



SML/SEC/EXCH  
13<sup>th</sup> November, 2019

Corporate Relationship Department BSE Limited, Mumbai	The Secretary, National Stock Exchange of India Ltd., Mumbai
<b>Scrip Code: 505192</b>	<b>Scrip Code: SMLISUZU</b>

Dear Sir,

**Outcome of Board Meeting – Regulation 30 of SEBI (LODR), 2015**

This is to inform you that the Board of Directors of the Company at the Meeting held today 13<sup>th</sup> November, 2019 (Wednesday) at New Delhi have approved the Unaudited Financial Results for the second quarter and half year ended 30<sup>th</sup> September, 2019.

Copies of the un-audited Financial Results along with Limited Review Report from the Company's Statutory Auditors are enclosed herewith.

The Board meeting commenced at 2:00 PM and concluded at 6:00 PM

You are requested to kindly take note of the above information on your records.

Yours faithfully

**For SML ISUZU LIMITED**

**(PARVESH MADAN)**

Company Secretary & Compliance Officer

[pmadan@smlisuzu.com](mailto:pmadan@smlisuzu.com)

ACS-31266

**SML ISUZU Limited**

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**Regd. Office & Works:**

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Trucks & Buses

# SML ISUZU LIMITED

Regd. Office : Village Asron, Distt. Shahid Bhagat Singh Nagar (Nawanshahr) - 144 533, Punjab

CIN : L50101PB1983PLC005516, Website: www.smlisuzu.com, Email id : investors@smlisuzu.com, T : 91 1881 270255, F: 91 1881 270223

## STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2019

(Rupees in Crores, except share data, per share data and unless otherwise stated)

S.No.		Quarter Ended			Half Year Ended		Year ended
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
		Unaudited					Audited
<b>1</b>	<b>INCOME</b>						
	a) Revenue from operations	234.04	471.43	295.41	705.47	748.04	1,409.22
	b) Other income	2.12	0.66	1.07	2.78	1.87	4.49
	<b>Total Income (1)</b>	<b>236.16</b>	<b>472.09</b>	<b>296.48</b>	<b>708.25</b>	<b>749.91</b>	<b>1,413.71</b>
<b>2</b>	<b>EXPENSES</b>						
	a) Cost of materials consumed	104.18	264.93	177.03	369.11	455.89	1,058.22
	b) Purchase of stock-in-trade	14.10	14.67	17.04	28.77	32.14	66.01
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	71.75	85.73	34.57	157.48	83.93	(62.88)
	d) Employee benefits expense	37.59	43.31	40.02	80.90	81.69	166.70
	e) Finance cost	3.73	4.67	3.67	8.40	7.77	16.10
	f) Depreciation and amortisation expense	10.20	9.96	9.79	20.16	19.15	38.44
	g) Other expenses	21.15	26.30	25.31	47.45	53.37	106.79
	<b>Total Expenses (2)</b>	<b>262.70</b>	<b>449.57</b>	<b>307.43</b>	<b>712.27</b>	<b>733.94</b>	<b>1,389.38</b>
<b>3</b>	<b>Profit / (Loss) before exceptional items and tax (1-2)</b>	<b>(26.54)</b>	<b>22.52</b>	<b>(10.95)</b>	<b>(4.02)</b>	<b>15.97</b>	<b>24.33</b>
4	Exceptional items	-	-	-	-	-	-
<b>5</b>	<b>Profit / (Loss) before tax (3-4)</b>	<b>(26.54)</b>	<b>22.52</b>	<b>(10.95)</b>	<b>(4.02)</b>	<b>15.97</b>	<b>24.33</b>
6	Tax expense						
	- Current tax	(5.51)	4.73	(2.03)	(0.78)	3.83	5.38
	- Deferred tax	(3.21)	1.13	(1.18)	(2.08)	(0.23)	(0.62)
<b>7</b>	<b>Profit / (Loss) for the period (5-6)</b>	<b>(17.82)</b>	<b>16.66</b>	<b>(7.74)</b>	<b>(1.16)</b>	<b>12.37</b>	<b>19.57</b>
<b>8</b>	<b>Other Comprehensive Income</b>						
	A. (i) Items that will not be reclassified to Profit or loss						
	- Remeasurements of defined benefit plans	(0.72)	(0.73)	0.24	(1.45)	0.48	(2.64)
	(ii) Income tax related to items that will not be reclassified to profit or loss	0.25	0.26	(0.09)	0.51	(0.17)	0.93
	B. (i) Items that will be reclassified to Profit or loss						
	- Effective portion of gains / (losses) on hedging instruments in cash flow hedges	(0.48)	0.44	0.55	(0.04)	2.69	0.45
	(ii) Income tax related to items that will be reclassified to profit or loss	0.16	(0.15)	(0.19)	0.01	(0.94)	(0.16)
<b>9</b>	<b>Total Comprehensive Income for the period (7+8) (comprising Profit / (Loss) and Other Comprehensive Income for the period)</b>	<b>(18.61)</b>	<b>16.48</b>	<b>(7.23)</b>	<b>(2.13)</b>	<b>14.43</b>	<b>18.15</b>
<b>10</b>	<b>Basic and diluted earnings per share (Rupees)</b>	<b>(12.31)</b>	<b>11.51</b>	<b>(5.35)</b>	<b>(0.80)</b>	<b>8.55</b>	<b>13.53</b>
11	Paid-up equity share capital (face value Rs. 10 per share)	14.48	14.48	14.48	14.48	14.48	14.48
12	Other equity	-	-	-	-	-	399.11
	See accompanying notes to the unaudited financial results						



## Statement of Assets and Liabilities as at 30 September 2019

(Rs. Crores)

	Particulars	Unaudited	Audited
		30.09.2019	31.03.2019
<b>A.</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	Property, plant and equipment	356.59	368.69
	Capital work-in-progress	4.50	7.17
	Right of use assets	7.72	-
	Other intangible assets	10.40	11.18
	Intangible assets under development	32.48	19.96
	Financial assets		
	- Loans	3.54	3.70
	- Other financial assets	6.57	4.66
	Income tax assets (net)	6.19	4.65
	Deferred tax assets (net)	1.22	-
	Other non-current assets	15.56	18.26
	<b>Total non-current assets (A)</b>	<b>444.77</b>	<b>438.27</b>
<b>2</b>	<b>Current assets</b>		
	Inventories	253.98	423.75
	Financial assets		
	- Trade receivables	64.13	148.65
	- Cash and cash equivalents	15.49	27.45
	- Bank balances other than Cash and cash equivalents above	1.84	2.72
	- Loans	1.60	1.08
	- Other financial assets	2.62	3.58
	Other current assets	30.07	49.53
	<b>Total current assets (B)</b>	<b>369.73</b>	<b>656.76</b>
	<b>Total assets (A+B)</b>	<b>814.50</b>	<b>1,095.03</b>
<b>B.</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Equity</b>		
	Equity share capital	14.48	14.48
	Other equity	391.74	399.11
	<b>Total equity (C)</b>	<b>406.22</b>	<b>413.59</b>
<b>2</b>	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
	Financial liabilities		
	- Borrowings	89.30	104.24
	- Lease liabilities	6.15	-
	- Other financial liabilities	12.18	12.05
	Provisions	42.47	43.94
	Deferred tax liabilities (net)	-	1.39
	Other non-current liabilities	0.62	0.73
	<b>Total non-current liabilities (D)</b>	<b>150.72</b>	<b>162.35</b>
	<b>Current liabilities</b>		
	Financial liabilities		
	- Borrowings	45.09	110.07
	- Trade payables		
	(a) total outstanding dues of micro enterprises and small enterprises	1.07	4.26
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises	88.85	268.04
	- Lease liabilities	1.86	-
	- Other financial liabilities	63.11	57.47
	Provisions	29.79	30.09
	Current tax liabilities (net)	1.95	3.36
	Other current liabilities	25.84	45.80
	<b>Total current liabilities (E)</b>	<b>257.56</b>	<b>519.09</b>
	<b>Total liabilities (D+E)</b>	<b>408.28</b>	<b>681.44</b>
	<b>Total equity and liabilities (C+D+E)</b>	<b>814.50</b>	<b>1,095.03</b>

## STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2019

	Unaudited Half year ended 30 Sept 2019	Rs. Crores Unaudited Half year ended 30 Sept 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before tax	(4.02)	15.97
Adjustments for :		
Depreciation and amortization expense	20.16	19.15
Unrealised (gain) on foreign exchange fluctuation	(0.01)	(0.02)
Finance costs	8.40	7.77
Interest income	(1.98)	(1.61)
Property, plant and equipment written off (net)	0.33	0.02
Net gain on sale of property, plant and equipment	(0.10)	(0.09)
Allowance for doubtful trade receivables / advances	1.44	1.20
Provision for inventories (write back) / write down	(2.19)	2.50
Trade receivables / advances written off	0.02	0.02
Liabilities no longer required written back	(0.04)	(0.78)
Operating profit before working capital changes	<u>22.01</u>	<u>44.13</u>
Adjustments for :		
Decrease in trade receivables	83.08	35.06
Decrease in inventories	171.96	77.23
Decrease in other non-current and current financial assets	1.55	0.75
(Increase) in other non-current and current loans	(0.37)	(0.68)
Decrease in other non-current and current assets	21.72	14.67
(Decrease) in trade payables	(182.34)	(67.41)
(Decrease) in non-current and current provisions	(4.12)	(0.91)
Increase in other non-current and current financial liabilities	2.40	4.97
(Decrease) in other non-current and current liabilities	(25.30)	(8.10)
<b>CASH PROVIDED BY OPERATIONS</b>	<u>90.59</u>	<u>99.71</u>
Less: Direct tax paid, net of refunds	0.89	3.22
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>89.70</u>	<u>96.49</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Payment for property, plant and equipment, intangible assets, capital work in progress and intangible assets under development	(19.56)	(21.86)
Proceeds from sale of property, plant and equipment	0.09	0.15
(Investment) in / maturity of bank deposits [having original maturity of more than three months]	(0.24)	0.52
Realisation of margin money	-	0.01
Interest income	1.04	1.53
<b>NET CASH (USED) BY INVESTING ACTIVITIES</b>	<u>(18.67)</u>	<u>(19.65)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long-term borrowings taken during the period (excluding finance lease obligations)	5.00	-
Long-term borrowings repaid during the period (excluding finance lease obligations)	(15.00)	(7.50)
(Repayment) of lease liabilities	(0.54)	-
Proceeds / (Repayment) of finance lease obligations	0.08	(0.05)
Short-term borrowings (repaid) during the period (net)	(64.98)	(48.50)
Dividend transferred to IEPF	(0.24)	(0.17)
Dividend paid	-	(1.96)
Tax paid on dividends	-	(0.45)
Withdrawal from / (addition to) unpaid dividend accounts	0.24	(0.04)
Finance costs paid	(7.55)	(6.57)
<b>NET CASH (USED) BY FINANCING ACTIVITIES</b>	<u>(82.99)</u>	<u>(65.24)</u>
Net (decrease) / increase in cash and cash equivalents	(11.96)	11.60
Cash and cash equivalents at the beginning of the period	27.45	19.96
Cash and cash equivalents at the end of the period	15.49	31.56
<b>Notes to the Cash Flow Statement :-</b>		
1. Components of cash and cash equivalents		
Cash in hand	0.01	0.01
Balances with banks		
- Bank deposits (original maturity of 3 months or less)	4.00	19.00
- Current accounts	11.48	12.55
	<u>15.49</u>	<u>31.56</u>
2. The above "Cash flow statement" has been prepared as per the Indirect method as set out in Indian Accounting Standard-7, "Statement of Cash Flows".		

**Notes :**

- 1 The Company is primarily engaged in the business of manufacturing of commercial vehicles and related components which constitutes a single business segment and accordingly, disclosure requirements of Ind AS 108, 'Operating Segments' are not required to be given. As defined in Ind AS 108, the Chief Operating Decision Maker (CODM), i.e. the Board of Directors, evaluates the performance of the Company and allocates resources based on the analysis of the various performance indicators of the Company as a single unit.
- 2 The above unaudited results were reviewed by the Audit Committee on 13 November 2019 and approved by the Board of Directors in their meeting held on 13 November 2019. The unaudited results for the current period, have been subjected to limited review by the Statutory Auditors of the Company. The unmodified review report of the Statutory Auditor's is being filed with the BSE and National Stock Exchange Limited. For more details on the unaudited results, visit 'disclosure' section of our website at [www.smlisuzu.com](http://www.smlisuzu.com) and 'Financial Results' in 'Corporates' section of [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com).
- 3 With effect from 1 April 2019, the Company has adopted IND AS 116 'Leases' ('the Standard') and applied the Standard to its leases, retrospectively using the modified retrospective approach. Accordingly, the Company has not restated the comparative information. This has resulted in recognition of a 'Right of use' asset and a corresponding lease liability of Rs. 8.54 crores as at 1 April 2019. In the financial results for the quarter and half year ended 30 September 2019, the nature of expense in respect of operating leases has changed from rent to depreciation for the 'Right of use' asset and finance cost for the interest expense on the corresponding lease liability.
- 4 The Company had received allegations in respect of certain operational and financial matters from an employee and a former employee. The Company decided to internally investigate these allegations. While the work performed internally did not indicate any material financial impropriety, the Company considered it appropriate to get an external independent investigation done by experts who possess the necessary skills to carry out such work. Accordingly, the Company engaged an external firm to perform an investigation particularly to evaluate the appropriateness of certain transactions. This investigation has been completed recently and an investigation report has been issued by such external firm to the Management ('final investigation report'). Based on its assessment of the said allegations and its assessment thus far of the findings that are contained in the final investigation report, the Board of Directors, the Audit Committee and Management of the Company are of the view that while there may have been some control deficiencies, there is no evidence available that indicates any material financial impropriety and consequently no material adjustment is required to be made to the financial results for the quarter and half year ended 30 September 2019.  
The Company continues to work towards further strengthening of its internal controls and processes.

**For and on behalf of**  
the Board of Directors



(Yugo Hashimoto)  
Managing Director & CEO  
DIN: 08165797

Place: New Delhi  
Date: 13 November 2019

# B S R & Associates LLP

Chartered Accountants

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To  
Board of Directors of SML Isuzu Limited

1. We have reviewed the accompanying Statement of unaudited financial results of SML Isuzu Limited ("the Company") for the quarter ended 30 September 2019 and year to date results for the period from 1 April 2019 to 30 September 2019 ("the Statement").
2. This Statement, which 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 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 issue a report 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.
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 recognised 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.

**B S R & Associates LLP**

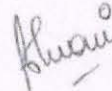
5. We draw attention to Note 4 of these financial results (' Note 4') which describes that an investigation has been carried out by an external firm in respect of certain allegations received by the Company and that an investigation report has recently been issued by the said firm to the Management ('final investigation report').

We have been informed by Management that a copy of the final investigation report and Management's comments thereon will be provided to us in the next few weeks.

However, as further informed to us and also explained in Note 4, based on its assessment of the said allegations and its assessment thus far of the findings that are contained in the final investigation report, the Board of Directors, the Audit Committee and Management of the Company are of the view that while there may have been some control deficiencies, there is no evidence available that indicates any material financial impropriety and consequently no material adjustment is required to be made to the financial results for the quarter and half year ended 30 September 2019.

In view of this assessment, our conclusion is not modified in respect of this matter.

*For B S R & Associates LLP*  
*Chartered Accountants*  
ICAI Firm Registration No.: 116231W/W-100024



**Ashwin Bakshi**  
*Partner*  
Membership No.: 506777  
UDIN: -19506777AAAABR4165

Place: Gurugram  
Date: 13 November 2019