

**Press Release**

**Swaraj Engines posts 22% rise in Q2 Profit**

**Mumbai, 31<sup>st</sup> October, 2017:** 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 30<sup>th</sup> September, 2017.

With the impressive growth witnessed in the Indian tractor industry during second quarter of current fiscal and resultant strong engine demand emerged from its key customer – Swaraj Division of Mahindra & Mahindra Limited, **SEL today reported its ever best quarterly performance - both in terms of engine sales volume and profit.**

**While the engine sales volume of 24,984 units for July-September period grew by 11.6% as compared 22,395 units sold during the corresponding period of last financial year, volume growth coupled with continued focus on cost on all fronts resulting into profit growth of 22% at Rs. 23.5 crores for the said period.**

The net operating revenue for the second quarter stood at 208.7 crores compared to Rs. 178.9 crores for the same period last year and reflecting overall operational efficiencies, the operating profit (EBITDA) stood at Rs. 35.1 crores (last year Rs. 29.2 crores) with margin improvement of 50 basis points. The Profit Before Tax of Rs. 35.9 crores (last year Rs. 29.5 crores) and Profit After Tax of Rs. 23.5 crores (last year Rs. 19.3 crores) also accompanied with improvement in margins. However, due to introduction of GST with effect from 1<sup>st</sup> July, 2017, quarterly figures are not strictly comparable.

With growth in volume during first two successive quarters of the current fiscal, the engine sales volume of 48,271 units for the half year ended 30<sup>th</sup> September, 2017 posted an increase of 11% over last year's sale of 43,305 units. On the net operating revenue of Rs. 402.6 crores (last year Rs. 350.6 crores) for said period, the Company posted a Profit Before Tax of Rs. 68.8 crores (last year Rs. 58.6 crores) and Profit After Tax of Rs. 45.0 crores (last year Rs. 38.3 crores) which translated into a basic earning per share of Rs. 36.23 (last year Rs. 30.80).

**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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