

SWARAJ ENGINES LIMITED

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

02/SP/EXCH
8th May, 2020

Tel. : 0172-2234941-47, 2234950

BSE Limited
Listing Department
P.J. Towers, 1st Floor,
Dalal Street, Fort,
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

Scrip Code: 500407

Scrip Name: SWARAJENG

SUB: Outcome of the Board Meeting

A) Audited Financial Results for the year ended 31st March, 2020

This is to inform that the Board of Directors of Swaraj Engines Limited in their meeting held today the **8th May, 2020** have approved and taken on record the Audited financial results of the Company for the year ended 31st March, 2020. Copy of the audited results and press release are enclosed herewith.

In compliance with the provisions of Regulation 33(3)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("Listing Regulations"), 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, 2020. Copy of the same is enclosed herewith.

B) Recommendation of Dividend

The Board, while approving the annual accounts, has recommended an equity dividend of **25%** (Rs. **25** per share) for the financial year ended 31st March, 2020. Further, the Board, over and above the said normal dividend, has also recommended a special dividend payment of **150%** (Rs. **15** per share), taking the total dividend to **400%** (Rs. **40** per share) for FY 2019-20.

C) Annual General Meeting and Book Closure

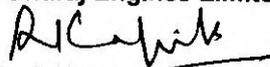
The Register of Members and Share Transfer Books of the Company will remain closed from 4th July, 2020 to 10th July, 2020 (both days inclusive) for the purpose of determining the Members eligible to receive the dividend, if declared by the shareholders at the ensuing Annual General Meeting scheduled to be held on 20th July, 2020. The dividend, if declared, shall be paid on or before 31st July, 2020.

The meeting of the Board of Directors of the Company commenced at 2.45 P.M. and concluded at **4.25 PM**

This intimation is also being uploaded on the Company's website at www.swarajenterprise.com

You are requested to kindly take note of the above.

With regards,
For Swaraj Engines Limited


(Rajesh K. Kapita)
Company Secretary

Regd. Office : Industrial Area, Phase IV, S.A.S. Nagar, Mohali, Near Chandigarh-160 055

Tel. : 91-172-2271620-27, Fax : 91-172-2271307 & 2272731

Website : www.swarajenterprise.com

CIN - L50210PB1985PLC006473

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, 2020

₹ Lakhs

Particulars	Quarter Ended			Year Ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
	(Refer Note 3)		(Refer Note 3)		
Revenue from Operations	17513	17007	19147	77330	87174
Other Income	296	276	364	1278	1538
Total Income	17809	17283	19511	78608	88712
Expenses					
a) Cost of Materials Consumed	12804	13219	15145	58316	66523
b) Changes in Inventories of Finished Goods and Work-in-Progress	464	(127)	(785)	931	(866)
c) Employee Benefits Expense	993	1066	973	4178	3928
d) Finance Costs	-	-	1	1	9
e) Depreciation and Amortization Expense	491	512	528	2013	1954
f) Other Expenses	914	880	1073	3862	4424
Total Expenses	15666	15550	16935	69301	75972
Profit before Exceptional Items and Tax	2143	1733	2576	9307	12740
Exceptional Items	-	-	-	-	-
Profit before Tax	2143	1733	2576	9307	12740
Tax Expense - Current	602	476	856	2467	4361
- Deferred	(43)	(32)	55	(264)	137
- Total	559	444	911	2203	4498
Profit for the Period	1584	1289	1665	7104	8242
Other Comprehensive Income					
A) (i) Items that will not be reclassified to Profit or Loss	(58)	-	(22)	(58)	(22)
(ii) Income Tax relating to items that will not be reclassified to profit or loss	15	-	8	15	8
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)	(43)	-	(14)	(43)	(14)
Total Comprehensive Income for the Period	1541	1289	1651	7061	8228
Paid-up Equity Share Capital (Face Value ₹10/-)	1213	1213	1213	1213	1213
Other Equity	-	-	-	22376	22585
Earning Per Share (not annualized)					
- Basic	₹ 13.06	₹ 10.62	₹ 13.72	₹ 58.57	₹ 67.96
- Diluted	₹ 13.06	₹ 10.61	₹ 13.72	₹ 58.53	₹ 67.91



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, 2020

Balance Sheet as at 31st March 2020

₹ Lakhs

Particulars	As At	
	31.03.2020	31.03.2019
	(Audited)	(Audited)
I. ASSETS		
Non-Current Assets		
a) Property, Plant & Equipment	10233	10837
b) Capital Work-in-Progress	402	200
c) Investment Property	23	24
d) Intangible Assets	93	139
e) Other Non-Current Assets	470	777
Total - Non-Current Assets	11221	11977
Current Assets		
a) Inventories	3701	4744
b) Financial Assets		
i) Investments	11108	8383
ii) Trade Receivables	414	1874
iii) Cash and Cash Equivalents	224	271
iv) Other Balances with Banks	1595	2923
v) Other Financial Assets	5320	4592
c) Other Current Assets	1921	1864
Total - Current Assets	24283	24651
Total Assets	35504	36628
II. EQUITY AND LIABILITIES		
Equity		
a) Equity Share Capital	1213	1213
b) Other Equity	22376	22585
Total Equity	23589	23798
Liabilities		
Non-Current Liabilities		
a) Long Term Provisions	429	398
b) Deferred Tax Liabilities (Net)	460	716
Total - Non-Current Liabilities	889	1114
Current Liabilities		
a) Financial Liabilities		
i) Trade Payables	9915	10415
ii) Other Financial Liabilities	520	763
b) Short Term Provisions	484	416
c) Other Current Liabilities	107	122
Total - Current Liabilities	11026	11716
Total - Equity And Liabilities	35504	36628

(Signature)

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, 2020

Statement of Cash Flow for the year ended 31st March 2020

Particulars	₹ Lakhs.	
	As At	As At
	31.03.2020 (Audited)	31.03.2019 (Audited)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Exceptional Items and Tax	9307	12740
Adjustments for:		
Depreciation and Amortisation	2013	1954
Employee Stock Compensation	41	30
Interest (Received) / Paid (Net)	(666)	(939)
Return on Mutual Fund Investment	(180)	(189)
(Profit)/Loss on disposal of Property, Plant and Equipment	1	(21)
(Gain)/Loss on Investments carried at fair value through Profit and Loss	(420)	(365)
Operating Profit Before Working Capital Changes	10096	13210
Movements in working capital:		
Trade and Other Receivables	2009	(1066)
Inventories	1043	(1552)
Trade and Other Payables	(716)	740
Cash generated from Operations	12432	11332
Income taxes paid (Net)	(2471)	(4455)
Net cash generated from Operating Activities	9961	6877
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investments Sales / (Purchase)	(2304)	(408)
Bank Deposit (Placed) / Matured	1326	5022
Other Corporate Deposits (Placed)/Matured	(1000)	(2000)
Interest received	667	948
Return on Mutual Fund Investment	180	189
Purchase of Property, Plant and Equipment	(1577)	(3402)
Increase in Ear Marked Balances	1	(31)
Proceeds from disposal of Property, Plant and Equipment	12	59
Net cash (used in) / generated from Investing Activities	(2695)	377
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid to Shareholders of the Company (including DDT)	(7312)	(7279)
Equity Shares issued under ESOP*	-	-
Interest and Finance Charges paid	(1)	(9)
Net cash used in Financing Activities	(7,313)	(7,288)
Net Increase / (Decrease) in Cash and Cash Equivalents	(47)	(34)
Opening Balance of Cash and Cash Equivalents	271	305
Closing Balance of Cash and Cash equivalents	224	271

*Equity Shares issued under ESOP as at 31.03.2020 - Rs. 0.33 Lakhs (31.03.2019 - Rs. 0.22 Lakhs)

NOTES :

1. The above results have been reviewed by the Audit Committee and thereafter approved by the Board of Directors in their meeting held on 8th May, 2020. The Statutory Auditors have audited the financial results for the year ended 31st March, 2020 and have expressed an unmodified audit opinion. 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.

2. The Board of Directors have recommended a dividend of Rs. 25 per share and a special dividend of Rs. 15 per share taking the total dividend to Rs. 40 per share, subject to the approval of the shareholders at the Annual General Meeting.



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, 2020

3. The figures for the quarter ended 31st March, 2020 and 31st March, 2019 are the balancing figures between the audited figures in respect of full financial year and the unaudited published figures upto nine months of relevant financial year.
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. During the quarter, the Company has allotted 427 Equity Shares of face value of Rs. 10/- each pursuant to exercise of stock options by employees.
6. The Company has opted to exercise the option permitted under section 115BAA of the Income-Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, Current Tax & Deferred Tax Assets/Liabilities have been re-measured and impact of this has been recognised in Statement of Profit & Loss for the year ended 31st March 2020.
7. Spread of COVID -19 has affected the economic activity across the Globe including India. This event could affect the business of the Company and the impact of the same will depend on future developments that cannot be predicted reliably at this stage. Further, the Company will closely monitor any material changes to future economic conditions impacting its business.
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

Place : S.A.S. Nagar (Mohali)
Date : 8th May, 2020

INDEPENDENT AUDITOR’S REPORT ON THE AUDIT OF INTERIM FINANCIAL RESULTS

**TO THE BOARD OF DIRECTORS OF
SWARAJ ENGINES LIMITED**

Opinion

We have audited the accompanying Statement of Financial Results of **SWARAJ ENGINES LIMITED** (“the Company”), for the three months and year ended March 31, 2020 (“the Statement”), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“the Listing Regulations”).

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- a) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- b) gives a true and fair view in conformity with Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”) prescribed under section 133 of the Companies Act 2013 (“the Act”) read with relevant rules issued thereunder and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the three months and year ended March 31, 2020.

Basis for Opinion

We conducted our audit of this Interim Financial Results in accordance with the Standards on Auditing (“SAs”) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Interim Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the independence requirements that are relevant to our audit of the Interim Financial Results under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management’s Responsibilities for the Interim Financial Results

This Statement, which is the responsibility of the Company’s Management and approved by the Board of Directors, has been compiled from the related audited Interim Financial Statements. The Company’s Board of Directors are responsible for the preparation and presentation of the Interim Financial Results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Company in accordance with Ind AS 34 prescribed under section 133 of the Act, read with relevant rules issued thereunder

and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Interim Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Interim Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Interim Financial Results

Our objectives are to obtain reasonable assurance about whether the Interim Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Interim Standalone Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Interim Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

B. K. Khare & Co.
Chartered Accountants

706-708, Sharda Chambers
New Marine Lines
Mumbai – 400020

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Interim Financial Results, including the disclosures, and whether the Interim Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Interim Financial Results of the Company to express an opinion on the Interim Financial Results.

Materiality is the magnitude of misstatements in the Interim Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Interim Standalone Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Interim Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

SHIRISH SURESH RAHALKAR
Date: 2020.05.08 16:59:21
+05'30'

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 20111212AAAAHU2873
Mohali, May 08, 2020

Press Release
(8th May, 2020)**Board Recommends 400% Dividend**

The Board of Directors of Swaraj Engines Limited (SEL) today announced the audited financial results for the quarter and year ended 31st March, 2020.

Q4 FY 20 (Jan. – Mar. 20)

The domestic tractor industry, after witnessing the downtrend during first three quarters of FY 2019-20, had shown some signs of recovery in the fourth quarter. However, sudden announcement of countrywide lockdown from 25th March, 2020 has impacted the overall sales for the quarter. As a result, the domestic tractor industry for the last quarter of fiscal 2020 closed with de-growth of 9%.

In the backdrop of above industry scenario, the Company's engine sales for the fourth quarter of FY 20 also got impacted and stood at 20,827 units compared to 21,767 units – drop of 4.3%. Consequently, Q4 net operating revenue was Rs. 175.13 crores (last year Rs. 191.47 crores). While Profit Before Tax for the quarter stood at Rs. 21.43 crores (last year Rs. 25.76 crores) and Profit After Tax, before other comprehensive income (net of tax) reached Rs. 15.84 crores (last year Rs. 16.65 crores). With other comprehensive Income (net of tax) of Rs. (0.43) crore, total comprehensive income for the quarter was Rs. 15.41 crores (last year Rs. 16.51 crores).

FY 2019-20

The Company's engine sales for FY20 stood at 89,928 units as compared to last year's sale of 99,638 units.

The financial summary for the financial year 2019-20 is given below:

Rs. Crores

	FY20	FY19
Net Operating Revenue	773.30	871.74
Operating Profit	100.43	131.65
Profit Before Tax (PBT)	93.07	127.40
Profit After Tax (PAT)	71.04	82.42
Other Comprehensive Income (Net of Tax)	(0.43)	(0.14)
Total Comprehensive Income	70.61	82.28

Dividend

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, 2020. Further, the Board, over and above the said normal dividend, has also recommended a special dividend payment of 150% (Rs. 15.00 per share), taking the total dividend to 400% (Rs. 40.00 per share) for the FY 2019-20.

Outlook

The spread of COVID -19 has affected the economic activity across the Globe including India. This event could affect the business of the Company and the impact of the same will depend on future developments that cannot be predicted reliably at this stage. The Company will closely monitor any material changes to future economic conditions impacting its business.

Company's operations, which were suspended since 23rd March, 2020, has now started after obtaining the necessary permissions from the local authorities and will increase its activity level gradually.

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:

Maninder Grewal
Chief Executive Officer
Swaraj Engines Ltd.
Phone: (+91-172) 2234941-47

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 : sellinvestor@swarajenterprise.com, Website : www.swarajenterprise.com

**EXTRACT OF AUDITED FINANCIAL RESULTS
FOR THE YEAR ENDED 31ST MARCH, 2020**

₹ Lakhs

S.No.	Particulars	Quarter Ended	Year Ended	Quarter Ended
		31.03.2020	31.03.2020	31.03.2019
		(Audited)	(Audited)	(Audited)
1	Total Income from Operations	17,513	77,330	19,147
2	Net Profit for the period (before tax and exceptional items)	2,143	9,307	2,576
3	Net Profit for the period before tax (after exceptional items)	2,143	9,307	2,576
4	Net Profit for the period after tax (after exceptional items)	1,584	7,104	1,665
5	Total Comprehensive Income for the period [Comprising Profit for the period (after tax) and Other Comprehensive Income (after tax)]	1,541	7,061	1,651
6	Paid-up Equity Share Capital (Face Value ₹10/-)	1,213	1,213	1,213
7	Other Equity	-	22,376	-
8	Earning Per Share (of ₹10 each) (not annualized)			
	- Basic	₹ 13.06	₹ 58.57	₹ 13.72
	- Diluted	₹ 13.06	₹ 58.53	₹ 13.72

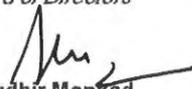
NOTES:

1. The above results have been reviewed by the Audit Committee and thereafter approved by the Board of Directors in their meeting held on 8th May, 2020. The Statutory Auditors have audited the financial results for the year ended 31st March, 2020 and have expressed an unmodified audit opinion. 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.

2. The Company has opted to exercise the option permitted under section 115BAA of the Income-Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, Current Tax & Deferred Tax Assets/Liabilities have been re-measured and impact of this has been recognised in Statement of Profit & Loss for the year ended 31st March 2020.

3. The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Financial Results are available on the Stock Exchange Websites, www.nseindia.com and www.bseindia.com, and on the Company's website www.swarajenterprise.com.

for and on behalf of
the Board of Directors


Sudhir Manikad
Chairman

Place : S.A.S. Nagar (Mohali)
Date : 8th May, 2020