

Maruti Suzuki

Performance Highlights

Y/E March (₹ cr)	3QFY11	3QFY10	% chg (yoy)	Angel est.	% diff
Net sales	9,494	7,503	26.5	9,708	(2.2)
EBITDA	902	1,134	(20.5)	1,009	(10.6)
EBITDA margin (%)	9.5	15.1	(561)bp	10.4	(89)bp
PAT	565	688	(17.8)	601	(6.0)

Source: Company, Angel Research

Maruti Suzuki (Maruti) reported its 3QFY2011 results, which were marginally below our estimates largely due to adverse product mix, drop in average net realisation and one-time expenses related to employee costs. We broadly maintain our volume estimates; however, we have revised our earnings estimates marginally downwards to factor in lower-than-expected performance during 3QFY2011. **Owing to the recent correction in the stock price, we recommend Buy on the stock.**

Operating performance marginally lower than estimates: For 3QFY2011, Maruti registered 26.5% yoy growth in net sales to ₹9,494cr (₹7,503cr), slightly lower than our estimates, aided by a 28.2% yoy jump in volumes. However, average net realisation declined marginally by 1.3% during the quarter due to inferior product mix and currency impact on export realisation. EBITDA margins declined by 561bp yoy to 9.5% against our estimates of 10.4% due to higher raw-material costs (up 353bp yoy) and increased royalty payments (up 150bp yoy) to 5.2% of net sales (3.7% in 3QFY2010). Further, higher employee expenses due to one-time costs related to restructuring of employee compensation impacted margins. Net profit at ₹565cr recorded a 17.8% yoy decline, 6% below our expectations. Higher other operating income (up 29% yoy) and other income (up 41% yoy) helped restrict the further decline in net profit.

Outlook and valuation: At ₹1,234, Maruti is trading at 16.1x and 12.2x FY2011E and FY2012E earnings, respectively. We model a 19.2% volume and 9.8% earnings CAGR for the company for FY2010–12E. **Owing to the recent decline in the stock price, we recommend Buy on the stock with a Target Price of ₹1,515, at which level it would trade at 15x FY2012E earnings.**

Key financials

Y/E March (₹ cr)	FY2009	FY2010	FY2011E	FY2012E
Net sales	20,454	29,099	35,135	41,359
% chg	14.3	42.3	20.7	17.7
Net profit	1,521	2,419	2,214	2,918
% chg	(11.3)	59.0	(8.4)	31.8
EBITDA margin (%)	9.2	11.8	9.2	10.4
EPS (₹)	37.1	83.7	76.6	101.0
P/E (x)	33.2	14.7	16.1	12.2
P/BV (x)	3.8	3.0	2.4	2.1
RoE (%)	18.2	18.6	17.4	16.0
RoCE (%)	11.9	22.7	15.7	18.5
EV/Sales (x)	1.3	0.9	0.7	0.6
EV/EBITDA (x)	21.8	8.5	8.7	6.2

Source: Company, Angel Research, Price as on January 28, 2011

BUY

CMP	₹1,234
Target Price	₹1,515

Investment Period	12 Months
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Stock Info

Sector	Automobile
Market Cap (Rs cr)	35,640
Beta	0.7
52 Week High / Low	1,600/1,171
Avg. Daily Volume	91,990
Face Value (Rs)	5
BSE Sensex	18,396
Nifty	5,512
Reuters Code	MRTI.BO
Bloomberg Code	MSIL@IN

Shareholding Pattern (%)

Promoters	54.2
MF / Banks / Indian Fls	22.2
FII / NRIs / OCBs	21.1
Indian Public / Others	2.5

Abs. (%)	3m	1yr	3yr
Sensex	(7.7)	12.8	1.3
Maruti Suzuki	(19.0)	(11.0)	43.0

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Exhibit 1: Quarterly performance

Y/E March (₹ cr)	3QFY11	3QFY10	% chg	9MFY11	9MFY10	% chg
Net sales (incl. other op. inc.)	9,494	7,503	26.5	26,873	21,198	26.8
Consumption of RM	7,109	5,361	32.6	20,034	15,368	30.4
(% of sales)	74.9	71.4		74.6	72.5	
Staff costs	232	132	75.5	550	392	40.3
(% of sales)	2.4	1.8		2.0	1.9	
Purchases of TG	337	229	46.8	897	633	41.8
(% of sales)	3.5	3.1		3.3	3.0	
Other expenses	915	646	41.5	2,737	1,962	39.5
(% of sales)	9.6	8.6		10.2	9.3	
Total expenditure	8,593	6,369	34.9	24,219	18,355	31.9
EBITDA	902	1,134	(20.5)	2,655	2,843	(6.6)
EBITDA margin (%)	9.5	15.1		9.9	13.4	
Interest	-	8	-	18	21	(12.5)
Depreciation	237	203	16.8	717	602	19.1
Other Income	128	91	40.6	362	418	(13.2)
PBT (excl. extr. items)	793	1,014	(21.8)	2,282	2,638	(13.5)
Extr. income/(expense)	-	-	-	-	-	-
PBT (incl. extr. items)	793	1,014	(21.8)	2,282	2,638	(13.5)
(% of sales)	8.3	13.5		8.5	12.4	
Provision for taxation	228	326	(30.2)	653	797	(18.0)
(% of PBT)	28.7	32.2		28.6	30.2	
PAT	565	688	(17.8)	1,629	1,841	(11.5)
PATM (%)	6.0	9.2		6.1	8.7	
Equity capital (cr)	144	144		144	144	
EPS (₹)	19.6	23.8	(17.8)	56.4	63.7	(11.5)

Source: Company, Angel Research

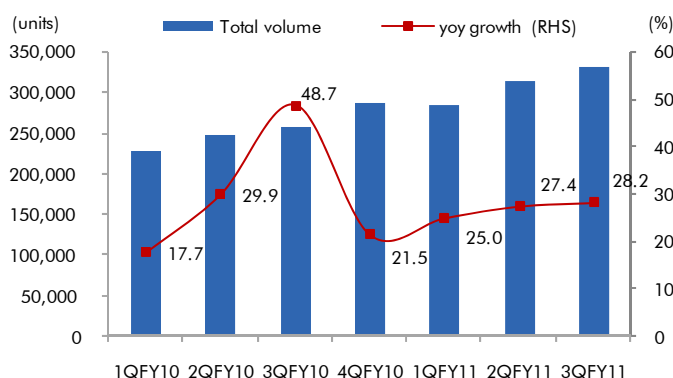
Exhibit 2: Quarterly volume performance

Y/E March (units)	3QFY11	3QFY10	% chg	9MFY11	9MFY10	% chg
Total volume	330,687	258,026	28.2	927,665	730,943	26.9
A1: M800	6,869	8,738	(21.4)	18,982	24,594	(22.8)
C: Omni, Versa, Eeco	43,612	24,426	78.5	118,729	68,859	72.4
A2: Alto, Wagon R, Zen, Swift, A-star, Ritz	216,057	159,678	35.3	585,523	459,507	27.4
A3: SX4, Dezire	32,098	25,388	26.4	92,418	69,613	32.8
Total passenger cars	298,636	218,230	36.8	815,652	622,573	31.0
MUV: Gypsy, Vitara	891	680	31.0	4,698	2,835	65.7
Domestic	299,527	218,910	36.8	820,350	625,408	31.2
Exports	31,160	39,116	(20.3)	107,315	105,535	1.7

Source: Company, Angel Research

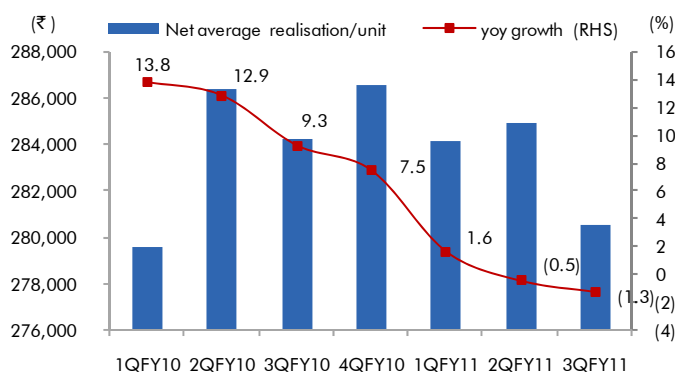
Drop in average net realisation restricts top-line growth: Maruti reported 26.5% yoy top-line growth to ₹9,494cr, which was marginally below our expectation of ₹9,708cr. Growth was driven largely by a ~28.2% yoy jump in volumes. Top-line performance was also aided by a substantial ~29.3% yoy increase in other operating income at ₹168cr (₹130cr). During the quarter, average net realisation marginally declined by 1.3% yoy at ₹2.81lakh (₹2.84lakh), due to adverse product mix and currency (Euro) impact on export revenue, which stood at ₹839cr (₹992cr in 2QFY2011 and ₹1,314cr in 3QFY2010), while average export realisation declined by ~20.3% yoy to ₹2.69lakh (₹3.36lakh in 3QFY2010).

Exhibit 3: Volume growth continues to be strong



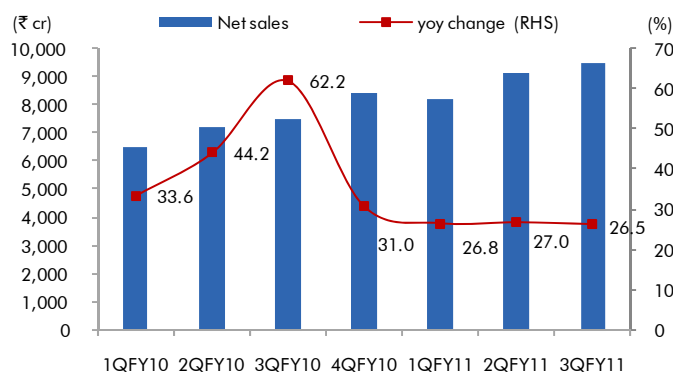
Source: Company, Angel Research

Exhibit 4: Realisation down by 1.3% yoy



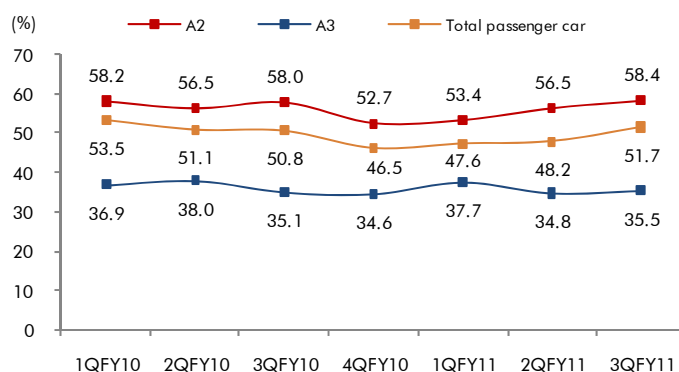
Source: Company, Angel Research

Exhibit 5: Net sales up 26.5% on 28.2% volume growth



Source: Company, Angel Research

Exhibit 6: Segment-wise market share trend



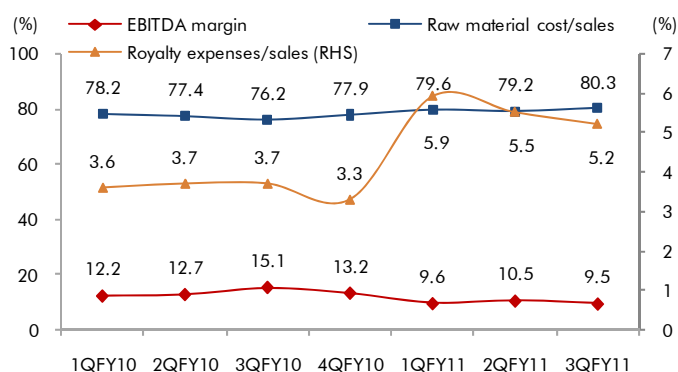
Source: Company, SIAM, Angel Research

Exhibit 7: Quarterly revenue and realisation performance

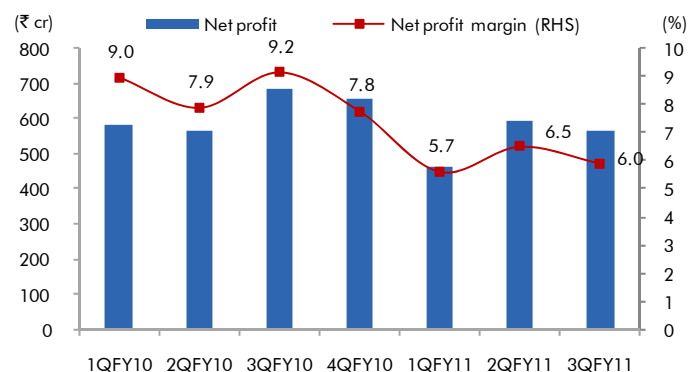
	1QFY10	2QFY10	3QFY10	4QFY10	1QFY11	2QFY11	3QFY11
Domestic revenue (₹ cr)	5,341	5,784	6,020	6,952	6,921	7,945	8,438
Change qoq (%)	-	8.3	4.1	15.5	(0.4)	14.8	6.2
Domestic realisation (₹)	270,560	276,616	274,988	283,308	284,934	285,861	281,701
Change qoq (%)	-	2.2	(0.6)	3.0	0.6	0.3	(1.5)
Export revenue (₹ cr)	999	1,266	1,314	1,283	1,130	992	839
Change qoq (%)	-	26.7	3.8	(2.4)	(11.9)	(12.2)	(15.4)
Export realisation (₹)	340,793	341,194	336,079	305,186	279,447	277,731	269,255
Change qoq (%)	-	0.1	(1.5)	(9.2)	(8.4)	(0.6)	(3.1)

Source: Company, Angel Research

Subdued performance at the operating front: For 3QFY2011, Maruti's EBITDA margin came in 89bp below our estimates at 9.5%, a decline of 561bp yoy, largely owing to a 353bp yoy increase in raw-material cost to 76.6% (73.1%) of net sales. Further, higher other expenditure and employee costs impacted yoy EBITDA margins during the quarter. The higher employee cost included one-time cost of ₹51cr related to restructuring of employee compensation structure (recurring impact of ~20bp and one-time impact of ~55bp). Overall, operating profit declined by 20.5% yoy to ₹902cr (₹1,134cr).

Exhibit 8: EBITDA margin trend


Source: Company, Angel Research

Exhibit 9: Net profit down 17.8% yoy and 5.5% qoq


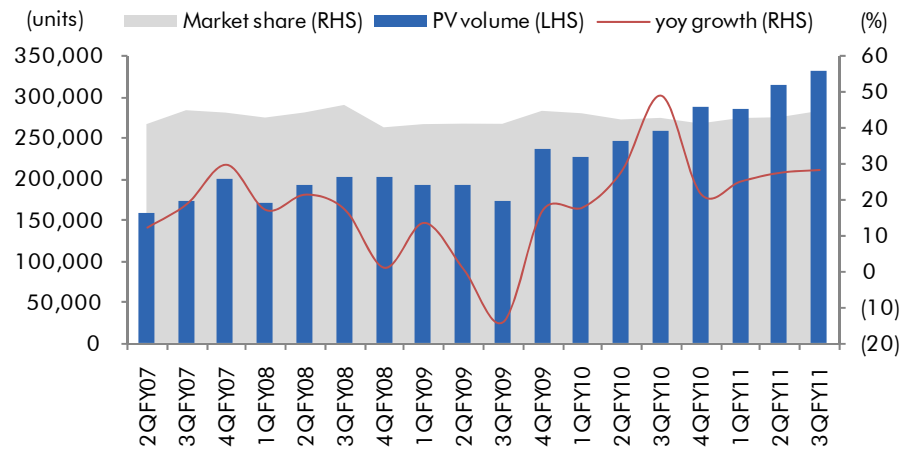
Source: Company, Angel Research

Net profit declines 17.8% yoy: Maruti reported net profit of ₹565cr, down 17.8% yoy, as against our estimate of ₹601cr, led by weak operating performance despite a higher-than-expected increase in other income during 3QFY2011. Moreover, lower tax outgo during 3QFY2011 restricted the further fall in net profit.

Conference call – Key highlights

- Management expects the demand scenario to remain strong in 4QFY2011E, driven by strong consumer sentiment. However, the company is cautious and believes that higher financing costs and increased fuel prices will impact demand in the long run. Maruti has increased its production capacity to 1.3mn units (from 1.2mn) through de-bottlenecking exercise. The capacity is set to increase further to 1.4mn units from 1HFY2012E. Total annual production capacity will increase to 1.75mn units by FY2012–13E.
 - Manesar plant B: Capacity of 2.5lakh units operational by 3QFY2012.
 - Manesar Plant C: Capacity of 2.5lakh units operational by early FY2013.
- Realisation on the exports front was impacted due to depreciation of Euro; however, in the domestic markets, realisation was lower on account of adverse product mix and discounts.
- Economic slowdown and lack of scrappage incentives affected exports volume. Management intends to de-risk exports and, as such, is concentrating on non-European markets. Australia, New Zealand, Indonesia, Malaysia and Brunei are the countries in which the company is testing its products. During 3QFY2011, 70% of exports were to non-European countries. The company generated exports revenue of ₹839cr and ₹2,961cr in 3QFY2011 and 9MFY2011, respectively.
- Sales of CNG models constitute ~20% of overall sales in the markets, where CNG models have been launched (NCR, Gujarat, Mumbai and certain parts of Andhra Pradesh).
- Rural sales now account for ~20% of overall sales volumes. Sales contribution from top 10 cities stands at ~40% of overall volume.
- Average discounts during the quarter were higher by ~₹1,000 on a yoy basis to ~₹10,700/vehicle. Going forward, discounts are expected to normalise.
- Maruti is seeing strong demand for its *Dzire* model and despite higher production volume, the waiting period stands at more than two months.
- Royalty payments were down by 30bp qoq due to a decline in exports and higher proportion of non-royalty bearing export vehicles.
- Management is considering hedging its Euro exposure for FY2012E and is contemplating pricing action on the exports front. The company expects Yen to depreciate going ahead and, hence, would keep the Yen exposure open.
- During the quarter, Maruti incurred a one-time cost towards employee expenses, which was related to restructuring in compensation structure. Higher employee expenses are likely to have an additional impact of 20bp on an annualised basis. Management expects employee expenses to remain at 2.0–2.2% of net sales in the future.

Exhibit 10: Passenger vehicle (PV) volume and market share trend



Source: Company, SIAM, Angel Research

Investment arguments

- Per capita near inflexion point for car demand:** Car penetration in India was estimated at around 12 vehicles/1,000 people in FY2009 compared to around 21 vehicles/1,000 people in China. Moreover, India's PPP-based per capita is estimated to approach US \$5,000 over the next 4–5 years, which is expected to be the inflexion point for the country's car demand. Increasing penetration is estimated to drive ~13% CAGR in domestic volumes over FY2010–12E. Further, Maruti has a sizeable competitive advantage over new foreign entrants due to its widespread distribution network (nearly 2,767 and 681 service and sales outlets, respectively), which is not easy to replicate.
- Suzuki focusing to make Maruti a small car-manufacturing hub:** Suzuki Japan is making Maruti a manufacturing hub to cater to the increasing global demand for small cars, due to rising fuel prices and stricter emission standards. Thus, we believe there is a huge potential for the company to increase its market share in the export market. Moreover, R&D capabilities, so far largely housed at Suzuki Japan, are progressively moving to Maruti. The company is aiming to achieve full model change capabilities over the next couple of years, which will enable it to launch new models and variants at a much faster pace, which should ideally reduce its royalty payment in the long run (2–3 years).

Outlook and valuation

We broadly maintain our volume estimates; however, we have revised our earnings estimates marginally downwards to factor in the lower-than-expected performance during 3QFY2011. We model a 19.2% volume and 9.8% earnings CAGR for the company for FY2010–12E.

Exhibit 11: Change in estimates

Y/E March (₹ cr)	Earlier estimates		Revised estimates		% chg	
	FY2011E	FY2012E	FY2011E	FY2012E	FY2011E	FY2012E
Net sales	35,081	41,308	35,135	41,359	0.2	0.1
EBITDA margin (%)	10.0	10.6	9.2	10.4	(75)bps	(25)bps
EPS	82.9	103.4	76.6	101.0	(7.6)	(2.3)

Source: Company, Angel Research

At ₹1,234, Maruti is trading at 16.1x and 12.2x FY2011E and FY2012E earnings of ₹76.6 and ₹101, respectively. **Owing to the recent decline in the stock price, we recommend Buy on the stock with a Target price of ₹1,515, at which level it would trade at 15x FY2012E earnings.**

Exhibit 12: Key assumptions

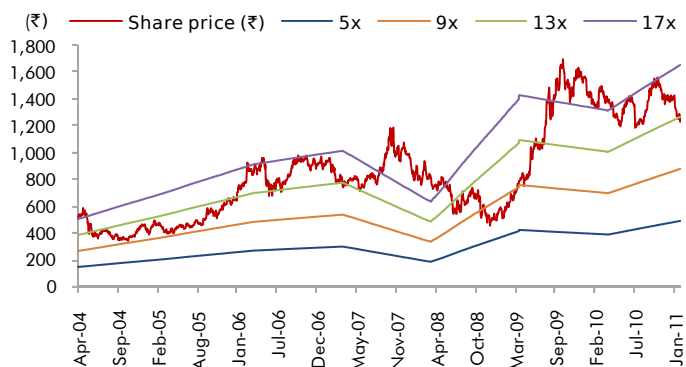
Particular (units)	FY07	FY08	FY09	FY10	FY11E	FY12E
A1 : Maruti 800	79,245	69,543	49,383	33,028	23,120	20,808
C: Omni, Versa	83,091	89,737	77,948	101,325	161,107	185,273
A2: Alto, WagonR, Zen, Swift, A Star	440,375	499,280	511,396	633,190	778,824	887,859
A3 : SX4, Esteem, Dzire	29,697	49,335	75,928	99,315	121,164	138,127
Total Passenger Cars	632,408	707,960	714,655	866,858	1,084,214	1,232,067
MUV: Gypsy, Vitara	3,221	3,927	7,489	3,932	5,269	5,796
Domestic	635,629	711,824	722,144	870,790	1,089,483	1,237,862
Export	39,295	53,024	70,023	147,557	141,655	162,903
Total Sales	674,924	764,848	792,167	1,018,347	1,231,138	1,400,765
% yoy chg.	20.1	13.3	3.6	28.6	20.9	13.8

Source: Company, Angel Research

Exhibit 13: Angel v/s consensus forecast

	Angel estimates		Consensus		Variation (%)	
	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E
Top line (₹ cr)	35,135	41,359	35,892	41,532	(2.1)	(0.4)
EPS (₹)	76.6	101.0	82.0	96.2	(6.6)	5.0

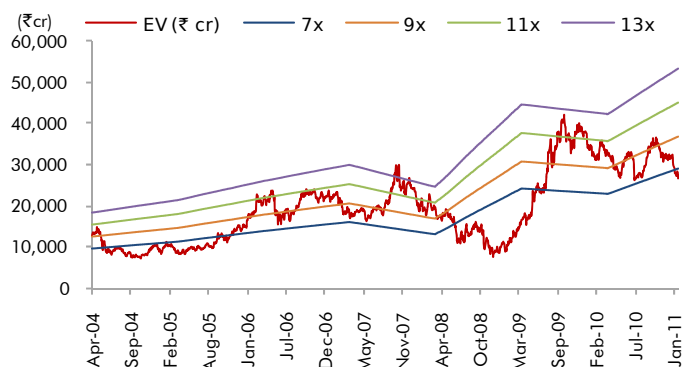
Source: Bloomberg, Angel Research

Exhibit 14 : One-year forward P/E band


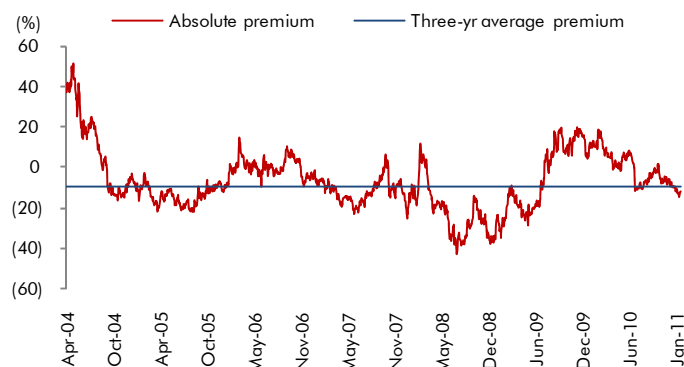
Source: Company, Bloomberg, Angel Research

Exhibit 15: One-year forward P/E chart


Source: Company, Bloomberg, Angel Research

Exhibit 16: One-year forward EV/EBITDA band


Source: Company, Bloomberg, Angel Research

Exhibit 17: Maruti - Premium/Discount to Sensex P/E


Source: Company, Bloomberg, Angel Research

Exhibit 18: Automobile - Recommendation summary

Company	Reco.	CMP (₹)	Tgt. price (₹)	Upside (%)	P/E (x)		EV/EBITDA (x)		RoE (%)		FY10-12E EPS CAGR (%)
					FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	
Ashok Leyland	Accumulate	57	62	9.8	16.8	11.8	10.1	8.4	12.4	16.1	28.6
Bajaj Auto	Buy	1,255	1,491	18.8	14.3	12.6	9.1	7.9	79.0	70.6	30.0
Hero Honda	Neutral	1,657	-	-	16.4	15.0	12.1	10.7	53.4	50.6	3.0
Maruti Suzuki	Buy	1,234	1,515	22.8	16.1	12.2	8.7	6.2	17.4	16.0	9.8
M&M	Buy	697	827	18.7	16.8	14.8	10.9	9.1	25.7	24.7	16.4
Tata Motors	Buy	1,146	1,458	27.3	8.8	7.1	6.2	4.7	70.8	53.1	197.7
TVS Motor	Buy	54	71	32.3	11.9	9.7	7.1	5.6	24.1	28.0	53.9

Source: Company, Angel Research

Profit & Loss Statement

Y/E March (₹ cr)	FY07	FY08	FY09	FY10	FY11E	FY12E
Gross sales	17,206	21,025	23,181	31,948	39,257	46,211
Less: Excise duty	2,510	3,134	2,727	2,849	4,122	4,852
Net Sales	14,696	17,892	20,454	29,099	35,135	41,359
Total operating income	14,696	17,892	20,454	29,099	35,135	41,359
% chg		21.7	14.3	42.3	20.7	17.7
Total Expenditure	12,706	15,598	18,572	25,669	31,898	37,078
Net Raw Materials	10,982	13,455	16,045	22,170	27,085	31,640
Other Mfg costs	251	345	0	526	703	869
Personnel	266	347	464	538	703	744
Other	1,207	1,451	2,064	2,435	3,408	3,826
EBITDA	1,990	2,294	1,882	3,430	3,237	4,281
% chg	-	15.2	(18.0)	82.3	(5.6)	32.3
(% of Net Sales)	13.5	12.8	9.2	11.8	9.2	10.4
Depreciation & Amortisation	271	568	707	825	1,004	1,145
EBIT	1,719	1,726	1,175	2,605	2,233	3,136
% chg		0.4	(31.9)	121.7	(14.3)	40.4
(% of Net Sales)	11.7	9.6	5.7	9.0	6.4	7.6
Interest & other Charges	38	60	51	34	45	41
Other Income	611	883	1,000	1,021	999	1,074
(% of PBT)	27.0	35.5	50.6	29.1	31.3	25.8
Recurring PBT	2,292	2,549	2,124	3,593	3,186	4,169
% chg	-	11.2	(16.7)	69.1	(11.3)	30.9
Extraordinary Expense/(Inc.)	(27)	(61)	(146)	(79)	0	0
PBT	2,265	2,488	1,978	3,514	3,186	4,169
Tax	718	772	457	1,095	972	1,251
(% of PBT)	32	31	23	31	31	30
PAT (reported)	1,574	1,777	1,667	2,498	2,214	2,918
ADJ. PAT	1,548	1,716	1,521	2,419	2,214	2,918
% chg	31.8	10.9	(11.3)	59.0	(8.4)	31.8
(% of Net Sales)	10.5	9.6	7.4	8.3	6.3	7.1
Basic EPS (₹)	53.5	59.4	37.1	83.7	76.6	101.0
Fully Diluted EPS (₹)	53.5	59.4	37.1	83.7	76.6	101.0
% chg	31.8	10.9	(37.5)	125.5	(8.4)	31.8

Balance Sheet

Y/E March (₹ cr)	FY07	FY08	FY09	FY10	FY11E	FY12E
SOURCES OF FUNDS						
Equity Share Capital	145	145	145	145	145	145
Reserves & Surplus	6,709	8,271	9,200	11,691	14,601	17,188
Shareholders' Funds	6,854	8,415	9,345	11,835	14,745	17,332
Total Loans	631	900	699	821	821	821
Deferred Tax Liability	168	170	155	137	121	79
Total Liabilities	7,652	9,486	10,199	12,794	15,688	18,233
APPLICATION OF FUNDS						
Gross Block	6,147	7,285	8,721	10,407	12,548	14,771
Less: Acc. Depreciation	3,487	3,989	4,650	5,382	6,386	7,531
Net Block	2,660	3,297	4,071	5,025	6,162	7,240
Capital Work-in-Progress	251	736	861	388	1,004	739
Goodwill	-	-	-	-	-	-
Investments	3,409	5,181	3,173	7,177	7,844	10,028
Current Assets	4,405	3,098	5,510	3,772	5,192	5,479
Cash	1,423	331	1,939	98	616	101
Loans & Advances	1,533	1,074	1,731	1,656	2,108	2,482
Other	1,449	1,694	1,840	2,019	2,467	2,897
Current liabilities	3,072	2,826	3,417	3,568	4,514	5,254
Net Current Assets	1,333	272	2,094	205	678	226
Mis. Exp. not written off	-	-	-	-	-	-
Total Assets	7,652	9,486	10,199	12,794	15,688	18,233

Cash Flow Statement

Y/E March (₹ cr)	FY07	FY08	FY09	FY10	FY11E	FY12E
Profit before tax	2,265	2,488	1,978	3,514	3,186	4,169
Depreciation	271	568	707	825	1,004	1,145
Change in Working Capital	(596)	(152)	(403)	140	(499)	(254)
Less: Other income	(829)	263	926	14	(702)	369
Direct taxes paid	718	772	457	1,095	972	1,251
Cash Flow from Operations	2,052	1,869	899	3,369	3,422	3,440
(Inc.)/Dec. in Fixed Assets	(1,351)	(1,624)	(1,560)	(1,212)	(2,758)	(1,958)
(Inc.)/Dec. in Investments	(1,358)	(1,772)	2,007	(4,003)	(667)	(2,184)
(Inc.)/Dec. in loans and adv.	(75)	66	(335)	(132)	(97)	5
Other income	611	883	1,000	1,021	999	1,074
Cash Flow from Investing	(2,173)	(2,447)	1,112	(4,327)	(2,524)	(3,062)
Issue of Equity	-	-	-	-	-	-
Inc./(Dec.) in loans	559	269	(201)	123	-	-
Dividend Paid (Incl. Tax)	115	152	169	118	202	212
Others	(804)	(935)	(371)	(1,124)	(582)	(1,104)
Cash Flow from Financing	(129)	(514)	(403)	(883)	(380)	(893)
Inc./(Dec.) in Cash	(250)	(1,092)	1,608	(1,841)	518	(515)
Opening Cash balances	1,673	1,423	331	1,939	98	616
Closing Cash balances	1,423	331	1,939	98	616	101

Key Ratios

Y/E March	FY07	FY08	FY09	FY10	FY11E	FY12E
Valuation Ratio (x)						
P/E (on FDEPS)	23.0	20.8	33.2	14.7	16.1	12.2
P/CEPS	19.3	15.2	18.5	11.0	11.1	8.8
P/BV	5.2	4.2	3.8	3.0	2.4	2.1
Dividend yield (%)	0.4	0.4	0.3	0.5	0.5	0.6
EV/Sales	1.8	1.5	1.3	0.9	0.7	0.6
EV/EBITDA	15.8	13.5	21.8	8.5	8.7	6.2
EV / Total Assets	5.6	4.1	3.3	2.9	2.2	1.7
Per Share Data (₹)						
EPS (Basic)	53.5	59.4	37.1	83.7	76.6	101.0
EPS (fully diluted)	53.5	59.4	37.1	83.7	76.6	101.0
Cash EPS	63.9	81.1	66.6	112.2	111.4	140.6
DPS	4.5	5.0	3.5	6.0	6.3	7.5
Book Value	237.2	291.2	323.4	409.5	510.2	599.7
DuPont Analysis						
EBIT margin	11.7	9.6	5.7	9.0	6.4	7.6
Tax retention ratio	0.7	0.7	0.8	0.7	0.7	0.7
Asset turnover (x)	5.9	5.3	4.5	5.5	5.5	5.4
RoIC (Post-tax)	47.3	35.0	19.9	33.8	24.3	28.6
Cost of Debt (Post Tax)	7.3	5.4	4.9	3.0	3.8	3.5
Leverage (x)	-	-	-	-	-	-
Operating RoE	47.3	35.0	19.9	33.8	24.3	28.6
Returns (%)						
RoCE (Pre-tax)	25.9	20.1	11.9	22.7	15.7	18.5
Angel RoIC (Pre-tax)	61.0	43.4	14.3	47.2	30.9	38.7
RoE	22.4	21.4	18.2	18.6	17.4	16.0
Turnover ratios (x)						
Asset Turnover (Gross Block)	2.6	2.7	2.6	3.0	3.1	3.0
Inventory / Sales (days)	20	18	17	13	14	14
Receivables (days)	17	14	14	11	10	10
Payables (days)	44	46	49	37	35	37
WC cycle (ex-cash) (days)	(2)	(2)	1	2	1	1
Solvency ratios (x)						
Net debt to equity	(0.6)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
Net debt to EBITDA	(2.1)	(2.0)	(2.3)	(1.9)	(2.4)	(2.2)
Interest Coverage (EBIT/Interest)	45.7	29.0	23.0	77.8	49.4	76.4

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Disclosure of Interest Statement	Maruti Suzuki
1. Analyst ownership of the stock	Yes
2. Angel and its Group companies ownership of the stock	No
3. Angel and its Group companies' Directors ownership of the stock	No
4. Broking relationship with company covered	No

Note: We have not considered any Exposure below ₹1 lakh for Angel, its Group companies and Directors.

Ratings (Returns) :	Buy (> 15%) Reduce (-5% to 15%)	Accumulate (5% to 15%) Sell (< -15%)	Neutral (-5 to 5%)
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