

Press Release

(22nd April, 2013)

SEL DECLARES DIVIDEND OF 330%

Mumbai, 22nd April, 2013: The Board of Directors of Swaraj Engines Limited (SEL) has met today to consider and approve the audited financial results for the year ended 31st March, 2013.

The Board, while approving the annual accounts, has recommended an equity dividend of 130% (Rs. 13 per share) for the financial year ended 31st March, 2013. Following its Investor friendly approach and keeping in view of Company's surplus cash position, the Board, over and above the said normal dividend, has further recommended a special dividend payment of 200% (Rs. 20.0 per share), taking the total dividend to 330% (Rs. 33.0 per share) for the FY 2012-13.

Q4 (Jan. – Mar. 13)

The Company's engine sales during the fourth quarter ended 31st March, 2013 was restricted to 13,686 units as compared to 14,274 units sold during the corresponding quarter of last year due to subdued tractor industry scenario. Accordingly, the Company's net operating revenue for the quarter stood at Rs. 114.5 crores as against last year's net revenue of Rs.118.4 crores and reported a Profit Before Tax (PBT) of Rs. 19.9 crores against last year's PBT of Rs. 20.2 crores.

FY 2013 (Apr. 12 – Mar. 13)

Being an engine supplier to Swaraj Division of Mahindra & Mahindra Limited (M&M), Company's business has a direct linkage with the tractor industry and more particularly with demand from its key customer – M&M. Despite the overall demand contraction in the tractor industry during FY 2012-13, the Company was able to close the financial year with an increase of 4% in engine supplies over last year to reach 57,377 units (last year 55,239 units).

Reflecting the above, the Company's net revenue from operations for the year stood at Rs. 479.0 crores as against last year's 448.6 crores – an increase of 7%. Despite the higher depreciation of almost Rs. 3.0 crores due to the recently completed capacity expansion and increased spend on R&D projects, a continuous focus on cost control and higher returns on surplus funds helped the Company achieve a PBT of Rs. 79.5 crores as against last year's profit of Rs. 77.3 crores.

Profit After Tax of Rs. 55.4 crores for the year (last year Rs. 52.8 crores) translates into an Earning Per Share of Rs. 44.61 (last year-Rs. 42.53).

Audited Financial results 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, the Company is also a supplier of hi-tech engine components to SML Isuzu Ltd.

From the start of commercial operations in 1989-90, SEL till fiscal 2013 has supplied around 5,17,000 engines for fitment into “Swaraj” tractors.

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

For further information please contact:

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