

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



02/SP/EXCH
31st October, 2022

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

This is to inform that Board of Directors of Swaraj Engines Limited in their meeting held today on 31st October, 2022 has approved the Unaudited Financial Results of the Company for the second quarter and half year ended 30th September, 2022. Copies of the Unaudited Financial Results, Limited Review Report from the Company's Statutory Auditors and Press Release are enclosed herewith.

The meeting of the Board of Directors of the Company commenced at 11.30 A.M. and concluded at *12.20 P.M.*

You are requested to kindly take note of the above.

With regards,

For Swaraj Engines Limited

(Rajesh K. Kapila)
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 HALF YEAR ENDED 30TH SEPTEMBER, 2022**

₹ Lakhs

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue from Operations	38475	39835	34359	78310	65830	113815
Other Income	250	298	234	548	495	966
Total Income	38725	40133	34593	78858	66325	114781
Expenses						
a) Cost of Materials Consumed	31308	31033	27538	62341	51863	89151
b) Changes in Inventories of Finished Goods and Work-in-Progress	(541)	664	(473)	123	(422)	(130)
c) Employee Benefits Expense	1105	1,177	1135	2282	2269	4385
d) Finance Costs	2	-	1	2	1	8
e) Depreciation and Amortization Expense	468	471	476	939	955	1810
f) Other Expenses	1552	1476	1385	3028	2613	4871
Total Expenses	33894	34821	30062	68715	57279	100095
Profit before Exceptional Items and Tax	4831	5312	4531	10143	9046	14686
Exceptional Items	-	-	-	-	-	-
Profit before Tax	4831	5312	4531	10143	9046	14686
Tax Expense - Current	1282	1393	1190	2675	2390	3789
- Deferred	(39)	(35)	(36)	(74)	(86)	(50)
- Total	1243	1358	1154	2601	2304	3739
Profit for the Period	3588	3954	3377	7542	6742	10947
Other Comprehensive Income						
A) (i) Items that will not be reclassified to Profit or Loss	-	-	-	-	-	(112)
(ii) Income Tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	28
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)	-	-	-	-	-	(84)
Total Comprehensive Income for the Period	3588	3954	3377	7542	6742	10863
Paid-up Equity Share Capital (Face Value ₹10/-)	1214	1214	1214	1214	1214	1214
Other Equity	-	-	-	-	-	29353
Earning Per Share (not annualized)						
- Basic	₹ 29.54	₹ 32.56	₹ 27.82	₹ 62.10	₹ 55.54	₹ 90.17
- Diluted	₹ 29.54	₹ 32.55	₹ 27.80	₹ 62.09	₹ 55.50	₹ 90.13

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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2022

Balance Sheet as at 30th September 2022

Particulars	₹ Lakhs	
	As At	As At
	30.09.2022	31.03.2022
	(Unaudited)	(Audited)
I. ASSETS		
Non-Current Assets		
a) Property, Plant & Equipment	8778	9467
b) Capital Work-in-Progress	482	161
c) Investment Property	22	22
d) Intangible Assets	4	5
e) Deferred Tax Assets (Net)	65	-
f) Other Financial Assets	5251	3247
g) Other Non-Current Assets	78	440
Total - Non-Current Assets	14680	13342
Current Assets		
a) Inventories	6447	6207
b) Financial Assets		
i) Investments	-	3621
ii) Trade Receivables	12470	10361
iii) Cash and Cash Equivalents	543	577
iv) Other Balances with Banks	5531	8517
v) Other Financial Assets	3306	1246
c) Other Current Assets	2561	2269
Total - Current Assets	30858	32798
Total Assets	45538	46140
II. EQUITY AND LIABILITIES		
Equity		
a) Equity Share Capital	1214	1214
b) Other Equity	27186	29353
Total Equity	28400	30567
Liabilities		
Non-Current Liabilities		
a) Non-Current Financial Liabilities	55	-
b) Long Term Provisions	619	607
c) Deferred Tax Liabilities (Net)	-	9
Total - Non-Current Liabilities	674	616
Current Liabilities		
a) Financial Liabilities		
i) Trade Payables	15061	13759
ii) Other Financial Liabilities	434	531
b) Short Term Provisions	863	502
c) Other Current Liabilities	106	165
Total - Current Liabilities	16464	14957
Total - Equity And Liabilities	45538	46140

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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2022

Statement of Cash Flow for the Half Year ended 30th September 2022

Particulars	₹ Lakhs	
	As At	As At
	30.09.2022 (Unaudited)	30.09.2021 (Unaudited)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Exceptional Items and Tax	10143	9046
Adjustments for:		
Depreciation and Amortisation	939	955
Employee Stock Compensation	6	12
Interest (Received) / Paid (Net)	(508)	(404)
Return on Mutual Fund Investment	(64)	(71)
(Profit)/Loss on disposal of Property, Plant and Equipment	41	(6)
(Gain)/Loss on Investments carried at fair value through Profit and Loss	-	(5)
Operating Profit Before Working Capital Changes	10557	9527
Movements in working capital:		
Trade and Other Receivables	(2447)	(2393)
Inventories	(240)	(297)
Trade and Other Payables	1154	2636
Cash generated from Operations	9024	9473
Income taxes paid (Net)	(1892)	(1739)
Net cash generated from Operating Activities	7132	7734
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investments Sales / (Purchase)	3620	(2083)
Bank Deposit (Placed) / Matured	968	597
Other Corporate Deposits (Placed)/Matured	(2,000)	-
Interest received	510	405
Return on Mutual Fund Investment	64	71
Purchase of Property, Plant and Equipment	(699)	(1555)
Increase in Ear Marked Balances	14	20
Proceeds from disposal of Property, Plant and Equipment	88	32
Net cash (used in) / generated from Investing Activities	2565	(2513)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid to Shareholders of the Company (including DDT)	(9,729)	(8397)
Equity Shares issued under ESOP*	-	-
Interest and Finance Charges paid	(2)	(1)
Net cash used in Financing Activities	(9,731)	(8,398)
Net Increase / (Decrease) in Cash and Cash Equivalents	(34)	(3,177)
Opening Balance of Cash and Cash Equivalents	577	3,779
Closing Balance of Cash and Cash equivalents	543	602

* Equity Shares issued under ESOP as at 30.09.2022- Rs. 0.05 Lakhs (30.09.2021- Rs. 0.23 Lakhs)

Notes:

1. The financial results for the quarter and half year ended 30th September, 2022 were reviewed by the Audit Committee and thereafter approved by the Board of Directors in their meeting held on 31st October, 2022. The Statutory Auditors of the Company has conducted a Limited Review of the said financial results.

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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2022

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. 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".
4. Pursuant to the inter-se transfer of shares amongst the promoters of Swaraj Engines Limited ("the Company"), Mahindra & Mahindra Limited ("M&M") acquired 21,14,349 equity shares constituting 17.41% of the paid up equity share capital of the Company from Kirloskar Industries Limited ("KIL") on 27th September, 2022. Post this acquisition, the shareholding and voting rights of M&M in the Company has increased from 34.72% to 52.13% of the equity share capital of the Company. Consequently, the Company, which was earlier an Associate of M&M, has now become a subsidiary of M&M with effect from 27th September, 2022.
5. Previous year/period figures have been regrouped / recast, wherever necessary, to make them comparable.

Place : S.A.S. Nagar (Mohali)
Date : 31st October, 2022

*for and on behalf of
the Board of Directors*


Giju Kurian
Whole-Time Director &
Chief Executive Officer

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**EXTRACT OF UNAUDITED FINANCIAL RESULTS FOR THE
QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2022**

₹ Lakhs

S.No.	Particulars	Quarter Ended	Half Year Ended	Quarter Ended
		30.09.2022	30.09.2022	30.09.2021
		(Unaudited)	(Unaudited)	(Unaudited)
1	Total Income from Operations	38475	78310	34359
2	Net Profit for the period (before tax and exceptional items)	4831	10143	4531
3	Net Profit for the period before tax (after exceptional items)	4831	10143	4531
4	Net Profit for the period after tax (after exceptional items)	3588	7542	3377
5	Total Comprehensive Income for the period [Comprising Profit for the period (after tax) and Other Comprehensive Income (after tax)]	3588	7542	3377
6	Paid-up Equity Share Capital (Face Value ₹10/-)	1214	1214	1214
7	Other Equity	-	-	-
8	Earning Per Share (of ₹10 each) (not annualized)			
	- Basic	₹ 29.54	₹ 62.10	₹ 27.82
	- Diluted	₹ 29.54	₹ 62.09	₹ 27.80

NOTES:

1. The financial results for the quarter and half year ended 30th September, 2022 were reviewed by the Audit Committee and thereafter approved by the Board of Directors in their meeting held on 31st October, 2022. The Statutory Auditors of the Company has conducted a Limited Review of the said financial results.

2. 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


Giju Kurian
Whole Time Director &
Chief Executive Officer

Place : S.A.S. Nagar (Mohali)
Date : 31st October, 2022

B. K. Khare & Co. **Chartered Accountants**

706/708, Sharda Chambers, New Marine
Lines, Mumbai – 400 020, India

Independent Auditor's Review Report on the Unaudited Financial Results of the Company for the Quarter and Half Year ended 30th September 2022 Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review report to,
The Board of Directors
Swaraj Engines Limited**

1. We have reviewed the accompanying Statement of unaudited financial results of Swaraj Engines Limited ('the Company') for the quarter and half year ended 30th September 2022 ('the Statement'), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's management and has been approved by the Board of Directors of the Company in its meeting held on October 31, 2022. Our responsibility is to issue a report on the Statement based on our review.
3. 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. 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 applicable 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 **B.K. Khare & Co.**
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha
Mohan Joshi
Digitally signed by
Aniruddha Mohan Joshi
Date: 2022.10.31
12:36:49 +05'30'

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 22040852BBLEMC7230
S.A.S. Nagar (Mohali), 31 October 2022

Swaraj Engines Posts Ever Best Q2 Performance

31th October, 2022: The Board of Directors of Swaraj Engines Limited (SEL) met today to consider and approve the financial results for the second quarter and half year ended 30th September, 2022.

Q2 FY23 (Jul. – Sept. 2022)

On the strength of continued robust engine demand from its key customer during the second quarter of FY23, **Swaraj Engines Limited posted its ever-best Q2 performance in terms of engine sales and profit.** While the Q2 engine sales for the current fiscal reached 36,792 units, up 4.3% over last year's sales of 35,291 units, **the operating profit for the quarter crossed Rs. 50 crore mark for the second time in a row and stood at Rs. 50.51 crores compared to Rs. 47.74 crores during the corresponding quarter of last year.**

Reflecting the above increase in engine sales volume, the net operative revenue for the Q2 FY23 stood at Rs. 384.75 crores (last year Rs. 343.59 crores). The impact of past increases in commodity prices continued to impact the margins; however, with the company's focus on the operational front, the operating cost, as percentage to net operating revenue, remained lower by 40 basis points over same period last year. While the PBT for the second quarter was Rs. 48.31crores (last year Rs. 45.31 crores) - up 6.6%, the PAT stood at Rs. 35.88 crores (last year Rs. 33.77 crores) - up 6.2%.

The financial summary for Q2 is given below:

	Rs. Crores	
Particulars	FY23	FY22
Engine Sales (Nos.)	36,792	35,291
Net Operating Revenue	384.75	343.59
Operating Profit	50.51	47.74
Profit Before Tax (PBT)	48.31	45.31
Profit After Tax (PAT)	35.88	33.77

H1 FY23 (Apr. – Sept. 2022)

In the backdrop of overall engine sales growth of 9.0% registered during the first two quarters of the current fiscal, **the H1 of FY23 recorded an engine sales volume of 75,220 units - the highest ever half yearly engine sales - compared to last year's sale of 69,038 units.** On the net operating revenue of Rs. 783.10 crores (last year Rs. 658.30 crores) for the said period, **the Company's half yearly PBT crossed Rs. 100 crore mark for the first time and stood at Rs. 101.43 crores (last year Rs. 90.46 crores).** PAT for the period was Rs. 75.42 crores (last year Rs. 67.42 crores) – up 11.9%.

The financial summary for H1 is given below:

Rs. Crores		
Particulars	FY23	FY22
Engine Sales (Nos.)	75,220	69,038
Net Operating Revenue	783.10	658.30
Operating Profit	105.36	95.07
Profit Before Tax (PBT)	101.43	90.46
Profit After Tax (PAT)	75.42	67.42

Further, to cater the expected future engine demand in the coming years, the Board in its today's meeting, also approved engine capacity expansion plan from the existing 1,50,000 units to 1,80,000 units per annum. The total projected outlay for the same would be financed through internal generations / surplus available with the Company.

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:

Mr. Giju Kurian
Whole Time Director & CEO
Swaraj Engines Limited
Phone: (+91-172) 2234941-47