

SWARAJ ENGINES LIMITED

Works :
Plot No. 2, Indl. Focal Point,
Phase-IX, S.A.S. Nagar
Distt. S.A.S. Nagar (Mohali)
(Near Chandigarh)



02/SP/EXCH
20th July, 2020

Tel. : 0172-2234941-47, 2234950

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 20th July, 2020 have approved the Unaudited Financial Results of the Company for the first quarter ended 30th June, 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 12.30 P.M. and concluded at 1.50 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 : selinvestor@swarajenterprise.com, Website : www.swarajenterprise.com

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2020

₹ Lakhs

| Particulars | Quarter Ended | | | Year Ended |
|---|---------------|----------------|--------------|--------------|
| | 30.06.2020 | 31.03.2020 | 30.06.2019 | 31.03.2020 |
| | (Unaudited) | (Audited) | (Unaudited) | (Audited) |
| | | (Refer Note 3) | | |
| Revenue from Operations | 11699 | 17513 | 20538 | 77330 |
| Other Income | 206 | 296 | 362 | 1278 |
| Total Income | 11905 | 17809 | 20900 | 78608 |
| Expenses | | | | |
| a) Cost of Materials Consumed | 9355 | 12804 | 15331 | 58316 |
| b) Changes in Inventories of Finished Goods and Work-in-Progress | (557) | 464 | 427 | 931 |
| c) Employee Benefits Expense | 947 | 993 | 1030 | 4178 |
| d) Finance Costs | - | - | - | 1 |
| e) Depreciation and Amortization Expense | 423 | 491 | 476 | 2013 |
| f) Other Expenses | 666 | 914 | 1014 | 3862 |
| Total Expenses | 10834 | 15666 | 18278 | 69301 |
| Profit before Exceptional Items and Tax | 1071 | 2143 | 2622 | 9307 |
| Exceptional Items | - | - | - | - |
| Profit before Tax | 1071 | 2143 | 2622 | 9307 |
| Tax Expense - Current | 343 | 602 | 924 | 2467 |
| - Deferred | (56) | (43) | 6 | (264) |
| - Total | 287 | 559 | 930 | 2203 |
| Profit for the Period | 784 | 1584 | 1692 | 7104 |
| Other Comprehensive Income | | | | |
| A) (i) Items that will not be reclassified to Profit or Loss | - | (58) | - | (58) |
| (ii) Income Tax relating to items that will not be reclassified to profit or loss | - | 15 | - | 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) | - | (43) |
| Total Comprehensive Income for the Period | 784 | 1541 | 1692 | 7061 |
| Paid-up Equity Share Capital (Face Value ₹10/-) | 1213 | 1213 | 1213 | 1213 |
| Other Equity | - | - | - | 22376 |
| Earning Per Share (not annualized) | | | | |
| - Basic | ₹ 6.46 | ₹ 13.06 | ₹ 13.95 | ₹ 58.57 |
| - Diluted | ₹ 6.45 | ₹ 13.06 | ₹ 13.94 | ₹ 58.53 |

NOTES:

1. The financial results for the quarter ended 30th June, 2020 were reviewed by the Audit Committee and thereafter approved by the Board of Directors in their meeting held on 20th July, 2020. The Statutory Auditors of the Company has conducted a Limited Review of the said financial results.

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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 figures for the previous quarter ended 31st March, 2020 are the balancing figures between the audited figures in respect of full financial year ended on 31st March, 2020 and the published unaudited year to date figures upto the nine months of the financial year 2019-20.

4. 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. Management is continuously and closely monitoring the developments and possible effects that may result from the current pandemic on its financial condition, liquidity and operations etc.

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. The Company had adopted the option permitted under Section 115BAA of the Income-Tax Act, 1961 with effect from quarter ended September 30, 2019. Therefore, income tax expense for the quarter ended 30th June, 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 : 20th July, 2020

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 30th June 2020**

1. We have reviewed the accompanying statement of Unaudited Financial Results ("the Statement") for the quarter ended 30th June 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.



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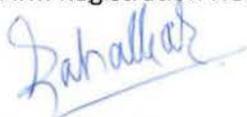
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4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting 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



Shrish Rahalkar

Partner

Membership No. 111212

UDIN: 20111212AAAAKG1931



S.A.S. Nagar, Mohali, 20 July 2020

Press Release**(20th July, 2020)****Swaraj Engines posts PBT of Rs. 10.71 crores in Q1 FY21**

The Board of Directors of Swaraj Engines Limited (SEL) met today and announced the financial results for the first quarter ended 30th June, 2020.

To contain the spread of COVID-19, the Government of India instituted nationwide lockdown from 25th March, 2020, which was then extended on multiple occasions and the reopening of the economy had begun in May 2020 by allowing resumption of services and businesses in a phased manner. This has adversely impacted business segments partially in Q1FY21 as well.

Following the Govt.'s guidelines, the Company resumed its operations from 5th May, 2020 with all safety protocols. Initially it took some time to smoothen the operations and to establish the supply chain from across India, the activity level was then increased gradually. The Company was able to reach close to 100% of its capacity utilization in the month of June 2020.

In the above backdrop, the Company could post engine sales of 13,756 units for Q1FY21 against last year's 23,033 units. The net operating revenue for the first quarter stood at Rs. 116.99 crores as compared to Rs. 205.38 crores for the same period last year. While the Profit Before Tax for the quarter was Rs. 10.71 crores (last year - Rs. 26.22 crores), Profit After Tax for the quarter was Rs. 7.84 crores (last year - Rs. 16.92 crores).

The financial summary for the Q1FY21 is given below:

| | Rs. Crores | |
|---------------------------|-------------------|-------------------|
| | 30.06.2020 | 30.06.2019 |
| Engine Sale Volume (Nos.) | 13,756 | 23,033 |
| Net Operating Revenue | 116.99 | 205.38 |
| Operating Profit | 12.88 | 27.36 |
| Profit Before Tax | 10.71 | 26.22 |
| Profit After Tax | 7.84 | 16.92 |

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:

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

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**EXTRACT OF UNAUDITED FINANCIAL RESULTS FOR THE
QUARTER ENDED 30TH JUNE, 2020**

₹ Lakhs

| S.No. | Particulars | Quarter Ended | Year Ended | Quarter Ended |
|-------|---|---------------|------------|---------------|
| | | 30.06.2020 | 31.03.2020 | 30.06.2019 |
| | | (Unaudited) | (Audited) | (Unaudited) |
| 1 | Total Income from Operations | 11699 | 77330 | 20538 |
| 2 | Net Profit for the period (before tax and exceptional items) | 1071 | 9307 | 2622 |
| 3 | Net Profit for the period before tax (after exceptional items) | 1071 | 9307 | 2622 |
| 4 | Net Profit for the period after tax (after exceptional items) | 784 | 7104 | 1692 |
| 5 | Total Comprehensive Income for the period [Comprising Profit for the period (after tax) and Other Comprehensive Income (after tax)] | 784 | 7061 | 1692 |
| 6 | Paid-up Equity Share Capital (Face Value ₹10/-) | 1213 | 1213 | 1213 |
| 7 | Other Equity | - | 22376 | - |
| 8 | Earning Per Share (of ₹10 each) (not annualized) | | | |
| | - Basic | ₹ 6.46 | ₹ 58.57 | ₹ 13.95 |
| | - Diluted | ₹ 6.45 | ₹ 58.53 | ₹ 13.94 |

NOTES:

1. The financial results for the quarter ended 30th June, 2020 were reviewed by the Audit Committee and thereafter approved by the Board of Directors in their meeting held on 20th July, 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 : 20th July, 2020