

MSIL: COS: NSE&BSE: 2023/08\_10

Date: 8<sup>th</sup> August, 2023

To,  
Vice President  
**National Stock Exchange of India Limited**  
“Exchange Plaza”, Bandra – Kurla Complex  
Bandra (E),  
Mumbai – 400 051

General Manager  
Department of Corporate Services  
**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai – 400 001

**Subject: Intimation of outcome of the Board Meeting under Regulation 30 of the Listing Regulations**

Dear Sir,

Further to our intimation to the Stock Exchanges dated 3<sup>rd</sup> August, 2023, we wish to inform that the Board of Directors, at its meeting held today, has approved issue of equity shares of the Company on preferential allotment basis to Suzuki Motor Corporation (SMC), as consideration for the acquisition of 100% stake of SMC in Suzuki Motor Gujarat Private Limited (SMG). This will be subject to applicable regulatory and statutory approval(s), as may be required, including requisite approval of shareholders. Post such acquisition, SMG will become a wholly owned subsidiary of the Company.

The requisite information as per Para A of Part A of Schedule III and Regulation 30 of the Listing Regulations is given hereunder:

Type of Securities proposed to be issued	Equity
Type of issuance	Preferential allotment
Total number of securities proposed to be issued or the total amount for which the securities will be issued	The total number of securities proposed to be issued to SMC as consideration for the acquisition of 100% stake of SMC in SMG, shall be decided in a subsequent Board Meeting, basis relevant valuation reports subject to and in compliance with the applicable regulatory and statutory framework.
Name of the investors	Suzuki Motor Corporation.

**MARUTI SUZUKI INDIA LIMITED**

**Head Office:**

Maruti Suzuki India Limited,  
1, Nelson Mandela Road, Vasant Kunj,  
New Delhi - 110070, India.

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E-mail id: [contact@maruti.co.in](mailto:contact@maruti.co.in), [www.marutisuzuki.com](http://www.marutisuzuki.com)

**Gurgaon Plant:**

Maruti Suzuki India Limited,  
Old Palam Gurgaon Road,  
Gurgaon - 122015, Haryana, India.

Tel: 0124-2346721, Fax: 0124-2341304

**Manesar Plant:**

Maruti Suzuki India Limited,  
Plot No.1, Phase - 3A, IMT Manesar,  
Gurgaon - 122051, Haryana, India.

Tel: 0124-4884000, Fax: 0124-4884199

Post allotment of securities – outcome of the subscription, issue price/allotted price (in case of convertibles), number of investors	The details in relation to the subscription, including the issue price for the securities and the post allotment holding of the investors, shall be decided in a subsequent Board Meeting, basis relevant valuation reports subject to and in compliance with the applicable regulatory and statutory framework.
In case of convertibles – intimation on conversion of securities or on lapse of the tenure of the instrument	Not applicable
Any cancellation or termination of proposal for issuance of securities including reasons thereof	Not applicable

Press release is also enclosed.

The Board Meeting commenced at 09:00 a.m. and concluded at 09:40 a.m.

Thanking you,

Yours faithfully,

**For Maruti Suzuki India Limited**

Sanjeev Grover  
Executive Vice President  
& Company Secretary

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## Press Release

### Maruti Suzuki Board approved issuing MSIL equity shares on preferential allotment basis to SMC for acquiring SMG subject to shareholder approval

**New Delhi, August 8, 2023:** The Board, in its meeting held on 31<sup>st</sup> July, 2023 had approved termination of the contract manufacturing agreement (CMA) with Suzuki Motor Gujarat Private Limited (SMG) and acquiring the shares of SMG from Suzuki Motor Corporation (SMC) at a price to be determined in accordance with the CMA and all applicable laws and regulations. The Board decision was subject to all legal and regulatory compliances including minority shareholders' approval.

Today, the Board evaluated the following two available options for acquiring the SMC equity in SMG: (i) payment in cash and (ii) issue of MSIL equity shares on a preferential allotment basis. The impact of both options\* on the profitability of MSIL, the earnings per share and the dividend payment to shareholders was considered for each year up to 2031.

The data showed that

- i) PAT of MSIL would be higher in the share swap option in each year increasing by over Rs 1400 crores in 2030-31
- ii) the EPS would be higher in the swap option starting from Rs 7 per share and going up to Rs 20 per share in 2030-31 and
- iii) the dividend payable, with the same pay-out ratio, would be higher in the swap option.

This is primarily because in the swap option while there is a continued additional earning of interest income, the equity dilution is very low. Please see table below.

Particulars	Method	Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30	Mar-31
PAT (In Cr.)	Cash	8,049	8,164	9,236	10,446	11,811	13,351	15,087	17,046	19,255
	Swap	8,049	9,057	10,192	11,468	12,905	14,521	16,340	18,386	20,689
EPS (Rs.)	Cash	266	270	306	346	391	442	499	564	637
	Swap	266	287	323	364	410	461	519	583	657
DPS (Rs.)	Cash	90	108	122	138	156	177	200	226	255
	Swap	90	115	129	146	164	184	207	233	263

The Board therefore concluded that the option of acquiring SMG shares by issue of MSIL equity shares to SMC would clearly be beneficial to minority shareholders and to MSIL.

#### \* Assumptions and disclaimers

- PAT for 2022-23 is actual. The future PAT figures are based on an assumed 12.5% growth each year. The PAT figures are NOT to be taken as MSIL projections of profit. Cash profit is lower because of loss of interest income. The difference between swap and cash PAT would occur under different growth rates of profit also.
- The total number of shares of MSIL after swap, are based on book value of SMG at end of 2022-23 and MSIL share price of 30<sup>th</sup> June 23. The actual would depend on when the date of the EGM/postal ballot is fixed by the Board. The comparison would be similar.
- The dividend amount is based on a 40% payout ratio on assumed PAT. Results would be similar on a different pay-out ratio.
- Interest rate of 7% is assumed.

The Board approved the issue of MSIL equity shares to SMC to pay for the SMG shares. Further it was decided that:

- Minority shareholders' approval would be sought at an EGM or through postal ballot on a date to be fixed for i) terminating the CMA ii) acquiring SMG shares from SMC and iii) approving this acquisition by issue of MSIL equity shares equal to the book value of SMG as calculated according to the CMA and subject to relevant valuation reports and in compliance with the applicable regulatory and statutory framework including FEMA/SEBI guidelines,
- The approval of all shareholders would be sought at the same EGM or through postal ballot for issue of equity shares on preferential basis to SMC.