

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
24th October, 2016

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

1st. 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: UNAUDITED FINANCIAL RESULTS

Dear Sir,

This is to inform that Board of Directors of Swaraj Engines Limited in their meeting held today the 24th October, 2016 at Mumbai have approved the Unaudited Financial Results of the Company for the second quarter and half year ended 30th September, 2016. Copies of Unaudited Results, Limited Review Report from the Company's Statutory Auditors and Press Release are enclosed.

With regards,

For Swaraj Engines Limited

A handwritten signature in blue ink, appearing to read "M.S. GREWAL".

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

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2016

₹ Lakhs

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2016	30.06.2016	30.09.2015	30.09.2016	30.09.2015	31.03.2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Income from Operations						
Net Sales / Income from Operations	17807	17096	15245	34903	30492	52343
Other Operating Income	84	73	73	157	141	248
Total Income from Operations (Net of Excise duty)	17891	17169	15318	35060	30633	52591
Expenses						
a) Cost of Materials Consumed	13410	12536	11635	25946	23137	39600
b) Purchase of Stock-in-Trade	-	-	-	-	-	-
c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(130)	260	(134)	130	(29)	(27)
d) Employee Benefits Expense	756	729	699	1485	1395	2675
e) Depreciation and Amortisation Expense	418	395	368	813	705	1380
f) Other Expenses	938	805	846	1743	1632	2967
Total Expenses	15392	14725	13414	30117	26840	46595
Profit from Operations before Other Income, Finance Costs and Exceptional Items	2499	2444	1904	4943	3793	5996
Other Income	450	467	413	917	854	1630
Profit from Ordinary Activities before Finance Costs and Exceptional Items	2949	2911	2317	5860	4647	7626
Finance Costs	3	1	1	4	1	5
Profit from Ordinary Activities after Finance Costs but before Exceptional Items	2946	2910	2316	5856	4646	7621
Exceptional Items	-	-	-	-	-	-
Profit from Ordinary Activities before Tax	2946	2910	2316	5856	4646	7621
Tax Expense - Current	1048	1020	716	2068	1470	2330
- Deferred	(27)	(10)	46	(37)	57	160
- Total	1021	1010	762	2031	1527	2490
Net Profit from Ordinary Activities after Tax	1925	1900	1554	3825	3119	5131
Extraordinary Items (Net of Tax Expense)	-	-	-	-	-	-
Net Profit for the Period	1925	1900	1554	3825	3119	5131
Share of Profit / (Loss) of Associates	-	-	-	-	-	-
Minority Interest	-	-	-	-	-	-
Net Profit after Taxes, Minority Interest and Share of Profit / (Loss) of Associates	1925	1900	1554	3825	3119	5131
Other Comprehensive Income (Net of Tax)	-	-	-	-	-	(11)
Total Comprehensive Income	1925	1900	1554	3825	3119	5120
Paid-up Equity Share Capital (Face Value ₹10/-)	1242	1242	1242	1242	1242	1242
Reserves (excluding Revaluation Reserves)	--	--	--	--	--	25102
Earning Per Share (before Extraordinary items) (not annualised)						
- Basic	₹ 15.50	₹ 15.30	₹ 12.51	₹ 30.80	₹ 25.11	₹ 41.22
- Diluted	₹ 15.49	₹ 15.29	₹ 12.51	₹ 30.77	₹ 25.11	₹ 41.21
Earning Per Share (after Extraordinary items) (not annualised)						
- Basic	₹ 15.50	₹ 15.30	₹ 12.51	₹ 30.80	₹ 25.11	₹ 41.22
- Diluted	₹ 15.49	₹ 15.29	₹ 12.51	₹ 30.77	₹ 25.11	₹ 41.21

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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2016

NOTES:

1. Statement of Assets and Liabilities

Particulars	₹ Lakhs	
	As At	As At
	30.09.2016 (Unaudited)	31.03.2016 (Audited)
I. ASSETS		
Non-Current Assets		
a) Property, Plant & Equipment	9451	10141
b) Capital Work-in-Progress	82	17
c) Investment Property	25	25
d) Intangible Assets	6	7
e) Intangible Assets under Development	26	16
f) Other Non-Current Assets	330	418
Sub Total - Non-Current Assets	9920	10624
Current Assets		
a) Inventories	2704	2775
b) Financial Assets		
i) Investments	1932	1040
ii) Trade Receivables	1237	749
iii) Cash and Cash Equivalents	33	72
iv) Other Balances with Banks	4770	10704
v) Other Financial Assets	14570	7398
c) Other Current Assets	137	297
Sub Total - Current Assets	25383	23035
TOTAL ASSETS	35303	33659
II. EQUITY AND LIABILITIES		
Equity		
a) Equity Share Capital	1242	1242
b) Other Equity	24008	25102
Total Equity	25250	26344
Liabilities		
Non-current Liabilities		
a) Provisions	295	252
b) Deferred Tax Liabilities (Net)	723	760
Sub Total - Non-current Liabilities	1018	1012
Current Liabilities		
a) Financial Liabilities		
i) Trade Payables	7478	5401
ii) Other Financial Liabilities	330	462
b) Provisions	586	214
c) Other Current Liabilities	641	226
Sub Total - Current Liabilities	9035	6303
TOTAL - EQUITY AND LIABILITIES	35303	33659

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 24th October, 2016. The Statutory Auditors of the Company has conducted a Limited Review of the above financial results.

3. The Company has adopted Indian Accounting Standards (Ind-AS) from April 1, 2016 and accordingly, 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

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**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE
QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2016**

4. Reconciliation between Financial Results and Equity, as previously reported under Indian GAAP and Ind AS for previous quarter/year presented are as under:

Nature of Adjustments	Profit Reconciliation		
	Quarter ended	Half Year ended	Year ended
	30.09.2015	30.09.2015	31.03.2016
Net Profit as per Previous Indian GAAP	1554	3119	5120
i) Actural (gain) / loss on employee defined funds recognised in Other Comprehensive Income	-	-	11
ii) Employee Stock Compensation valued at Fair Value	-	-	1
iii) Discounting impact of Long Term Provision	*	*	(1)
Total (i to iii)	-	-	11
Net Profit before OCI under Ind AS	1554	3119	5131
Other Comprehensive Income (Net of Tax)	-	-	(11)
Total Comprehensive Income under Ind AS	1554	3119	5120

(* Increase in Profit by ₹ 40800)

Nature of Adjustments	Equity Reconciliation		
	As at	As at	As at
	30.09.2015	31.03.2016	01.04.2015
Equity under Previous GAAP	24326	21405	21207
i) Dividend and Tax on Dividend	-	4933	4933
ii) Discounting impact of Long Term Provision	7	6	7
Total (i to ii)	7	4939	4940
Equity as per Ind-AS	24333	26344	26147

5. 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".

6. 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



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

The Board of Directors,
Swaraj Engines Limited,
S.A.S.Nagar (Mohali),
Punjab

Limited Review Report

We have reviewed the accompanying statement of unaudited financial results of Swaraj Engines Limited ("the Company") for the quarter and six months ended on 30th September 2016, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This statement is the responsibility of the Company's Management and approved by the Board of Directors, which have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 'Internal Financial Reporting' ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review 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 provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

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 the aforesaid Indian 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 M/S DAVINDER S. JAAJ & CO.
Chartered Accountants
Firm Registration No. 000969N

Sumeet Singh Dhillon
Partner
Membership No: 094370



Place: Mumbai
Date : 24th October 2016

Press Release**Swaraj Engines Q2 PBT up 27% at Rs. 29.5 crores**

Mumbai, 24th October, 2016: 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, 2016.

Driven by the increased demand from its key customer – Swaraj Division of Mahindra & Mahindra Limited, **SEL continued its growth journey in current fiscal and posted its ever highest quarterly engine sales of 22,395 units during the second quarter ended 30th September, 2016**, compared to 18,890 units sold during the corresponding quarter of last year – **an increase of 18.5%.**

With growth in engine sales volume, net operating revenue for the second quarter stood at 178.9 crores compared to Rs. 153.2 crores for the corresponding period in the previous fiscal – a growth of 16.8%.

In the backdrop of enhanced level of operations coupled with overall operational efficiency on all front, the Company has also posted its ever best quarterly Profit Before Tax (PBT) at Rs. 29.5 crores, compared to Rs. 23.2 crores for the same period last year - a growth of 27.2% and an improvement of 140 basis points in PBT margin. Profit After Tax for the quarter stood at Rs. 19.3 crores (last year Rs. 15.5 crores).

On the strength of healthy volume growth during first two quarters of the current fiscal, the half year ended 30th September, 2016 witnessed an increase of 16.2% in engine sales volume which reached 43,305 units, compared to last year's 37,273 units. While Profit Before Tax for the first half year stood at Rs. 58.6 crores (last year Rs.46.5 crores), Profit After Tax at Rs. 38.3 crores (last year Rs. 31.2 crores) has translated into a basic earning per share of Rs. 30.80 (last year Rs. 25.11).

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:

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