

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
26th October, 2020

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 the 26th October, 2020 have approved the Unaudited Financial Results of the Company for the second quarter and half year ended 30th September, 2020. 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 2:45 P.M. and concluded at 4:00 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 : eelinvestor@swarajenterprise.com, Website : www.swarajenterprise.com

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2020

Particulars	Quarter Ended			Half Year Ended		₹ Lakhs
	30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	Year Ended
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue from Operations	29228	11699	22272	40927	42810	77330
Other income	208	206	344	414	706	1278
Total Income	29436	11905	22616	41341	43516	78608
Expenses						
a) Cost of Materials Consumed	22837	9355	16962	32192	32293	58316
b) Changes in Inventories of Finished Goods and Work-in-Progress	81	(557)	167	(476)	594	931
c) Employee Benefits Expense	1132	947	1089	2079	2119	4178
d) Finance Costs	-	-	1	-	1	1
e) Depreciation and Amortization Expense	564	423	534	987	1010	2013
f) Other Expenses	1178	666	1054	1844	2068	3862
Total Expenses	25792	10834	19807	36626	38085	69301
Profit before Exceptional Items and Tax	3644	1071	2809	4715	5431	9307
Exceptional Items	-	-	-	-	-	-
Profit before Tax	3644	1071	2809	4715	5431	9307
Tax Expense - Current	1071	343	465	1414	1389	2467
- Deferred	(139)	(56)	(195)	(195)	(189)	(264)
- Total	932	287	270	1219	1200	2203
Profit for the Period	2712	784	2539	3496	4231	7104
Other Comprehensive Income						
A) (i) Items that will not be reclassified to Profit or Loss	-	-	-	-	-	(58)
(ii) Income Tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	15
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)
Total Comprehensive Income for the Period	2712	784	2539	3496	4231	7061
Paid-up Equity Share Capital (Face Value ₹10/-)	1213	1213	1213	1213	1213	1213
Other Equity	-	-	-	-	-	22376
Earning Per Share (not annualized)						
- Basic	₹ 22.36	₹ 6.46	₹ 20.94	₹ 28.82	₹ 34.89	₹ 58.57
- Diluted	₹ 22.34	₹ 6.45	₹ 20.92	₹ 28.79	₹ 34.86	₹ 58.53

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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2020

Balance Sheet as at 30th September 2020

Particulars	₹ Lakhs	
	As At	As At
	30.09.2020 (Unaudited)	31.03.2020 (Audited)
I. ASSETS		
Non-Current Assets		
a) Property, Plant & Equipment	9368	10233
b) Capital Work-in-Progress	491	402
c) Investment Property	23	23
d) Intangible Assets	70	93
e) Other Financial Assets	1199	-
f) Other Non-Current Assets	266	470
Total - Non-Current Assets	11417	11221
Current Assets		
a) Inventories	4545	3701
b) Financial Assets		
i) investments	1950	11108
ii) Trade Receivables	11871	414
iii) Cash and Cash Equivalents	241	224
iv) Other Balances with Banks	4559	1595
v) Other Financial Assets	3330	5320
c) Other Current Assets	1873	1921
Total - Current Assets	28369	24283
Total Assets	39786	35504
II. EQUITY AND LIABILITIES		
Equity		
a) Equity Share Capital	1213	1213
b) Other Equity	21049	22376
Total Equity	22262	23589
Liabilities		
Non-Current Liabilities		
a) Long Term Provisions	434	429
b) Deferred Tax Liabilities (Net)	265	460
Total - Non-Current Liabilities	699	889
Current Liabilities		
a) Financial Liabilities		
i) Trade Payables	15971	9915
ii) Other Financial Liabilities	388	520
b) Short Term Provisions	391	484
c) Other Current Liabilities	75	107
Total - Current Liabilities	16825	11026
Total - Equity And Liabilities	39786	35504

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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2020

Statement of Cash Flow for the Half Year ended 30th September 2020

Particulars	₹ Lakhs	
	As At	As At
	30.09.2020 (Unaudited)	30.09.2019 (Unaudited)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Exceptional Items and Tax	4715	5431
Adjustments for:		
Depreciation and Amortisation	987	1010
Employee Stock Compensation	29	12
Interest (Received) / Paid (Net)	(365)	(373)
Return on Mutual Fund Investment	(43)	(129)
(Profit)/Loss on disposal of Property, Plant and Equipment	-	(4)
(Gain)/Loss on Investments carried at fair value through Profit and Loss	-	(194)
Operating Profit Before Working Capital Changes	5323	5753
Movements in working capital:		
Trade and Other Receivables	(11452)	982
Inventories	(844)	1038
Trade and Other Payables	5826	(1015)
Cash generated from Operations	(1147)	6758
Income taxes paid (Net)	(1177)	(1520)
Net cash generated from Operating Activities	(2324)	5238
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investments Sales / (Purchase)	9158	102
Bank Deposit (Placed) / Matured	(3184)	930
Other Corporate Deposits (Placed)/Matured	1000	1000
Interest received	365	374
Return on Mutual Fund Investment	43	129
Purchase of Property, Plant and Equipment	(197)	(564)
Increase in Ear Marked Balances	21	3
Proceeds from disposal of Property, Plant and Equipment	9	8
Net cash (used in) / generated from Investing Activities	7215	1982
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid to Shareholders of the Company (including DDT)	(4,874)	(7314)
Equity Shares issued under ESOP*	-	-
Interest and Finance Charges paid	-	(1)
Net cash used in Financing Activities	(4,874)	(7,315)
Net Increase / (Decrease) in Cash and Cash Equivalents	17	(95)
Opening Balance of Cash and Cash Equivalents	224	271
Closing Balance of Cash and Cash equivalents	241	176

* Equity Shares issued under ESOP as at 30.09.2020- Rs. 0.21 Lakhs (30.09.2019- Rs. 0.21 Lakhs)

Notes:

1. The financial results for the quarter and half year ended 30th September, 2020 were reviewed by the Audit Committee and thereafter approved by the Board of Directors in their meeting held on 26th October, 2020. The Statutory Auditors of the Company has conducted a Limited Review of the said financial results.

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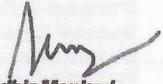
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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2020

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. Due to spread of Covid-19, a complete nationwide lockdown was announced leading to shut down of company's operations w.e.f. 23rd March 2020. Following the Govt. guidelines, the operations were resumed from 5th May 2020 onwards. The Management has made an assessment of liquidity, recoverable values of its financial and non-financial assets and has concluded that there are no significant adjustments required in the interim financial results. Further, the Management will continue to closely monitor the developments and possible impact, if any, on its financial condition, liquidity and operations due to COVID 19.
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 2149 Equity Shares of face value of Rs. 10/- each pursuant to exercise of stock options by employees.
6. During the quarter ended 30th September 2019, the Company 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, the impact of the change (reduction in tax rate) relating to the quarter ended 30th June 2019 was recognised in the quarter ended 30th September 2019. Therefore, income tax expense for the quarter and half year ended 30th September 2020 are not comparable to previous corresponding periods.
7. 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 : 26th October, 2020

B. K. Khare & Co.
Chartered Accountants

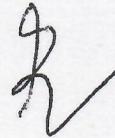
706-708, Sharda Chambers
New Marine Lines
Mumbai 400020

INDEPENDENT AUDITOR'S REVIEW REPORT

Review report to,
The Board of Directors
Swaraj Engines Limited

**LIMITED REVIEW REPORT OF THE UNAUDITED FINANCIAL RESULTS OF SWARAJ ENGINES LIMITED FOR THE
QUARTER ENDED AND HALF YEAR ENDED 30th SEPTEMBER' 2020**

1. We have reviewed the accompanying statement of Unaudited Financial Results ("the Statement") for the quarter and half year ended 30th September 2020 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 amended read with SEBI Circular No. CIR/CFD/CMD/144/2019 dated 29th March 2019 (the Circular).
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34. (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, as amended read with relevant rules issued thereunder and other accounting principles generally accepted in India read with the Circular is the responsibility of the Company's management and has been approved by the Board of Director of the Company. Our responsibility is to express a conclusion 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 financial statements are 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.

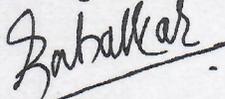


B. K. Khare & Co.
Chartered Accountants

706-708, Sharda Chambers
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4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results 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, read with the Circular, 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



Shirish Rahalkar
Partner

Membership No. 111212
UDIN: 20111212AAAAOI9354

S.A.S. Nagar (Mohali), 26 October 2020

Press Release**Swaraj Engines Posts Highest Ever Quarterly Sales with 30% Jump in PBT**

26th October, 2020: 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, 2020.

Q2 FY 21 (Jul. – Sept. 2020)

On the backdrop of impressive growth witnessed in the tractor industry during Q2 FY21 and consequent increase in engine demand from the Company's key customer, Swaraj Engines Limited posted its highest ever quarterly engines sale of 34,489 units during the second quarter of current financial year 2020-21- up by 31.3% over same period last year's sale of 26,271 units. The net operating revenue for second quarter stood at Rs. 292.28 crores as against Rs. 222.72 crores for the corresponding quarter of last fiscal - up 31.2%.

Despite continued challenges on account of COVID 19, more so at suppliers' end with regard to production ramp up, the Company through its focused efforts on managing supply chain, could achieve full capacity utilization during the second quarter.

Having benefitted by rise in engines sale and the Company's continued focus on all operating costs, SEL posted operating profit of Rs. 40.00 crores as against Rs. 30.00 crores for Q2 of last year - a growth 33.3%. Further, operating margin also registered an improvement by 20 basis points to reach 13.7%. While the PBT for the second quarter stood at Rs. 36.44 crores (last year Rs. 28.09 crores), the PAT was Rs. 27.12 crores (last year Rs. 25.39 crores). However, the current year's Q2 PAT is not fully comparable with corresponding quarter of last year in view of change in taxation rules during FY20, the full impact of which was reflected in Q2 of last year.

The financial summary for Q2 is given below:

Particulars	Rs. Crores	
	Q2 FY21	Q2 FY20
Engine Sales (Nos.)	34,489	26,271
Net Operating Revenue	292.28	222.72
Operating Profit	40.00	30.00
Profit Before Tax (PBT)	36.44	28.09
Profit After Tax (PAT)	27.12	25.39

H1 FY 21 (Apr. – Sept. 2020)

With the lower engine sales volume during Q1 FY21 in view of nationwide lockdown and thereafter gradual start of operations in May'20, the cumulative engine sales for the half year ended 30th September, 2020 stood at 48,245 units as against 49,304 units during same period of last fiscal. On the net operating revenue of Rs. 409.27 crores (last year Rs. 428.10 crores), the Company posted a PBT of Rs. 47.15 crores (last year Rs. 54.31 crores) and PAT of Rs.34.96 crores (last year Rs. 42.31 crores).

Further, taking note of the expected enhanced engine demand in the coming years, the Board in its today's meeting also approved the engine capacity expansion plan from existing 1,35,000 units to 1,50,000 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:

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

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Tel : 0172-2271620-27, Fax : 0172-2272731, Email : seinvestor@swarajenterprise.com, Website : www.swarajenterprise.com**EXTRACT OF UNAUDITED FINANCIAL RESULTS FOR THE
QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2020**

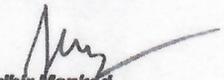
S.No.	Particulars	₹ Lakhs		
		Quarter Ended	Half Year Ended	Quarter Ended
		30.09.2020	30.09.2020	30.09.2019
		(Unaudited)	(Unaudited)	(Unaudited)
1	Total Income from Operations	29,228	40,927	22,272
2	Net Profit for the period (before tax and exceptional items)	3,644	4,715	2,809
3	Net Profit for the period before tax (after exceptional items)	3,644	4,715	2,809
4	Net Profit for the period after tax (after exceptional items)	2,712	3,496	2,539
5	Total Comprehensive Income for the period [Comprising Profit for the period (after tax) and Other Comprehensive Income (after tax)]	2,712	3,496	2,539
6	Paid-up Equity Share Capital (Face Value ₹10/-)	1,213	1,213	1,213
7	Other Equity	-	-	-
8	Earning Per Share (of ₹10 each) (not annualized)			
	- Basic	₹ 22.36	₹ 28.82	₹ 20.94
	- Diluted	₹ 22.34	₹ 28.79	₹ 20.92

NOTES:

1. The financial results for the quarter and half year ended 30th September, 2020 were reviewed by the Audit Committee and thereafter approved by the Board of Directors in their meeting held on 26th October, 2020. 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


Sudhir Mankad
Chairman

Place : S.A.S. Nagar (Mohali)
Date : 26th October, 2020