

Press Release

**SEL Q3 PROFIT UP 20%
TO INVEST RS. 38 CRORES IN EXPANSION PLANS**

January 31, 2014, Mumbai: 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, 2013.

Riding on the increased demand of engines from its key customer – Mahindra & Mahindra Limited – Swaraj Division, SEL today reported engine sales of 18,530 units during the third quarter ended 31st December, 2013 as compared to sale of 15,288 units during corresponding quarter of last year – **a growth of 21%**.

Moving in tandem with engine volumes, net operating revenue for the third quarter stood at Rs. 150.2 crores as against Rs. 124.6 crores for the last year – **a growth of 21%**.

Based on the above, SEL posted a Profit Before Tax (before exceptional items) of Rs. 23.7 crores as against Rs.19.8 crores for same period last year – **a growth of 20%**. However, PBT after the exceptional items of Rs. 1.1 crores stood at Rs. 22.6 crores. Net Profit for the quarter at Rs. 15.6 crores (last year Rs. 13.8 crores) translated into an earning per share of Rs. 12.52 (last year Rs. 11.08).

For the nine month period ended 31st December 2013, engine sales volume was 54,797 units (last year 43,691 units), net operating revenue was Rs. 448.9 crores (last year Rs. 364.5 crores) – **a growth of 23%**. PBT (before exceptional items of Rs. 1.1 crores) for the nine month period was Rs. 73.4 crores (last year Rs. 59.6 crores) – **a growth of 23%**. Post exceptional items, PBT was Rs. 72.3 crores. Profit After Tax for the period at Rs. 49.5 crores (last year Rs. 41.5 crores) has translated into an earning per share of Rs. 39.89 (last year Rs. 33.38).

With timely completion of its previous expansion to 75,000 units by the end of fiscal 2013, the Company was able to take advantage of enhanced demand scenario in the first nine months of the current fiscal. Further, considering the upcoming demand from its key customer, the Board of Directors has approved a further expansion programme to increase capacity to 1,05,000 engines per annum over the next one and a half year. Besides, capacity augmentation, the Company will continue to sharpen its focus on engineering and quality edges. The proposed project will entail total capex of around Rs. 38.0 crores, which will be fully financed from internal resources.



About Swaraj Engines Ltd.

Swaraj Engines Limited (SEL) was set up in 1985 in Mohali, Punjab. SEL is in the business of supplying engines to the Swaraj Division of Mahindra & Mahindra Ltd. (M&M). The Company is also a supplier of hi-tech engine components to SML Isuzu Ltd.

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