

Press Release**Swaraj Engines Q3 profit Zooms 83%**

**Mumbai, 24<sup>th</sup> January, 2017:** 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 31<sup>st</sup> December, 2016.

Riding on the strong engines demand from its key customer – Swaraj Division of Mahindra & Mahindra Limited, **SEL posted a significant jump of 83% in its Profit After Tax at 15.3 crores** for the third quarter ended 31<sup>st</sup> December, 2016.

**Q3 (Oct. – Dec. 2016)**

In the backdrop of growth witnessed in the tractor industry during the current fiscal, demand for tractor engines stayed strong during third quarter as well. As a result, engine sales for Q3 of current fiscal registered an impressive growth of 49.1% and achieved its ever highest third quarter engines sale of 19,150 units as compared 12,845 units during corresponding quarter of last year.

Reflecting above volume growth, net operating revenue for the third quarter stood at Rs. 154.8 crores compared to last year's Rs. 105.6 crores - a growth of 46.6%. The enhanced level of operations and overall operational efficiencies helped to improve the Operating Margin (EBITDA) by 280 basis points - 14.9% compared to last year's 12.1%.

Profit Before Tax (PBT) for this quarter at Rs. 23.4 crores (last year Rs. 13.2 crores) posted a growth of 77.3% with improvement in margin from 12.5% to 15.1%. Profit After Tax for the quarter stood at Rs. 15.3 crores (last year Rs. 8.4 crores).

**Nine month period (Apr. – Dec. 2016)**

On the strength of growth posted in all the three quarters of current fiscal, the nine month period ended 31<sup>st</sup> December, 2016 witnessed a cumulative increase of 24.6% in engine sales volume which stood at 62,455 units as compared to 50,118 units sold during the same period last year. While Profit Before Tax for the nine month period stood at Rs. 82.0 crores (last year Rs. 59.7 crores), Profit After Tax at Rs. 53.5 crores (last year Rs. 39.5 crores) has translated into a basic earning per share of Rs. 43.12 (last year Rs. 31.84).

Taking note of the emerging demand scenario in the coming years and to timely cater the upcoming demand of its key customer, the Board of Directors have today also considered and approved the capacity-enhancement project to increase its capacity to 1,20,000 per annum from existing 1,05,000 per annum by the end of next fiscal. This capacity expansion will be fully financed through the internal resources.

# SWARAJ

## **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).

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For further information please contact:

Mr. Subhash Mago, Chief Executive Officer  
Swaraj Engines Ltd.  
Phone: (+91-172) 2234941-47  
Email: [mago.subhash@swarajenterprise.com](mailto:mago.subhash@swarajenterprise.com)

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