

Press Release

(25th April, 2017)

**F17 PBT at Rs. 105.5 crores up by 38%
Board Recommends 430 % Dividend**

Mumbai, 25th April, 2017: The Board of Directors of Swaraj Engines Limited (SEL) today announced the audited financial results for the quarter and year ended 31st March, 2017.

FY 2016-17

Riding on the impressive growth witnessed in the tractor industry and the strong engine demand emerged from Swaraj Division of Mahindra & Mahindra Limited during the year, SEL today reported its ever best yearly financial performance in terms of both sale volumes and profit. Registering a volume growth of 28%, the Company has attained its ever highest engine sales of 82,297 units (last year 64,088 units) and consequently, Net Operating Revenue for fiscal 2017 moved to Rs.666.1 crores, compared to Rs. 525.9 crores for the last year.

It is also pertinent to note that this growth has been accompanied with an improvement in its working capital and profit margins both at Operating and PBT level. While operating profit for the year at Rs. 104.7 crores (last year Rs. 73.8 crores) registered a growth of 42% and margin improvement of 170 basis point over last year, the Profit Before Tax crossed Rs. 100 crores mark for the first time and reached Rs. 105.5 (last year Rs. 76.2 crores) – a growth of 38%.

Profit After Tax for the year, including other comprehensive income (net of tax), stood at Rs. 69.0 crores (last year Rs. 51.2 crores).

Q4 (January – March 17)

As strong engine demand continued in Q4 as well, sales grew by 42% and achieved its highest ever fourth quarter engine sales volume of 19,842 units, against 13,970 units for the corresponding period of last year. On this volume, the Company's net operating revenue for the quarter stood at Rs. 160.8 crores, compared to last year's Rs. 114.0 crores.

While the Profit Before Tax for the quarter at Rs. 23.5 crores (last year Rs. 16.5 crores) grew by 42%, due to higher tax provision compared to last year where the Company had claimed benefit of Investment allowance, Profit After Tax, including other comprehensive income (net of tax), grew by 32% to reach Rs. 15.5 crores (last year Rs. 11.7 crores).

Dividend

The Board, while approving the annual accounts, has recommended an equity dividend of 180% (Rs.18 per share) for the financial year ended 31st March, 2017. Further, considering the overall fund position of the Company, the Board, over and above the said normal dividend, has also recommended a special dividend payment of 250% (Rs. 25 per share), taking the total dividend to 430% (Rs.43 per share) for the FY 2016-17.

Changes at Board Level

The Board today also took note that consequent to his resignation with effect from 24th April, 2017, Shri Rajan Wadhwa ceased to be a Director of the Company and upon completion of his term on 31st March, 2017, Shri M.N.Kaushal, Whole Time Director, also ceased to be a Director of Company.

Further, the Board has today appointed Shri Rajesh Jejurikar as an Additional Director and Shri Subhash Mago as Whole Time Director designated as Whole Time Director and Chief Executive Officer for a period from 25th April, 2017 to 31st March, 2020.

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).

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