

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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02/SP/EXCH
29th October, 2018

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

Ref: Script Code: 500407

Script Name: SWARAJENG

SUB: Outcome of the Board Meeting

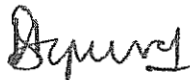
This is to inform that Board of Directors of Swaraj Engines Limited in their meeting held today the 29th October, 2018 at Mumbai have approved the Unaudited Financial Results of the Company for the second quarter and half year ended 30th September, 2018. Copies of the Unaudited Results, Limited Review 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 3.15 P.M. and concluded at 4.30 P.M.

You are requested to kindly take note of the above.

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 UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2018

₹ Lakhs

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue from Operations	24703	23452	20866	48155	42685	79537
Other Income	386	385	510	771	992	1896
Total Income	25089	23837	21376	48926	43677	81433
Expenses						
a) Cost of Materials Consumed	18863	17620	15255	36483	29962	57582
b) Changes in Inventories of Finished Goods and Work-in-Progress	(321)	44	324	(277)	(95)	(150)
c) Excise Duty	-	-	-	-	2421	2421
d) Employee Benefits Expense	1004	958	887	1962	1695	3477
e) Finance Costs	-	8	-	8	-	101
f) Depreciation and Amortization Expense	480	474	423	954	845	1682
g) Other Expenses	1144	1168	892	2312	1966	4048
Total Expenses	21170	20272	17781	41442	36794	69161
Profit before Exceptional Items and Tax	3919	3565	3595	7484	6883	12272
Exceptional Items	-	-	-	-	-	-
Profit before Tax	3919	3565	3595	7484	6883	12272
Tax Expense - Current	1348	1233	1212	2581	2338	4326
- Deferred	34	26	33	60	45	(64)
- Total	1382	1259	1245	2641	2383	4262
Profit for the Period	2537	2306	2350	4843	4500	8010
Other Comprehensive Income						
A) (i) Items that will not be reclassified to Profit or Loss	-	-	-	-	-	(45)
(ii) Income Tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	16
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)	-	-	-	-	-	(29)
Total Comprehensive Income for the Period	2537	2306	2350	4843	4500	7981
Paid-up Equity Share Capital (Face Value ₹10/-)	1213	1213	1242	1213	1242	1213
Other Equity	-	-	-	-	-	21637
Earning Per Share (not annualized)						
- Basic	₹ 20.91	₹ 19.02	₹ 18.92	₹ 39.93	₹ 36.23	₹ 64.62
- Diluted	₹ 20.90	₹ 19.00	₹ 18.89	₹ 39.90	₹ 36.19	₹ 64.56



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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2018

NOTES:

1. Balance Sheet

Particulars	As At	As At
	30.09.2018	31.03.2018
	(Unaudited)	(Audited)
I. ASSETS		
Non-Current Assets		
a) Property, Plant & Equipment	9922	9163
b) Capital Work-in-Progress	182	417
c) Investment Property	24	24
d) Intangible Assets	7	8
e) Intangible Assets under Development	178	178
f) Other Non-Current Assets	281	1089
Total - Non-Current Assets	10594	10879
Current Assets		
a) Inventories	4526	3192
b) Financial Assets		
i) Investments	5779	7610
ii) Trade Receivables	1894	1527
iii) Cash and Cash Equivalents	107	305
iv) Other Balances with Banks	4072	4440
v) Other Financial Assets	7166	5938
c) Other Current Assets	1487	859
Total - Current Assets	25031	23871
TOTAL ASSETS	35625	34750
II. EQUITY AND LIABILITIES		
Equity		
a) Equity Share Capital	1213	1213
b) Other Equity	19181	21637
Total Equity	20394	22850
Liabilities		
Non-Current Liabilities		
a) Provisions	388	356
b) Deferred Tax Liabilities (Net)	639	579
Total - Non-Current Liabilities	1027	935
Current Liabilities		
a) Financial Liabilities		
i) Trade Payables	12970	9847
ii) Other Financial Liabilities	475	591
b) Provisions	676	413
c) Other Current Liabilities	83	114
Total - Current Liabilities	14204	10965
TOTAL - EQUITY AND LIABILITIES	35625	34750

2. The financial results for the quarter and half year ended 30th September, 2018 were reviewed by the Audit Committee and thereafter approved by the Board of Directors in their meeting held at Mumbai on 29th October, 2018. The Statutory Auditors of the Company has conducted a Limited Review of the said 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.



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4. Consequent to introduction of Goods and Services Tax (GST) with effect from 1st July 2017, Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. Further Ind AS 18 "Revenue " unlike Excise Duty, do not require GST to be included as a part of Revenue . Accordingly , the figures for period ended 30th September 2017 and year ended 31st March 2018 are not strictly relatable to current figures. The following additional related information is given below :-

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue from Operations	24703	23452	20866	48155	42685	79537
Less : Excise duty	-	-	-	-	2421	2421
Revenue from Operations (Net of Excise duty)	24703	23452	20866	48155	40264	77116

Also , other expenses for the quarter ended 30th September 2017 were netted off to the extent of ₹ 115 Lakhs on account of reversal of Excise duty on Finished Stock. Thus, the figures are strictly not comparable.

5. The Ministry of Corporate Affairs (MCA), on 28th March, 2018 notified Ind AS 115 "Revenue from Contracts with Customers" as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018 and the same is effective for the accounting periods beginning on or after 1st April, 2018. The application of this standard did not have any material impact on the financial results of the Company.

6. 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".

7. During the quarter, the Company has allotted 1488 Equity Shares of face value of Rs. 10/- each pursuant to exercise of stock options by employees.

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

for and on behalf of
the Board of Directors


SUBHASH MAGOO
Whole Time Director &
Chief Executive Officer

Place : Mumbai

Date : 29th October, 2018

INDEPENDENT AUDITOR'S 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 AND SIX MONTHS PERIOD ENDED 30.09.2018**

1. We have reviewed the accompanying statement of Unaudited Financial Results ("the Statement") for the quarter and six months period ended 30th September'2018 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

Shrish Rahalkar
Shrish Rahalkar

Partner

Membership No. 111212

Mumbai, October 29, 2018

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Press Release**Swaraj Engines posts PBT of Rs. 39.2 crores in Q2**

Mumbai, 29th October, 2018: 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, 2018.

Q2 (July - September 2018)

Maintaining its growing momentum in Q2 of current fiscal as well, SEL today reported its **12th** successive quarter of growth over corresponding period of previous year. **This quarter ended 30th September, 2018, is yet another ever best quarterly performance - both in terms of engine sales volume and profit.**

The engine sales volume registered a growth of 14.3% over same period last year and stood at 28,560 units (last year - 24,984 units) – **the highest ever quarterly sales numbers.**

On the back of above volume increase, net operating revenue for the second quarter reached Rs. 247.03 crores compared to Rs. 208.66 crores for the same period. The operating profit for the quarter at Rs. 40.13 crores compared to last year's Rs. 35.08 crores also increased almost in tandem with the volume increase. Profit before tax & after tax for the quarter stood at Rs. 39.19 crores (last year Rs. 35.95 crores) and Rs. 25.37 crores (last year Rs. 23.50 crores) respectively.

The financial summary for the Q2 is given below:

	Rs. Crores		
	30.09.2018	30.09.2017	Growth
Engine Sale Volume (Nos.)	28,560	24,984	14.3%
Net Operating Revenue	247.03	208.66	18.4%
Operating Profit	40.13	35.08	14.4%
Profit Before Tax	39.19	35.95	9.0%
Profit After Tax	25.37	23.50	8.0%

On sequential basis, against the volume growth of 6.8% in engine sales over preceding quarter ended 30th June, 2018, PAT registered an improvement of 8.0%.

H1 (April - September 2018)

On the strength of growth in engine sales volume during first two quarters of the current fiscal, the engine sales for the first half year of the current financial year ended 30th September, 2018 registered an increase of 14.6% and reached 55,302 units compared to last year's sale of 48,271 units. On the net operating revenue of Rs. 481.55 crores (last year Rs. 426.85 crores) for said period, the Company posted a Profit Before Tax of Rs. 74.84 crores (last year Rs. 68.83 crores) and Profit After Tax of Rs. 48.43 crores (last year Rs. 45.00 crores).

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:

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Whole Time Director & CEO
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