

SWARAJ ENGINES LIMITED

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



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02/SP/EXCH
23rd April, 2018

BSE Limited
Listing Department
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Mumbai – 400 001
Email: corp.relations@bseindia.com

National Stock Exchange of India Limited
Capital Market-Listing, Exchange Plaza,
Bandra Kurla Complex,
Bandra (E),
Mumbai- 400051
Email: cmlist@nse.co.in

Ref: Script Code: 500407

Script Name: SWARAJENG

SUB: Outcome of the Board Meeting

A) Audited Financial Results for the year ended 31st March, 2018

This is to inform that the Board of Directors of Swaraj Engines Limited in their meeting held today the **23rd April, 2018** have approved and taken on record the Audited financial results of the Company for the year ended 31st March, 2018. Copy of the audited results and press release together with Independent Auditors Report are enclosed herewith.

Further pursuant to SEBI Circular No. CIR/CFD/CMD/56/2016 dated 27th May, 2016, the Company hereby declares that the Statutory Auditors, B.K.Khare & Co., Chartered Accountants, have issued the Audit Report with unmodified opinion on the financial results of the Company for the year ended 31st March, 2018.

B) Recommendation of Dividend

Further, the Board, while approving the annual accounts, has recommended an equity dividend of 250% (Rs. 25.00 per share) for the financial year ended 31st March, 2018. 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. 25.00 per share), taking the total dividend to 500% (Rs. 50.00 per share) for FY 2017-18.

C) Annual General Meeting and Book Closure

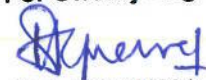
The Register of Members and Share Transfer Books of the Company will remain closed from 14th July, 2018 to 20th July, 2018 (both days inclusive) for the purpose of determining the Members eligible to receive the dividend, if declared by the shareholders at the ensuing Annual General Meeting scheduled to be held on 30th July, 2018. The dividend, if declared, shall be paid on or before 7th August, 2018.

The meeting of the Board of Directors of the Company commenced at 4.00 P.M. and concluded at 5.25 P.M.

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, 2018

₹ Lakhs

Particulars	Quarter Ended			Year Ended	
	31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
	(Refer Note 6)		(Refer Note 6)		
Revenue from Operations	18,526	18,326	18,071	79,537	74,918
Other Income	414	490	360	1,896	1,721
Total Income	18,940	18,816	18,431	81,433	76,639
Expenses					
a) Cost of Materials Consumed	13,658	13,962	11,534	57,582	49,292
b) Changes in Inventories of Finished Goods and Work-in-Progress	181	(236)	506	(150)	262
c) Excise Duty	-	-	1,994	2,421	8,304
d) Employee Benefits Expense	894	888	807	3,477	3,098
e) Finance Costs	101	-	(8)	101	1
f) Depreciation and Amortization Expense	417	420	420	1,682	1,628
g) Other Expenses	937	1,145	831	4,048	3,508
Total Expenses	16,188	16,179	16,084	69,161	66,093
Profit before Exceptional Items and Tax	2,752	2,637	2,347	12,272	10,546
Exceptional Items	-	-	-	-	-
Profit before Tax	2,752	2,637	2,347	12,272	10,546
Tax Expense - Current	1,059	929	875	4,326	3,796
- Deferred	(94)	(15)	(56)	(64)	(133)
- Total	965	914	819	4,262	3,663
Profit for the Period	1,787	1,723	1,528	8,010	6,883
Other Comprehensive Income					
A) (i) Items that will not be reclassified to Profit or Loss	(45)	-	30	(45)	30
(ii) Income Tax relating to items that will not be reclassified to profit or loss	16	-	(10)	16	(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)	(29)	-	20	(29)	20
Total Comprehensive Income for the Period	1,758	1,723	1,548	7,981	6,903
Paid-up Equity Share Capital (Face Value ₹10/-)	1,213	1,242	1,242	1,213	1,242
Other Equity	-	-	-	21,637	27,095
Earning Per Share (not annualized)					
- Basic	₹ 14.50	₹ 13.88	₹ 12.30	₹ 64.62	₹ 55.42
- Diluted	₹ 14.49	₹ 13.86	₹ 12.30	₹ 64.56	₹ 55.38

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STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTES:

1. Statement of Assets and Liabilities

Particulars	₹ Lakhs	
	As At	As At
	31.03.2018	31.03.2017
	(Audited)	(Audited)
I. ASSETS		
Non-Current Assets		
a) Property, Plant & Equipment	9,163	9,092
b) Capital Work-in-Progress	417	38
c) Investment Property	24	25
d) Intangible Assets	8	8
e) Intangible Assets under Development	178	46
f) Other Non-Current Assets	1,089	384
Total - Non-Current Assets	10,879	9,593
Current Assets		
a) Inventories	3,192	2,608
b) Financial Assets		
i) Investments	7,610	4,891
ii) Trade Receivables	1,527	1,307
iii) Cash and Cash Equivalents	305	199
iv) Other Balances with Banks	4,440	4,668
v) Other Financial Assets	5,938	13,754
c) Other Current Assets	859	196
Total - Current Assets	23,871	27,623
TOTAL ASSETS	34,750	37,216
II. EQUITY AND LIABILITIES		
Equity		
a) Equity Share Capital	1,213	1,242
b) Other Equity	21,637	27,095
Total Equity	22,850	28,337
Liabilities		
Non-Current Liabilities		
a) Long Term Provisions	356	289
b) Deferred Tax Liabilities (Net)	579	627
Total - Non-Current Liabilities	935	916
Current Liabilities		
a) Financial Liabilities		
i) Trade Payables	9,847	7,013
ii) Other Financial Liabilities	591	288
b) Short Term Provisions	413	227
c) Other Current Liabilities	114	435
Total - Current Liabilities	10,965	7,963
TOTAL - EQUITY AND LIABILITIES	34,750	37,216

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 23rd April, 2018. The Statutory Auditors have audited the financial results for the year ended 31st March, 2018 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 Board of Directors have recommended a dividend of Rs.25/- per share and a special dividend of Rs. 25/- per share taking the total dividend to Rs.50/-per share, subject to the approval of the shareholders at the Annual General Meeting.

4. 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 full year ended 31st March 2018 are not comparable with the Sales Figures depicted in the results for the previous periods.

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STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2018

5. 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 was offered to all eligible equity shareholders of the Company as on the Record Date i.e. 12th January 2018. The Company concluded the buyback procedures on 26th February 2018 and accordingly, 2,94,746 shares were extinguished.
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



SUBHASH MAGOO
Whole Time Director &
Chief Executive Officer

Press Release

(23rd April, 2018)

Board Recommends 500% Dividend

Mumbai, 23rd April, 2018: The Board of Directors of Swaraj Engines Limited (SEL) today announced the audited financial results for the quarter and year ended 31st March, 2018.

FY 2017-18

On the back of overall growing tractor industry scenario during the year and resultant enhanced demand from its key customer - Swaraj Division of Mahindra & Mahindra Limited - SEL has attained its highest ever engines sale of 92,022 units (last year 82,297 units) during the financial year ended 31st March, 2018 – a growth 11.8%. With rise in engines sale volume coupled with increase in the share of higher HP engines sale, Net Operating Revenue for the fiscal 2018 stood at Rs. 771.2 crores as against Rs. 666.1 crores for the last year – a growth of 15.8%.

With continuous focus on cost front, the Company has achieved operating margin of 15.8% (last year 15.7%) on net operating revenue. While Profit Before Tax (PBT) for the year reached Rs. 122.7 crores (last year Rs. 105.5 crores), the Profit After Tax (PAT), including other comprehensive income (net of tax), registered a growth of 15.6% and stood at Rs. 79.8 crores (last year Rs. 69.0 crores) - the highest ever profit for any financial year.

Q4 (January – March 18)

For the fourth quarter ended 31st March, 2018, SEL posted a growth of 9.8% in its engines sale of 21,780 units (last year 19,842 units) - the highest ever engines sale volume for the fourth quarter and 10th consecutive quarter of growth over corresponding respective quarter of previous year. With increased volume, the Company's net operating revenue for the quarter stood at Rs. 185.3 crores, compared to last year's Rs. 160.8 crores - an increase of 15.2%.

While the Profit Before Tax for the quarter stood at Rs. 27.5 crores (last year Rs. 23.5 crores), Profit After Tax, including other comprehensive income (net of tax) reached Rs. 17.6 crores (last year Rs. 15.5 crores) – an increase of 13.6%.

Dividend

The Board, while approving the annual accounts, has recommended an equity dividend of 250% (Rs.25/- per share) for the financial year ended 31st March, 2018. 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 500% (Rs. 50/- per share) for the FY 2017-18.

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:

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Whole Time Director & Chief Executive Officer
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**Auditor's Report on the Standalone Results of the Company for the quarter and year ended
March 31, 2018 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure
Requirements) Regulations, 2015**

To
The Board of Directors
Swaraj Engines Limited

1. We have audited the Standalone Financial Results ('Financial Results') of Swaraj Engines Limited ('the Company') for the quarter and year ended on March 31, 2018, attached herewith, being submitted by the Company pursuant to the requirement of regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The quarterly standalone financial results for the quarter ended March 31, 2018 are the derived figures between the audited figures for the year ended March 31, 2018 and the published year-to-date figures up to December 31, 2017, being the end of the previous quarter of the current financial year, which were subjected to a limited review.
2. The Standalone Financial Results for the quarter ended March 31, 2018 have been prepared on the basis of interim standalone financial statements for the nine-month period ended December 31, 2017, the audited standalone financial statements for the year ended March 31, 2018 and the relevant requirements of regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. The standalone interim financial statements for the nine-month period ended December 31, 2017 and the audited standalone financial statements for the year ended March 31, 2018 have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 – "Interim Financial Reporting" and the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013, respectively, read with the relevant rules issued thereunder, and other accounting principles generally accepted in India.
3. Our responsibility is to express an opinion on these standalone financial results based on our review of such interim standalone financial statements and audit of the standalone financial statements as at and for the year ended March 31, 2018.
4. 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 of material misstatements. An audit



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includes examining on a test basis, evidence supporting the amounts disclosed in the financial results. An audit also includes assessing the accounting principles used and the significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

5. In our opinion and to the best of our information and according to the explanations given to us these quarterly and annual standalone financial results for the quarter and year ended March 31, 2018:
- (i) are presented in accordance with the requirements of regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
 - (ii) give a true and fair view of the standalone net profit and other financial information of the Company for the quarter and year ended on March 31, 2018.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W



Padmini Khare Kaicker
Partner
M. No. 044784



Mumbai, April 23, 2018