

Press Release

Swaraj Engines Q2 Operating Profit up 8%

Mumbai, 20th October, 2014: The Board of Directors of Swaraj Engines Limited (SEL) met today to consider and approve the financial results for the second quarter and half year ended 30th September, 2014.

Continuing its improvement journey and by taking full advantage of increased capacity in meeting the demand of its key customer – Swaraj Division of Mahindra & Mahindra Limited, SEL today reported a growth of 8% in the engine sales volume for the second quarter ended 30th September, 2014. Engine sales for the quarter reached 20,054 units - the highest ever quarterly sale – compared to 18,484 units sold during the corresponding quarter of last year.

With higher sales volume, its net operating revenue for the second quarter moved to Rs. 167.2 crores from Rs. 151.6 crores for the corresponding period in the previous fiscal – a growth of 10%.

Operating profit for the second quarter at Rs. 24.6 crores also moved in tandem with increased engine sales volume and registered a growth of 8% when compared with Rs. 22.7 crores for the same period last year. However, due to higher depreciation to comply with the changes in Companies Act 2013 and CSR spend coupled with lower income on surplus funds, Profit Before Tax for the quarter at Rs. 25.1 crores stood almost at last year's level. Profit After Tax for the quarter was Rs. 17.7 crores (last year Rs. 17.2 crores).

For the half year ended 30th September 2014, on the supplies of 40,098 engines, compared to 36,267 engines for the same period last year, net operating revenue reached Rs. 333.4 crores, as against Rs. 298.7 crores for the same period last year – a growth of 12%. Operating profit for the first half year reached Rs. 49.5 crores, as against Rs. 44.8 crores for the corresponding period of the last financial year – a growth of 10%. While Profit Before Tax for the first half year stood at Rs. 50.9 crores (last year Rs.49.7 crores), Profit After Tax at Rs. 35.3 crores (last year Rs. 34.0 crores) has translated into an earning per share of Rs. 28.43 (last year Rs. 27.37) for the first six months of the current fiscal.

Further, today the Board of Directors have appointed Shri Sudhir Mankad as Chairman of the Board in place of Shri G.P.Gupta who consequent to his resignation ceased to be the Director of the Company after the conclusion of the last Annual General Meeting of the Company held on 31st July, 2014.



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 manufacturing hi-tech engine components for SML Isuzu Ltd.

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