup> March, 2016. Copy of the audited results and press release together with Independent Auditors Report and Form A are enclosed herewith.

Further, the Board, while approving the annual accounts, has recommended an equity dividend of 150% (Rs.15 per share) for the financial year ended 31<sup>st</sup> March, 2016. Further, keeping in view of Company's surplus cash position, the Board, over and above the said normal dividend, has again recommended special dividend payment of 180% (Rs.18 per share), taking the total dividend to 330% (Rs. 33 per share) for the FY 2015-16.

With regards,

**For Swaraj Engines Limited**

  
**(M.S.GREWAL)**  
**Company Secretary**

# SWARAJ ENGINES LIMITED

CIN : L50210PB1985PLC006473

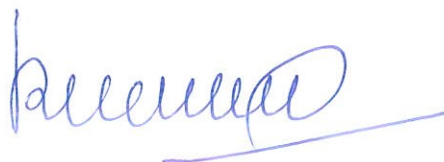
Regd. Office : Phase IV, Industrial Area, S.A.S.Nagar (Mohali), Punjab - 160 055

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, 2016

Rs. Lakhs

| Particulars                                                                                 | Quarter Ended  |              |                | Year Ended   |              |
|---------------------------------------------------------------------------------------------|----------------|--------------|----------------|--------------|--------------|
|                                                                                             | 31.03.2016     | 31.12.2015   | 31.03.2015     | 31.03.2016   | 31.03.2015   |
|                                                                                             | (Audited)      | (Unaudited)  | (Audited)      | (Audited)    | (Audited)    |
| <b>PART I</b>                                                                               | (Refer Note 5) |              | (Refer Note 5) |              |              |
| <b>Income from Operations</b>                                                               |                |              |                |              |              |
| Net Sales / Income from Operations                                                          | 11340          | 10511        | 10369          | 52343        | 53634        |
| Other Operating Income                                                                      | 59             | 48           | 61             | 248          | 336          |
| <b>Total Income from Operations (Net)</b>                                                   | <b>11399</b>   | <b>10559</b> | <b>10430</b>   | <b>52591</b> | <b>53970</b> |
| <b>Expenses</b>                                                                             |                |              |                |              |              |
| a) Cost of Materials Consumed                                                               | 8796           | 7667         | 7480           | 39600        | 40476        |
| b) Purchases of Stock-in-Trade                                                              | -              | -            | -              | -            | -            |
| c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade            | (336)          | 339          | 344            | (27)         | 432          |
| d) Employee Benefits Expense                                                                | 777            | 750          | 745            | 3187         | 3083         |
| e) Depreciation and Amortisation Expense                                                    | 350            | 325          | 302            | 1380         | 1320         |
| f) Other Expenses                                                                           | 577            | 528          | 524            | 2472         | 2507         |
| <b>Total Expenses</b>                                                                       | <b>10164</b>   | <b>9609</b>  | <b>9395</b>    | <b>46612</b> | <b>47818</b> |
| <b>Profit from Operations before Other Income, Finance Costs and Exceptional Items</b>      | <b>1235</b>    | <b>950</b>   | <b>1035</b>    | <b>5979</b>  | <b>6152</b>  |
| Other Income                                                                                | 402            | 374          | 411            | 1630         | 1631         |
| <b>Profit from Ordinary Activities before Finance Costs and Exceptional Items</b>           | <b>1637</b>    | <b>1324</b>  | <b>1446</b>    | <b>7609</b>  | <b>7783</b>  |
| Finance Costs                                                                               | -              | 2            | -              | 4            | 1            |
| <b>Profit from Ordinary Activities after Finance Costs but before Exceptional Items</b>     | <b>1637</b>    | <b>1322</b>  | <b>1446</b>    | <b>7605</b>  | <b>7782</b>  |
| Exceptional Items                                                                           | -              | -            | -              | -            | -            |
| <b>Profit from Ordinary Activities before Tax</b>                                           | <b>1637</b>    | <b>1322</b>  | <b>1446</b>    | <b>7605</b>  | <b>7782</b>  |
| Tax Expense - Current                                                                       | 392            | 463          | 714            | 2325         | 2644         |
| - Deferred                                                                                  | 80             | 23           | (93)           | 160          | (46)         |
| - Total                                                                                     | 472            | 486          | 621            | 2485         | 2598         |
| <b>Net Profit from Ordinary Activities after Tax</b>                                        | <b>1165</b>    | <b>836</b>   | <b>825</b>     | <b>5120</b>  | <b>5184</b>  |
| Extraordinary Items - (Net of Tax Expense)                                                  | -              | -            | -              | -            | -            |
| <b>Net Profit for the Period</b>                                                            | <b>1165</b>    | <b>836</b>   | <b>825</b>     | <b>5120</b>  | <b>5184</b>  |
| Share of Profit / (Loss) of Associates                                                      | -              | -            | -              | -            | -            |
| Minority Interest                                                                           | -              | -            | -              | -            | -            |
| <b>Net Profit after Taxes, Minority Interest and Share of Profit / (Loss) of Associates</b> | <b>1165</b>    | <b>836</b>   | <b>825</b>     | <b>5120</b>  | <b>5184</b>  |
| Paid-up Equity Share Capital (Face Value Rs.10/-)                                           | 1242           | 1242         | 1242           | 1242         | 1242         |
| Reserves (excluding Revaluation Reserves)                                                   | --             | --           | --             | 20163        | 19965        |
| <b>Earning Per Share (before Extraordinary items) (not annualised)</b>                      |                |              |                |              |              |
| - Basic                                                                                     | Rs. 9.38       | Rs. 6.74     | Rs. 6.64       | Rs. 41.22    | Rs. 41.74    |
| - Diluted                                                                                   | Rs. 9.37       | Rs. 6.74     | Rs. 6.64       | Rs. 41.21    | Rs. 41.74    |
| <b>Earning Per Share (after Extraordinary items) (not annualised)</b>                       |                |              |                |              |              |
| - Basic                                                                                     | Rs. 9.38       | Rs. 6.74     | Rs. 6.64       | Rs. 41.22    | Rs. 41.74    |
| - Diluted                                                                                   | Rs. 9.37       | Rs. 6.74     | Rs. 6.64       | Rs. 41.21    | Rs. 41.74    |



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## STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2016

### NOTES:

#### 1. Statement of Assets and Liabilities

| Particulars                                | Rs. Lakhs               |                         |
|--------------------------------------------|-------------------------|-------------------------|
|                                            | As At                   | As At                   |
|                                            | 31.03.2016<br>(Audited) | 31.03.2015<br>(Audited) |
| <b>EQUITY AND LIABILITIES</b>              |                         |                         |
| <b>Shareholders' Funds</b>                 |                         |                         |
| a) Share Capital                           | 1242                    | 1242                    |
| b) Reserves and Surplus                    | 20163                   | 19965                   |
| <b>Sub Total - Shareholders' Funds</b>     | <b>21405</b>            | <b>21207</b>            |
| <b>Non-current Liabilities</b>             |                         |                         |
| a) Deferred Tax Liabilities (Net)          | 760                     | 632                     |
| b) Long-term Provisions                    | 255                     | 217                     |
| <b>Sub Total - Non-current Liabilities</b> | <b>1015</b>             | <b>849</b>              |
| <b>Current Liabilities</b>                 |                         |                         |
| a) Trade Payables                          | 5401                    | 4818                    |
| b) Other Current Liabilities               | 688                     | 482                     |
| c) Short-term Provisions                   | 5153                    | 5177                    |
| <b>Sub Total - Current Liabilities</b>     | <b>11242</b>            | <b>10477</b>            |
| <b>TOTAL - EQUITY AND LIABILITIES</b>      | <b>33662</b>            | <b>32533</b>            |
| <b>ASSETS</b>                              |                         |                         |
| <b>Non-current Assets</b>                  |                         |                         |
| a) Fixed Assets                            | 10207                   | 8863                    |
| b) Long-term Loans & Advances              | 421                     | 589                     |
| <b>Sub Total - Non-current Assets</b>      | <b>10628</b>            | <b>9452</b>             |
| <b>Current Assets</b>                      |                         |                         |
| a) Current Investments                     | 1040                    | 4204                    |
| b) Inventories                             | 2775                    | 3314                    |
| c) Trade Receivables                       | 749                     | 687                     |
| d) Cash and Bank Balances                  | 17426                   | 13986                   |
| e) Other Current Assets                    | 710                     | 556                     |
| f) Short-term Loans and Advances           | 334                     | 334                     |
| <b>Sub Total - Current Assets</b>          | <b>23034</b>            | <b>23081</b>            |
| <b>TOTAL - ASSETS</b>                      | <b>33662</b>            | <b>32533</b>            |

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 26th April, 2016. The Statutory Auditors have audited the financial results for the year ended 31st March, 2016.

3. The Board of Directors have recommended a dividend of Rs.15 per share and a special dividend of Rs.18 per share taking the total dividend to Rs.33 per share, subject to the approval of the shareholders at the Annual General Meeting.

4. The Central Government in consultation with National Advisory Committee on Accounting Standards has amended Companies (Accounting Standard) Rules 2006 ('principal rules'), vide notification issued by Ministry of Corporate Affairs dated 30th March, 2016. The Companies (Accounting Standards Rules, 2016 is effective 30th March, 2016. According to the amended rules, the proposed dividend mentioned above in Note 3 will not be recorded as a liability as at 31st March, 2016 (Refer para 8.5 of AS-4 Contingencies and Events occurring after Balance Sheet Date). The Company believes, that the Rule 3(2) of the principal rules has not been withdrawn or replaced and accordingly, the Companies (Accounting Standards) Rules, 2016 will apply for the accounting periods commencing on or after 30th March, 2016. Therefore the Company has recorded Rs.4932.91 lakhs as liability for proposed dividends (including corporate dividend tax) as at 31st March, 2016.

5. 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.

6. The Company is primarily engaged in the business of diesel engines, diesel engines components and spare parts. As the basic nature of these activities are governed by same set of risk and returns, these have been grouped as single segment in above disclosures as per Accounting Standard 17 dealing with "Segment Reporting".

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

for and on behalf of  
the Board of Directors

  
M.N.KAUSHAL  
Whole-time Director

# 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

### Independent Auditors Report to the Board of Directors of Swaraj Engines Limited

1. We have audited the accompanying Statement of Financial Results of Swaraj Engines Limited ('the Company') for the year ended 31<sup>st</sup> March, 2016 ('the Statement'), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared on the basis of the related financial statements which is in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.
2. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 financial statements.

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

3. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
  - (i) is 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 of the Company for the year ended 31<sup>st</sup> March, 2016.
4. The Statement includes results for the quarter ended 31<sup>st</sup> March, 2016 being the balancing figures between audited figures in respect of full financial year and the published year to date figures up to the third quarter of the current financial year which are subject to Limited Review by us.

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

Sumeet Singh Dhillon  
Partner  
Membership No-094370



Place: Mumbai  
Date: 26th April 2016

# 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 lowercase letters on a green rectangular background.

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## FORM A

|    |                                                |                              |
|----|------------------------------------------------|------------------------------|
| 1. | Name of the Company                            | Swaraj Engines Limited       |
| 2. | Annual financial statements for the year ended | 31 <sup>st</sup> March, 2016 |
| 3. | Type of Audit Observation                      | Un-modified Audit Report     |
| 4. | Frequency of Observation                       | N.A.                         |

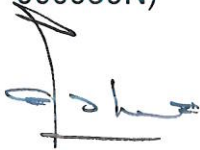
Handwritten signature of Rajinder Arora in blue ink.

Rajinder Arora  
Chief Financial Officer

Handwritten signature of M.N. Kaushal in blue ink.

M.N. Kaushal  
Whole Time Director

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

26/04/16

**Press Release****SEL Board Recommends 330% Dividend**

**Mumbai, 26<sup>th</sup> April, 2016:** The Board of Directors of Swaraj Engines Limited (SEL) today announced the audited financial results for the quarter and year ended 31<sup>st</sup> March, 2016.

**Q4 (Jan. – Mar. 16)**

SEL posted an increase of 41% in its Profit After Tax (PAT) of Rs. 11.6 crores for the fourth quarter ended 31<sup>st</sup> March, 2016 over corresponding quarter of last year.

The engine sales during the quarter moved to 13,970 units from last year's 12,344 units – an increase of 13%. The net operating revenue for the quarter stood at Rs. 114.0 crores (last year Rs. 104.3) and with the increased revenue coupled with operational efficiencies, operating profit at Rs. 15.8 crores registered an increase of 18.5% over last year. The Profit Before Tax (PBT) of Rs. 16.4 crores represents an improved margin of 14.4% of net operating revenue against last year's 13.9%.

**FY 2015 - 2016**

While the tractor industry after witnessing a de-growth in FY 2014-15, remained sluggish and registered further decline during FY 2015-16. However, Company's engine sale for the year at 64,088 units remained also flat compared to last year's sale of 64,595 units. As a results, Net Operating Revenue for the financial year ended 31<sup>st</sup> March, 2016 stood at Rs. 525.9 crores as against Rs. 539.7 crores. Despite decrease in net operating revenue, Company's operating margin improved to 14.0% from last year's level of 13.8%. While Profit Before Tax for the year stood at Rs. 76.0 crores (last year Rs. 77.8 crores), Profit After Tax at Rs. 51.2 crores (last year Rs. 51.8 crores) has translated into an earning per share of Rs. 41.22 (last year Rs. 41.74).

**Dividend**

The Board, while approving the annual accounts, has recommended an equity dividend of 150% (Rs.15.00 per share) for the financial year ended 31<sup>st</sup> March, 2016. Further, keeping in view of Company's surplus cash position, the Board, over and above the said normal dividend, has also recommended a special dividend payment of 180% (Rs.18.00 per share), taking the total dividend to 330% (Rs.33.00 per share) for the FY 2015-16 same as declared and paid for FY 2014-15.

**About Swaraj Engines Ltd.**

Swaraj Engines Limited (SEL) was set up in 1985 in Mohali, Punjab. SEL is in the business of supplying engines to the Swaraj Division of Mahindra & Mahindra Ltd. (M&M). The Company is also manufacturing hi-tech engine components for SML Isuzu Ltd.

For further information please contact:

Mr. M.N.Kaushal, Whole Time Director

Phone: (+91-172) 2234941-47, email: kaushal.mahesh@swarajenterprise.com