

SWARAJ ENGINES LIMITED

Works :
Plot No. 2, Incl. Focal Point,
Phase-IX, S.A.S. Nagar
Distt. S.A.S. Nagar (Mohali)
(Near Chandigarh)
Tel. : 0172-2234941-47, 2234950

The logo for Swaraj Engines Limited, featuring the word "SWARAJ" in white capital letters on a green rectangular background.

02/SP/EXCH
22nd January, 2021

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 22nd January, 2021 have approved the Unaudited Financial Results of the Company for the third quarter and nine month period ended 31st December, 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 3:15 P.M. and concluded at 4:45 P.M.

You are requested to kindly take note of the above.

With regards,

For Swaraj Engines Limited

A handwritten signature in blue ink, appearing to read "Rajesh K. Kapila", with a horizontal line underneath.

(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 NINE MONTHS ENDED 31ST DECEMBER, 2020

₹ Lakhs

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue from Operations	27239	29228	17007	68166	59817	77330
Other Income	221	208	276	635	982	1278
Total Income	27460	29436	17283	68801	60799	78608
Expenses						
a) Cost of Materials Consumed	21274	22837	13219	53466	45512	58316
b) Changes in Inventories of Finished Goods and Work-in-Progress	40	81	(127)	(436)	467	931
c) Employee Benefits Expense	1100	1132	1066	3179	3185	4178
d) Finance Costs	-	-	-	-	1	1
e) Depreciation and Amortization Expense	518	564	512	1505	1522	2013
f) Other Expenses	1165	1178	880	3009	2948	3862
Total Expenses	24097	25792	15550	60723	53635	69301
Profit before Exceptional Items and Tax	3363	3644	1733	8078	7164	9307
Exceptional Items	-	-	-	-	-	-
Profit before Tax	3363	3644	1733	8078	7164	9307
Tax Expense - Current	982	1071	476	2396	1865	2467
- Deferred	(121)	(139)	(32)	(316)	(221)	(264)
- Total	861	932	444	2080	1644	2203
Profit for the Period	2502	2712	1289	5998	5520	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	2502	2712	1289	5998	5520	7061
Paid-up Equity Share Capital (Face Value ₹10/-)	1214	1213	1213	1214	1213	1213
Other Equity	-	-	-	-	-	22376
Earning Per Share (not annualized)						
- Basic	₹ 20.61	₹ 22.36	₹ 10.62	₹ 49.43	₹ 45.51	₹ 58.57
- Diluted	₹ 20.59	₹ 22.34	₹ 10.61	₹ 49.38	₹ 45.47	₹ 58.53



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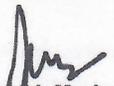
Tel : 0172-2271620-27, Fax : 0172-2272731, Email : selinvestor@swarajenterprise.com, Website : www.swarajenterprise.com

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2020

NOTES:

1. The financial results for the quarter and nine months ended 31st December, 2020 were reviewed by the Audit Committee and thereafter approved by the Board of Directors in their meeting held on 22nd January, 2021. The Statutory Auditors of the Company has conducted a Limited Review of the said financial results.
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 Management has made the assessment of possible impact of Covid 19 on its liquidity, recoverable values of its financial & 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 financials 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 1071 Equity Shares of face value of Rs. 10/- each pursuant to exercise of stock options by employees.
6. During the financial year 2019-20 , the Company opted for lower rate of Tax as permitted under Section 115BAA of the Income-tax Act, 1961. Consequently, Company's opening Deferred Tax Liability as on 01.04.2019 was re-measured at reduced rate and due to this, the total Tax Expense for the 9 months ended 31st December 2020 is not comparable to previous corresponding period.
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 : 22nd January, 2021

B. K. KHARE & Co.
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REVIEW REPORT

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

Limited review report on unaudited quarterly and year-to-date financial results of Swaraj Engines Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

1. We have reviewed the accompanying Statement of unaudited financial results of Swaraj Engines Limited ('the Company') for the quarter ended 31 December 2020 and year-to-date results for the period from 1 April 2020 to 31 December 2020 ('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 approved by Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 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.



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New Delhi

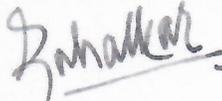
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4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognized accounting practices and policies 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
Firm Registration No. 105102W



Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 21111212AAAAFR1667
S.A.S. Nagar (Mohali), 22 January 2021



Press Release**Swaraj Engines Posts its Ever Best Q3 Performance****PBT up by 94%**

22nd January, 2021: The Board of Directors of Swaraj Engines Limited (SEL) met today to consider and approve the financial results for the third quarter and nine month period ended 31st December, 2020.

Q3 FY21 (Oct. - Dec. 2020)

The tractor industry remained on the strong growth trajectory in the third quarter as well. Consequently, riding on the increased engine demand from the Company's key customer, **Swaraj Engines Limited posted its ever best third quarter performance in terms of engine sales and profits. While the engine sales of 31,193 units for Q3 FY21 registered a growth of 57.6% over 19,797 units sold during corresponding quarter last year, Profit Before Tax (PBT) at Rs. 33.63 crores was higher by 94.1% over same period last year.**

Driven by the above growth in engines sale, the net operating revenue for third quarter stood at Rs. 272.39 crores as against Rs. 170.07 crores for the corresponding quarter of last fiscal - up 60.2%. The Company, with its persistent focus on operating costs, posted an operating profit of Rs. 36.60 crores as against Rs. 19.69 crores for Q3 of last year - a growth of 85.9% accompanied with margin improvement of 180 basis points. While the PBT for the third quarter stood at Rs. 33.63 crores (last year Rs. 17.33 crores), the PAT was Rs. 25.02 crores (last year Rs. 12.89 crores). Further, the PBT margin at 12.2% of total revenue also shown improvement by 220 basis points over same period last year.

The financial summary for Q3 is given below:

Particulars	Rs. Crores	
	Q3 FY21	Q3 FY20
Engine Sales (Nos.)	31,193	19,797
Net Operating Revenue	272.39	170.07
Operating Profit	36.60	19.69
Profit Before Tax (PBT)	33.63	17.33
Profit After Tax (PAT)	25.02	12.89

Nine month period FY21 (Apr. - Dec. 2020)

Despite the significant drop in engine sales volume during Q1 of current fiscal in view of nationwide lockdown due to Covid 19, the Company on the strength of good performance posted during subsequent quarters, surpassed its cumulative engine sales for nine month period ended 31st December, 2020 and posted 15% growth over same period last year. On the total engine sales of 79,438 units (last year 69,101 units), the net operating revenue for the nine month period stood at Rs. 681.66 crores (last year Rs. 598.17 crores) and the Company posted a PBT of Rs. 80.78 crores (last year Rs. 71.64 crores) and PAT of Rs. 59.98 crores (last year Rs. 55.20 crores).

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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**EXTRACT OF UNAUDITED FINANCIAL RESULTS FOR THE
QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2020**

₹ Lakhs

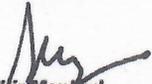
S.No.	Particulars	Quarter Ended	Nine Months Ended	Quarter Ended
		31.12.2020	31.12.2020	31.12.2019
		(Unaudited)	(Unaudited)	(Unaudited)
1	Total Income from Operations	27,239	68,166	17,007
2	Net Profit for the period (before tax and exceptional items)	3,363	8,078	1,733
3	Net Profit for the period before tax (after exceptional items)	3,363	8,078	1,733
4	Net Profit for the period after tax (after exceptional items)	2,502	5,998	1,289
5	Total Comprehensive Income for the period [Comprising Profit for the period (after tax) and Other Comprehensive Income (after tax)]	2,502	5,998	1,289
6	Paid-up Equity Share Capital (Face Value ₹10/-)	1,214	1,214	1,213
7	Other Equity	-	-	-
8	Earning Per Share (of ₹10 each) (not annualized)			
	- Basic	₹ 20.61	₹ 49.43	₹ 10.62
	- Diluted	₹ 20.59	₹ 49.38	₹ 10.61

NOTES:

1. The financial results for the quarter and nine months ended 31st December, 2020 were reviewed by the Audit Committee and thereafter approved by the Board of Directors in their meeting held on 22nd January, 2021. 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 : 22nd January, 2021