

Maruti Suzuki pegs ₹1.25-lakh-crore capex at Gurugram, Manesar, Gujarat plants till FY31

S Ronendra Singh
New Delhi

Maruti Suzuki India Ltd (MSIL) said on Monday that the regular capex at its existing plants in Gurugram, Manesar, and Gujarat will continue, and total capex till FY31 could be as much as ₹1.25-lakh crore.

The amount for capex in FY23 was around ₹7,500 crore, said MSIL in a presentation for shareholders, analysts and proxy ad-

visors for the acquisition of Suzuki Motor Gujarat.

"Additional cash flows from the new capacities being added will come, but there will be a lag between investments and income. The management believes that cash should be first available and not spent in anticipation of incomes," said the company.

CASH SHORTAGE

Pay out of over ₹12,500 crore for Suzuki Motor Corporation (SMC, Japan) shares, re-

ducing profits, EPS and dividend payments could also create cash shortage.

"MSIL has, from its inception, followed a policy of accumulating cash reserves by being frugal in all its expenditures.

"The emphasis on increasing productivity and reducing waste, as well as making improvements by employee suggestions, have contributed to building cash reserves, said the company.

MSIL will need about ₹45,000 crore to create a ca-

capacity of 2 million units. This is based on the current costs and a small amount for cost escalation, it said, adding that the funds will be needed for creating sales, service and spare parts infrastructure to double sale volumes.

The infrastructure for exporting a larger volume of cars will also have to be strengthened. Research and development will need additional outlays to enable most of the development work related to internal combustion engine cars.