
Maruti Suzuki India Limited

Q1 FY'17 Financial Results
26th July, 2016

Safe Harbour

This presentation might contain forward looking statements which involve a number of risks, uncertainties and other factors that could cause the actual results to differ materially from those in the forward looking statements. The Company undertakes no obligation to update these to reflect the events or circumstances thereof. Secondly, these statements should be understood in conjunction with the risks the company faces.

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Impact of Ind-AS on financials

Impact of Ind-AS to be read in context of following:

- This section of the presentation is to provide information on the applicability of Ind-AS on financials and the impact of transition to Ind-AS on the reported results of the Company
- Impacts on the reported results of the Company represents the current best estimates based on Ind-AS principles, rules and regulation known to date and may be effected by any amendments to such Ind-AS principles, rules, regulations and any interpretations thereof
- Impacts on the last year reported financial numbers are prepared by the Company and are not audited / reviewed by the auditors
- Disclosure of financial statements as per Ind-AS are not covered in this presentation

Major areas of change due to adoption of Ind-AS

Impacted Item	Impact
Investment in Mutual Funds	<ul style="list-style-type: none">• Measurement of investment in mutual funds at fair value through profit and loss account
Investment in Equity Instruments	<ul style="list-style-type: none">• Measurement of investment in equity instruments (investments in Companies which are not subsidiary, associate or joint venture of Maruti Suzuki) at fair value through other comprehensive income (OCI)
Revenue	<ul style="list-style-type: none">• Income from services would be deferred on a straight line basis over the service period
Proposed Dividend	<ul style="list-style-type: none">• Proposed dividends to be recognized in the year when they are approved by shareholders in the Annual General Meeting
Employee Benefits	<ul style="list-style-type: none">• Actuarial gains and losses on gratuity liability to be recorded through OCI
Deferred Tax	<ul style="list-style-type: none">• Deferred tax impact on above adjustments
Consolidation	<ul style="list-style-type: none">• Three Companies (Asahi India Glass Limited, Sona Koyo Steering Systems Limited and Denso India Private Limited) are out of the purview of consolidation. Investments in these Companies will be treated as equity instruments and would be fair valued through other comprehensive income (OCI)

Impact on Standalone Net Worth on account of Ind-AS

Rs million

Particulars	As at 1 st Apr 15	As at 31 st Mar 16
Net Worth as reported in I GAAP	237,042	270,071
Fair valuation of investment in mutual funds	6,898	16,889
Fair valuation of investment in equity instruments	4,477	4,576
Deferment of income from services	(7,214)	(8,217)
Proposed dividend and related distribution tax	9,090	12,725
Deferred tax adjustments	3,963	2,829
Net Worth as per Ind-AS	254,256	298,873

Impact on Standalone Profit on account of Ind-AS

Rs million

Particulars	Q1FY16	Q2FY16	Q3FY16	Q4FY16	FY16
Profit after tax reported as per I GAAP	11,929	12,256	10,193	11,336	45,714
Fair value gain on mutual funds	345	3,364	2,110	4,172	9,991
Net Impact in deferment of service income	(172)	(308)	(273)	(250)	(1,003)
Actuarial gain / loss on defined benefit plans	(46)	69	24	63	110
Deferred tax adjustment	25	(411)	(224)	(548)	(1,158)
Profit after tax as per Ind-AS	12,081	14,970	11,830	14,773	53,654
Actuarial gain / loss on defined benefit plans	46	(69)	(24)	(63)	(110)
Fair value gain on equity instruments	143	(77)	534	(501)	99
Gains / loss on cash flow hedge	80	(107)	46	21	40
Deferred tax adjustment	(43)	60	(7)	14	24
Total Comprehensive Income as per Ind-AS	12,307	14,777	12,379	14,244	53,707

Q1 FY'17

VS

Q1 FY'16

Highlights of Q1 FY'17 & Growth over Q1 FY'16

■ Sales Volume	348,443 Veh.	2.1 %	↑
■ Net Sales	146,545 Mn	12.1 %	↑
■ Op. EBIDTA	22,157 Mn	2.2 %	↑
■ PBT	20,420 Mn	21.3 %	↑
■ PAT	14,862 Mn	23.0 %	↑

Key Financial Ratios (% of Net Sales)

Parameter	Q1 FY'17	Q1 FY'16	Change bps	
Material Cost	69.1	68.9	20	↑
Employee Cost	3.9	3.6	30	↑
Other Expenses	13.7	13.2	50	↑
Other Operating Income	1.9	2.3	(40)	↓
Op. EBIDTA	15.1	16.6	(150)	↓
Depreciation	4.4	5.1	(70)	↓
Other Non-Operating Income	3.3	1.6	170	↑
PBT	13.9	12.9	100	↑
PAT	10.1	9.2	90	↑

Financial Analysis Q1 FY'17 vs Q1 FY'16

Material Cost to Net Sales : Higher by 20 bps

- Adverse forex impact..
- ..offset by cost reduction efforts

Other Expenses to Net Sales : Higher by 50 bps

- Adverse forex impact on royalty
- Higher advertising and sales expenses
- Partially offset by reduced power and fuel expenses
- One-time asset impairment impact in Q1 FY'16

Depreciation to Net Sales : Lower by 70 bps

- Due to change in amortization policy of dies and intangible assets (from 4 to 5 years)
- ..offset partly by depreciation of new models' dies

Q1 FY'17

VS

Q4 FY'16

Highlights Q1 FY'17 & Growth over Q4 FY'16

■ Sales Volume	348,443 Veh.	(3.3) %	↓
■ Net Sales	146,545 Mn	(1.8) %	↓
■ Op. EBIDTA	22,157 Mn	(5.0) %	↓
■ PBT	20,420 Mn	(2.2) %	↓
■ PAT	14,862 Mn	0.6 %	↑

Key Financial Ratios (% of Net Sales)

Parameter	Q1 FY'17	Q4 FY'16	Change Bps
Material Cost	69.1	67.4	170
Employee Cost	3.9	4.0	(10)
Other Expenses	13.7	15.1	(140)
Other Operating Income	1.9	2.1	(20)
Op. EBIDTA	15.1	15.6	(50)
Depreciation	4.4	5.1	(70)
Other Non-Operating Income	3.3	3.6	(30)
PBT	13.9	14.0	(10)
PAT	10.1	9.9	20



Financial Analysis Q1 FY'17 vs Q4 FY'16

Material Cost to Net Sales : Higher by 170 bps

- Increased raw material prices and adverse foreign exchange movement

Other Expenses to Net Sales : Lower by 140 bps







- Lower advertisement and sales expense
- Lower repair and maintenance

Sales Volumes

Total Sales	Market	Q1 FY'17		Q1 FY'16		Growth
		Number	% to Total sales	Number	% to Total sales	
	Domestic	322,340	92.5%	305,694	89.6%	5.4%
	Exports	26,103	7.5%	35,635	10.4%	(26.7)%
	Total Sales	348,443	100%	341,329	100%	2.1%

Domestic Sales	Segments	Q1 FY'17		Q1 FY'16		Growth
		Number	% to Domestic sales	Number	% to Domestic sales	
	Mini	92,723	28.8%	104,801	34.3%	(11.5)%
	Compact	132,225	41.0%	129,924	42.5%	1.8%
	Super Compact	7,796	2.4%	7,909	2.6%	(1.4)%
	Mid Size	13,690	4.2%	13,374	4.4%	2.4%
	UVs	39,348	12.2%	15,550	5.1%	153.0%
	Vans	36,558	11.3%	34,136	11.2%	7.1%
	Domestic	322,340	100%	305,694	100%	5.4%

Going Forward

- Strong product portfolio 
- Benign fuel prices 
- Gradual improvement in market sentiment 
- Easing of Interest rates? 
- Uncertainty on foreign exchange 
- Uncertainty on commodity prices 

Thank You
