

Press Release**Swaraj Engines Q1 PBT stood at Rs. 19.7 crores**

S.A.S.Nagar (Mohali), 31st July, 2012: The Board of Directors of Swaraj Engines Limited has met today to consider and approve the unaudited financial results for the first quarter ended 30th June, 2012.

During the first quarter ended 30th June, 2012, SEL supplied 14,014 engines to Swaraj Division of Mahindra & Mahindra Limited as compared to 13,853 engines supplied during corresponding quarter of last year. This moderate increase in engine volumes was mainly due to the marginal increase in domestic tractor demand compared to corresponding period of last year. Based on these volumes, Company's Net Operating Revenue for April – June 2012 period reached Rs. 118.2 crores as against Rs. 109.8 crores for the corresponding period of last year. While the Profit before tax for the first quarter stood at 19.7 crores (last year Rs. 19.6 crores), Profit after tax at Rs. 13.7 crores (last year Rs. 13.5 crores) translates into an earning per share of Rs. 11.03 (last year Rs.10.90).

Financial results taken on record by the Company's Board of Directors are attached.

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 Swaraj Division of Mahindra & Mahindra Ltd. (M&M). Besides this, Company is also a supplier of hi-tech engine components to SML Isuzu Ltd.

Since start of commercial operations in 1989-90, SEL till fiscal 2012 has supplied around 4,60,000 engines for fitment into "Swaraj" tractors. SEL's engine business currently constitutes around 95% of the company's product revenue. The balance 5% represents the value of hi-tech engine components being supplied to SML Isuzu for assembly of commercial vehicle engines.

Mahindra & Mahindra Limited currently holds a 33.2% equity stake in SEL.

For further information please contact:

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