

# 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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Email : mail@swarajenterprise.com

02/SP/EXCH  
31<sup>st</sup> October, 2017

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

1<sup>st</sup>. 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 31<sup>st</sup> October, 2017 at Mumbai have approved the Unaudited Financial Results of the Company for the second quarter and half year ended 30<sup>th</sup> September, 2017. Copies of Unaudited Results, Limited Review Report from the Company's Statutory Auditors and Press Release are enclosed.

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 UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2017

| Particulars                                                                       | Quarter Ended |              |              | Half Year Ended |              | ₹ Lakhs      |
|-----------------------------------------------------------------------------------|---------------|--------------|--------------|-----------------|--------------|--------------|
|                                                                                   | 30.09.2017    | 30.06.2017   | 30.09.2016   | 30.09.2017      | 30.09.2016   | 31.03.2017   |
|                                                                                   | (Unaudited)   | (Unaudited)  | (Unaudited)  | (Unaudited)     | (Unaudited)  | (Audited)    |
| Revenue from Operations                                                           | 20866         | 21819        | 20132        | 42685           | 39437        | 74918        |
| Other Income                                                                      | 510           | 482          | 450          | 992             | 917          | 1718         |
| <b>Total Income</b>                                                               | <b>21376</b>  | <b>22301</b> | <b>20582</b> | <b>43677</b>    | <b>40354</b> | <b>76636</b> |
| <b>Expenses</b>                                                                   |               |              |              |                 |              |              |
| a) Cost of Materials Consumed                                                     | 15255         | 14707        | 13410        | 29962           | 25946        | 49292        |
| b) Changes in Inventories of Finished Goods and Work-in-Progress                  | 324           | (419)        | (130)        | (95)            | 130          | 262          |
| c) Excise Duty                                                                    | -             | 2421         | 2241         | 2421            | 4377         | 8304         |
| d) Employee Benefits Expense                                                      | 887           | 808          | 756          | 1695            | 1485         | 3098         |
| e) Finance Costs                                                                  | -             | -            | 3            | -               | 4            | 12           |
| f) Depreciation and Amortization Expense                                          | 423           | 422          | 418          | 845             | 813          | 1628         |
| g) Other Expenses                                                                 | 892           | 1074         | 938          | 1966            | 1743         | 3494         |
| <b>Total Expenses</b>                                                             | <b>17781</b>  | <b>19013</b> | <b>17636</b> | <b>36794</b>    | <b>34498</b> | <b>66090</b> |
| <b>Profit before Exceptional Items and Tax</b>                                    | <b>3595</b>   | <b>3288</b>  | <b>2946</b>  | <b>6883</b>     | <b>5856</b>  | <b>10546</b> |
| Exceptional Items                                                                 | -             | -            | -            | -               | -            | -            |
| <b>Profit before Tax</b>                                                          | <b>3595</b>   | <b>3288</b>  | <b>2946</b>  | <b>6883</b>     | <b>5856</b>  | <b>10546</b> |
| Tax Expense - Current                                                             | 1212          | 1126         | 1048         | 2338            | 2068         | 3796         |
| - Deferred                                                                        | 33            | 12           | (27)         | 45              | (37)         | (133)        |
| - Total                                                                           | 1245          | 1138         | 1021         | 2383            | 2031         | 3663         |
| <b>Profit for the Period</b>                                                      | <b>2350</b>   | <b>2150</b>  | <b>1925</b>  | <b>4500</b>     | <b>3825</b>  | <b>6883</b>  |
| <b>Other Comprehensive Income</b>                                                 |               |              |              |                 |              |              |
| A) (i) Items that will not be reclassified to Profit or Loss                      | -             | -            | -            | -               | -            | 30           |
| (ii) Income Tax relating to items that will not be reclassified to profit or loss | -             | -            | -            | -               | -            | (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     | -             | -            | -            | -               | -            | -            |
| <b>Other Comprehensive Income (Net of Tax)</b>                                    | <b>-</b>      | <b>-</b>     | <b>-</b>     | <b>-</b>        | <b>-</b>     | <b>20</b>    |
| <b>Total Comprehensive Income for the Period</b>                                  | <b>2350</b>   | <b>2150</b>  | <b>1925</b>  | <b>4500</b>     | <b>3825</b>  | <b>6903</b>  |
| Paid-up Equity Share Capital (Face Value ₹10/-)                                   | 1242          | 1242         | 1242         | 1242            | 1242         | 1242         |
| Other Equity                                                                      | -             | -            | -            | -               | -            | 27095        |
| <b>Earning Per Share (not annualized)</b>                                         |               |              |              |                 |              |              |
| - Basic                                                                           | ₹ 18.92       | ₹ 17.31      | ₹ 15.50      | ₹ 36.23         | ₹ 30.80      | ₹ 55.42      |
| - Diluted                                                                         | ₹ 18.89       | ₹ 17.30      | ₹ 15.49      | ₹ 36.19         | ₹ 30.77      | ₹ 55.38      |

*[Handwritten Signature]*



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## STATEMENT OF UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2017

### NOTES:

#### 1. Statement of Assets and Liabilities

| Particulars                            | As At        | As At        |
|----------------------------------------|--------------|--------------|
|                                        | 30.09.2017   | 31.03.2017   |
|                                        | (Unaudited)  | (Audited)    |
| <b>I. ASSETS</b>                       |              |              |
| <b>Non-Current Assets</b>              |              |              |
| a) Property, Plant & Equipment         | 8466         | 9092         |
| b) Capital Work-in-Progress            | 60           | 38           |
| c) Investment Property                 | 24           | 25           |
| d) Intangible Assets                   | 11           | 8            |
| e) Intangible Assets under Development | 86           | 46           |
| f) Other Non-Current Assets            | 300          | 384          |
| <b>Total - Non-Current Assets</b>      | <b>8947</b>  | <b>9593</b>  |
| <b>Current Assets</b>                  |              |              |
| a) Inventories                         | 2671         | 2608         |
| b) Financial Assets                    |              |              |
| i) Investments                         | 10031        | 4891         |
| ii) Trade Receivables                  | 1927         | 1307         |
| iii) Cash and Cash Equivalents         | 98           | 199          |
| iv) Other Balances with Banks          | 3435         | 4668         |
| v) Other Financial Assets              | 11208        | 13754        |
| c) Other Current Assets                | 70           | 196          |
| <b>Total - Current Assets</b>          | <b>29440</b> | <b>27623</b> |
| <b>TOTAL ASSETS</b>                    | <b>38387</b> | <b>37216</b> |
| <b>II. EQUITY AND LIABILITIES</b>      |              |              |
| <b>Equity</b>                          |              |              |
| a) Equity Share Capital                | 1242         | 1242         |
| b) Other Equity                        | 25183        | 27095        |
| <b>Total Equity</b>                    | <b>26425</b> | <b>28337</b> |
| <b>Liabilities</b>                     |              |              |
| <b>Non-Current Liabilities</b>         |              |              |
| a) Provisions                          | 326          | 289          |
| b) Deferred Tax Liabilities (Net)      | 672          | 627          |
| <b>Total - Non-Current Liabilities</b> | <b>998</b>   | <b>916</b>   |
| <b>Current Liabilities</b>             |              |              |
| a) Financial Liabilities               |              |              |
| i) Trade Payables                      | 9799         | 7013         |
| ii) Other Financial Liabilities        | 269          | 288          |
| b) Provisions                          | 791          | 227          |
| c) Other Current Liabilities           | 105          | 435          |
| <b>Total - Current Liabilities</b>     | <b>10964</b> | <b>7963</b>  |
| <b>TOTAL - EQUITY AND LIABILITIES</b>  | <b>38387</b> | <b>37216</b> |

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 31st October, 2017. The Statutory Auditors of the company has conducted a Limited Review of the above financial results.

3. 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.

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 half-year ended 30th September 2017 are not comparable with the Sales Figures depicted in the results for the previous periods. Similarly, other expenses are also netted off to the extent of ₹ 115 Lakhs on account of reversal of Excise Duty on Finished Stock as the same is no longer required consequent to implementation of GST.

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. During the quarter, the Company has allotted 1610 Equity Shares pursuant to exercise of stock options by employees.

7. Previous year/period figures have been regrouped / recast, wherever necessary, to make them comparable.



for and on behalf of  
the Board of Directors

*[Signature]*  
**SUBHASH MAGO**  
Whole Time Director &  
Chief Executive Officer

*[Signature]*

**INDEPENDENT AUDITOR'S REVIEW REPORT**

To,  
The Board of Directors  
Swaraj Engines Limited

**LIMITED REVIEW REPORT OF THE STANDALONE UNAUDITED FINANCIAL RESULTS OF  
SWARAJ ENGINES LIMITED FOR THE QUARTER AND HALF YEAR ENDED 30.09.2017**

1. We have reviewed the accompanying statement of Standalone Unaudited Financial Results for the quarter and half year ended 30<sup>th</sup> September 2017 ("the Statement") 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 modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principals laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind-AS 34") prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial results based on our review.

2. 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, to the extent applicable. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether Statement is free of material misstatements. 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.
3. 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 the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed, in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, 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

  
**Munish Saraogi**  
Partner  
Membership No. 054106  
Place: Mumbai  
Date: October 31, 2017

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**Press Release**

**Swaraj Engines posts 22% rise in Q2 Profit**

**Mumbai, 31<sup>st</sup> October, 2017:** 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 30<sup>th</sup> September, 2017.

With the impressive growth witnessed in the Indian tractor industry during second quarter of current fiscal and resultant strong engine demand emerged from its key customer – Swaraj Division of Mahindra & Mahindra Limited, **SEL today reported its ever best quarterly performance - both in terms of engine sales volume and profit.**

**While the engine sales volume of 24,984 units for July-September period grew by 11.6% as compared 22,395 units sold during the corresponding period of last financial year, volume growth coupled with continued focus on cost on all fronts resulting into profit growth of 22% at Rs. 23.5 crores for the said period.**

The net operating revenue for the second quarter stood at 208.7 crores compared to Rs. 178.9 crores for the same period last year and reflecting overall operational efficiencies, the operating profit (EBITDA) stood at Rs. 35.1 crores (last year Rs. 29.2 crores) with margin improvement of 50 basis points. The Profit Before Tax of Rs. 35.9 crores (last year Rs. 29.5 crores) and Profit After Tax of Rs. 23.5 crores (last year Rs. 19.3 crores) also accompanied with improvement in margins. However, due to introduction of GST with effect from 1<sup>st</sup> July, 2017, quarterly figures are not strictly comparable.

With growth in volume during first two successive quarters of the current fiscal, the engine sales volume of 48,271 units for the half year ended 30<sup>th</sup> September, 2017 posted an increase of 11% over last year's sale of 43,305 units. On the net operating revenue of Rs. 402.6 crores (last year Rs. 350.6 crores) for said period, the Company posted a Profit Before Tax of Rs. 68.8 crores (last year Rs. 58.6 crores) and Profit After Tax of Rs. 45.0 crores (last year Rs. 38.3 crores) which translated into a basic earning per share of Rs. 36.23 (last year Rs. 30.80).

**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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