

## Maruti Suzuki

### Performance Highlights

Y/E March (₹ cr)	4QFY12	4QFY11	% chg (yoy)	Angel est.	% diff
<b>Net sales</b>	<b>11,727</b>	<b>10,005</b>	<b>17.2</b>	<b>11,872</b>	<b>(1.2)</b>
EBITDA	859	1,013	(15.3)	836	2.7
EBITDA margin (%)	7.3	10.1	(281)bp	7.0	28bp
<b>Reported PAT</b>	<b>640</b>	<b>660</b>	<b>(3.0)</b>	<b>495</b>	<b>29.2</b>

Source: Company, Angel Research

Maruti Suzuki's (MSIL) 4QFY2012 results significantly benefitted from higher other income due to capital gains arising from the maturity of FMP investments. While total volumes improved, driven by restoration of operations at Manesar plant and higher diesel engine availability, EBITDA margin pressures continued on account of higher discounts and adverse foreign exchange movement. **We maintain our Accumulate rating on the stock.**

**Higher other income boosts bottom line:** MSIL's top line registered strong growth of 17.2% yoy (51.7% qoq on revival in volumes) to ₹11,727cr, driven largely on account of an 11.7% yoy increase in net average realization (due to superior product mix and price hikes). Total volumes for the quarter grew by 4.9% yoy, driven by strong momentum for the newly launched *Swift* and *Dzire*. Sequentially, volumes jumped by 50.4%, as production at Manesar plant was restored to normal levels and due to higher availability of diesel engines. EBITDA margin expanded by 210bp qoq (down 281bp yoy) to 7.3%, in-line with our estimates of 7%, driven by higher net average realizations and operating leverage. Further, MTM reversal of ₹50cr on royalty payout benefitted the company's operating performance. However, ₹200cr additional outgo towards vendor compensation on account of adverse JPY/INR rates in 3QFY2012 coupled with higher employee expenses led by higher variable pay restricted further margin expansion. Led by higher other income (up 155.2% yoy to ₹297cr) due to capital gains on FMP investments, the decline in net profit was restricted to 3% yoy.

**Outlook and valuation:** We broadly retain our volume estimates at ~15% and ~13% for MSIL in FY2013E and FY2014E, respectively. We expect margins to improve by ~250bp over the next two years, mainly on account of currency hedging, operating leverage and better product mix. At ₹1,332, the stock is trading at 13.2x its FY2014E earnings. We maintain our Accumulate rating on the stock with a target price of ₹1,510.

#### Key financials

Y/E March (₹ cr)	FY2011	FY2012E	FY2013E	FY2014E
<b>Net sales</b>	<b>35,849</b>	<b>34,706</b>	<b>42,683</b>	<b>48,736</b>
% chg	23.2	(3.2)	23.0	14.2
<b>Adj. profit</b>	<b>2,289</b>	<b>1,635</b>	<b>2,503</b>	<b>2,908</b>
% chg	(5.4)	(28.6)	53.1	16.2
Adj. OPM (%)	8.0	4.7	7.1	7.5
<b>EPS (₹)</b>	<b>79.2</b>	<b>56.6</b>	<b>86.6</b>	<b>100.6</b>
P/E (x)	16.8	23.5	15.4	13.2
P/BV (x)	2.8	2.5	2.2	1.9
RoE (%)	17.8	11.2	15.3	15.4
RoCE (%)	13.7	3.2	9.4	10.5
EV/Sales (x)	0.8	0.8	0.6	0.5
EV/EBITDA (x)	10.9	19.2	9.8	7.8

Source: Company, Angel Research

## ACCUMULATE

CMP	₹1,332
Target Price	₹1,510

Investment Period	12 Months
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#### Stock Info

Sector	Automobile
Market Cap (₹ cr)	38,485
Beta	0.6
52 Week High / Low	1,428/906
Avg. Daily Volume	79,532
Face Value (₹)	5
BSE Sensex	17,302
Nifty	5,239
Reuters Code	MRTI.BO
Bloomberg Code	MSIL@IN

#### Shareholding Pattern (%)

Promoters	54.2
MF / Banks / Indian Fls	21.6
FII / NRIs / OCBs	21.5
Indian Public / Others	2.7

Abs. (%)	3m	1yr	3yr
Sensex	(0.7)	(8.9)	51.7
Maruti Suzuki	9.6	3.2	63.3

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**Exhibit 1: Quarterly performance**

Y/E March (₹ cr)	4QFY12	4QFY11	yoy chg (%)	3QFY12	qoq chg (%)	FY2012	FY2011	% chg
<b>Net Sales (incl. other operating income)</b>	<b>11,727</b>	<b>10,005</b>	<b>17.2</b>	<b>7,732</b>	<b>51.7</b>	<b>35,587</b>	<b>36,618</b>	<b>(2.8)</b>
Consumption of RM	8,920	7,379	20.9	5,748	55.2	26,533	27,060	(1.9)
(% of sales)	76.1	73.8		74.3		74.6	73.9	
Staff Costs	256	153	66.9	209	22.5	844	704	19.9
(% of sales)	2.2	1.5		2.7		2.4	1.9	
Purchases of traded goods	413	381	8.3	366	12.6	1,533	1,278	19.9
(% of sales)	3.5	3.8		4.7		4.3	3.5	
Other Expenses	1,280	1,078	18.7	1,005	27.3	4,165	3,938	5.8
(% of sales)	10.9	10.8		13.0		11.7	10.8	
<b>Total Expenditure</b>	<b>10,869</b>	<b>8,992</b>	<b>20.9</b>	<b>7,328</b>	<b>48.3</b>	<b>33,074</b>	<b>32,980</b>	<b>0.3</b>
<b>Operating Profit</b>	<b>859</b>	<b>1,013</b>	<b>(15.3)</b>	<b>403</b>	<b>112.8</b>	<b>2,513</b>	<b>3,639</b>	<b>(30.9)</b>
OPM (%)	7.3	10.1		5.2		7.1	9.9	
Interest	21	6	226.4	18	17.1	55	25	120.8
Depreciation	331	297	11.4	299	10.6	1,138	1,014	12.3
Other Income	297	116	155.2	175	70.0	827	509	62.5
<b>PBT (excl. Extr. Items)</b>	<b>804</b>	<b>827</b>	<b>(2.7)</b>	<b>261</b>	<b>207.7</b>	<b>2,146</b>	<b>3,109</b>	<b>(31.0)</b>
Extr. Income/(Expense)	-	-	-	-	-	-	-	-
<b>PBT (incl. Extr. Items)</b>	<b>804</b>	<b>827</b>	<b>(2.7)</b>	<b>261</b>	<b>207.7</b>	<b>2,146</b>	<b>3,109</b>	<b>(31.0)</b>
(% of Sales)	6.9	8.3		3.4		6.0	8.5	
Provision for Taxation	164	167	(1.5)	56	194.8	511	820	(37.7)
(% of PBT)	20.4	20.2		21.3		23.8	26.4	
<b>Reported PAT</b>	<b>640</b>	<b>660</b>	<b>(3.0)</b>	<b>206</b>	<b>211.2</b>	<b>1,635</b>	<b>2,289</b>	<b>(28.6)</b>
PATM	5.5	6.6		2.7		4.6	6.2	
Equity capital (cr)	144.5	144.5		144.5		144.5	144.5	
<b>EPS (₹)</b>	<b>22.1</b>	<b>22.8</b>	<b>(3.0)</b>	<b>7.1</b>	<b>211.2</b>	<b>56.6</b>	<b>79.2</b>	<b>(28.6)</b>

Source: Company, Angel Research

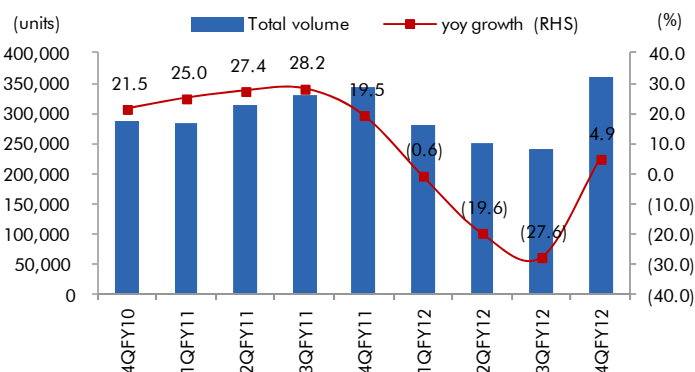
**Exhibit 2: Quarterly volume performance**

Volume (units)	4QFY12	4QFY11	yoy chg (%)	3QFY12	qoq chg (%)	FY2012	FY2011	% chg
A: Mini: M800, Alto, A-Star, WagonR	153,966	165,618	(7.0)	102,523	50.2	375,950	466,915	(19.5)
A: Compact: Swift, Estilo, Ritz	81,568	64,914	25.7	53,671	52.0	351,193	368,122	(4.6)
A: Super Compact: Dzire	40,156	29,539	35.9	24,593	63.3	115,649	112,041	3.2
A: Mid-Size: SX4	5,492	9,315	(41.0)	2,596	111.6	12,480	19,231	(35.1)
A: Executive: Kizashi	71	138	-	216	(67.1)	458	138	-
<b>Total Passenger cars</b>	<b>281,253</b>	<b>269,524</b>	<b>4.4</b>	<b>183,599</b>	<b>53.2</b>	<b>855,730</b>	<b>966,447</b>	<b>(11.5)</b>
B: Utility Vehicles: Gypsy, Grand Vitara	1,991	968	105.7	688	189.4	6,525	5,666	15.2
C: Vans: Omni, Eeco	38,180	41,897	(8.9)	27,516	38.8	144,061	160,626	(10.3)
<b>Total Domestic</b>	<b>321,424</b>	<b>312,389</b>	<b>2.9</b>	<b>211,803</b>	<b>51.8</b>	<b>1,006,316</b>	<b>1,132,739</b>	<b>(11.2)</b>
<b>Total Exports</b>	<b>38,910</b>	<b>30,951</b>	<b>25.7</b>	<b>27,725</b>	<b>40.3</b>	<b>127,379</b>	<b>138,266</b>	<b>(7.9)</b>
<b>Total Volume</b>	<b>360,334</b>	<b>343,340</b>	<b>4.9</b>	<b>239,528</b>	<b>50.4</b>	<b>1,133,695</b>	<b>1,271,005</b>	<b>(10.8)</b>

Source: Company, Angel Research

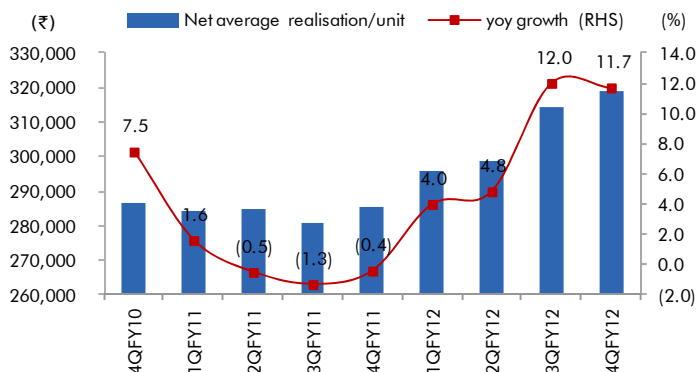
**Strong top-line growth of 17.2% yoy:** MSIL's top line registered strong growth of 17.2% yoy (51.7% qoq on revival in volumes) to ₹11,727cr, driven largely by an 11.7% yoy increase in net average realization. Net average realization improvement was led by higher proportion of diesel sales during the quarter and price increases carried out by the company in November 2011 and January 2012. Sequentially, however, net average realization improved by only 1.4% despite superior product mix, as higher level of discounts (₹13,493/unit compared to ₹12,065/unit in 3QFY2012) impacted overall realization. Total volumes for the quarter grew by 4.9% yoy, driven by strong momentum for the newly launched Swift and Dzire. Sequentially, volumes jumped by 50.4%, as production at Manesar plant was restored to normal levels and due to higher availability of diesel engines.

**Exhibit 3: Volumes up 4.9% yoy**



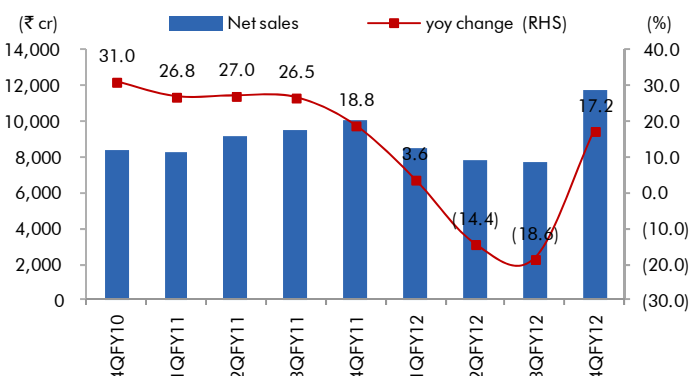
Source: Company, Angel Research

**Exhibit 4: Net average realization improves 11.7% yoy**



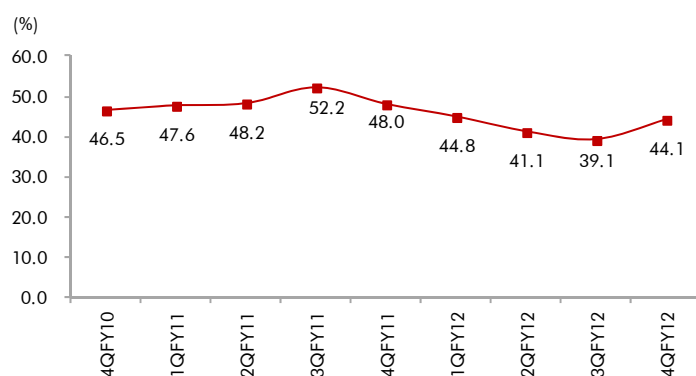
Source: Company, Angel Research

**Exhibit 5: Net sales up strongly by 17.2% yoy**



Source: Company, Angel Research

**Exhibit 6: Improvement in market share**



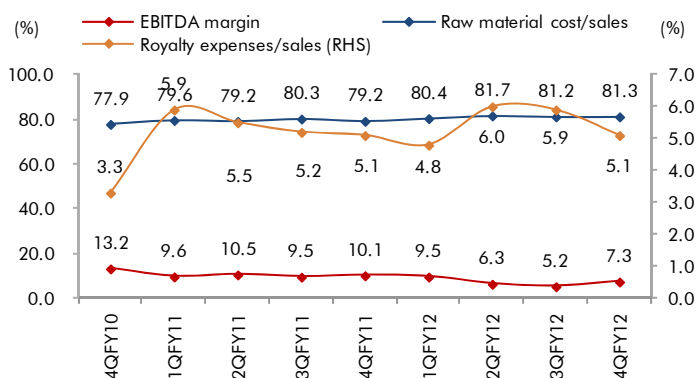
Source: Company, Angel Research

**Exhibit 7: Quarterly revenue and realization performance**

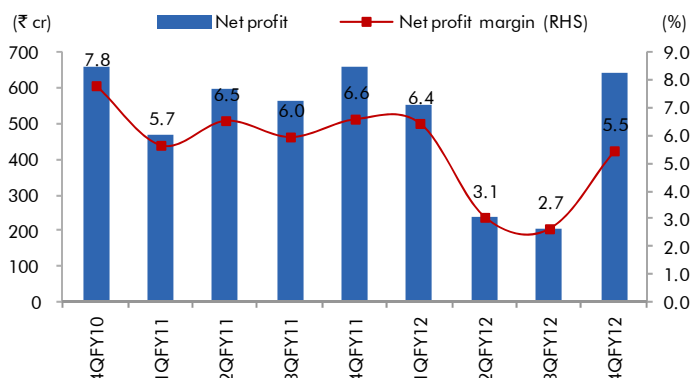
	1QFY11	2QFY11	3QFY11	4QFY11	1QFY12	2QFY12	3QFY12	4QFY12
<b>Domestic revenue (₹ cr)</b>	<b>6,921</b>	<b>7,945</b>	<b>8,438</b>	<b>8,927</b>	<b>7,453</b>	<b>6,651</b>	<b>6,589</b>	<b>10,242</b>
Change qoq (%)	(0.4)	14.8	6.2	5.8	(16.5)	(10.8)	(0.9)	55.4
Domestic realization (₹)	284,934	285,861	281,701	285,747	297,304	299,068	311,096	318,656
Change qoq (%)	0.6	0.3	(1.5)	1.4	4.0	0.6	4.0	2.4
<b>Export revenue (₹ cr)</b>	<b>1,130</b>	<b>992</b>	<b>839</b>	<b>870</b>	<b>867</b>	<b>886</b>	<b>938</b>	<b>1,244</b>
Change qoq (%)	(11.9)	(12.2)	(15.4)	3.7	(0.3)	2.2	5.9	32.6
Export realization (₹)	279,447	277,731	269,255	281,089	281,101	296,311	338,323	319,712
Change qoq (%)	(8.4)	(0.6)	(3.1)	4.4	0.0	5.4	14.2	(5.5)

Source: Company, Angel Research

**EBITDA margin recovers partially to 7.3%:** MSIL's EBITDA margin expanded by 210bp qoq (down 281bp yoy) to 7.3%, in-line with our estimates of 7%, driven by higher net average realizations due to superior product mix and price hikes and higher operating leverage. Further, MTM reversal of ₹50cr on royalty payout benefitted the company's operating performance. However, ₹200cr additional outgo towards vendor compensation on account of adverse JPY/INR rates in 3QFY2012 coupled with higher employee expenses led by higher variable pay restricted further margin expansion. EBITDA for the quarter declined by 15.3% yoy to ₹859cr; however, it was sharply by 112.8% on a sequential basis.

**Exhibit 8: EBITDA margin improves sequentially**


Source: Company, Angel Research

**Exhibit 9: Net profit boosted by other income**


Source: Company, Angel Research

**High other income boosts bottom line:** MSIL posted better-than-expected net profit of ₹640cr (down 3% yoy), as higher other income benefitted the bottom line. Other income jumped by 155.2% yoy (70% qoq) to ₹297cr, led by capital gains on fixed maturity plan (FMP) investments, which accrued during the quarter.

### Conference call – Key highlights

- Management expects the demand scenario in the passenger car space to remain challenging in FY2013, led by higher ownership cost and fuel prices; however, cut in interest rates is likely to improve consumer sentiments going ahead.
- The company's current production capacity of ~1.6mn units (as of FY2012 end) is expected to rise to ~1.8mn units once the Manesar C line starts production.
- According to management, petrol car volumes for the industry declined by 14% in FY2012 as against 37% growth registered in diesel car sales.
- Rural sales continue to remain strong and now account for ~25% of the company's total domestic volumes.
- The company has expanded its network to 1,100 sales outlets in 800 cities and ~3,000 service points in ~1,400 cities.
- Exports revenue during 4QFY2012 stood at ₹1,244cr. While volume growth in the European market remains subdued, the company is targeting non European markets to provide volume growth.
- Rural sales accounted for ~20% of overall sales volumes in FY2012 and it grew by 12% yoy during the year.
- Average discounts during 4QFY2012 were ~₹13,493/vehicle as compared to ₹12,065/vehicle in 3QFY2012.
- MSIL has hedged its FY2013E USD/Yen net exposure at favorable rates.
- According to management, the current waiting period for diesel *Swift* and *Dzire* is 4-6 months, while it is only ~4 weeks for the petrol variants. The newly launched *Ertiga* has received ~22,000 bookings so far, with ~80% being diesel variants.
- MSIL incurred ₹2,700cr towards capex in FY2012 and expects to incur ₹3,000cr capex in FY2013E. In addition, the new diesel plant at Gurgaon with a capacity of 300,000 units/year would entail a total capex of ₹1,700cr and is likely to commence operations in 1HFY2014E (Phase I – 150,000 units).

## Investment arguments

- Per capita near inflexion point for car demand:** In FY2009, car penetration in India was estimated at around 12 vehicles/1,000 people 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. Further, MSIL has a sizeable competitive advantage over new foreign entrants due to its widespread distribution network (nearly 3,000 and 1,000 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 MSIL. 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 retain our volume estimates at ~15% and ~13% for MSIL in FY2013E and FY2014E, respectively. We expect margins to improve by ~250bp over the next two years, mainly on account of currency hedging, operating leverage and better product mix. We continue to remain positive on long-term volume growth in the passenger car industry, driven by economic growth and low penetration levels in the country. At ₹1,332, the stock is trading at 13.2x its FY2014E earnings. **We maintain our Accumulate rating on the stock with a target price of ₹1,510.**

### Exhibit 10: Key assumptions

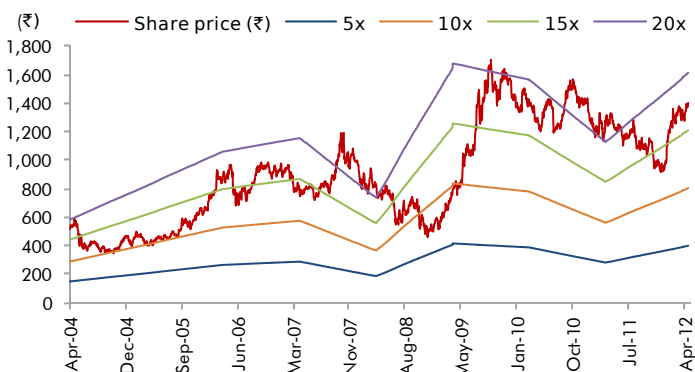
Y/E March (units)	FY09	FY10	FY11	FY12E	FY13E	FY14E
A1: Maruti 800	49,383	33,028	26,485	20,000	18,400	17,480
C: Omni, Versa, Eeco	77,948	101,325	160,626	144,061	165,670	185,551
A2: Alto, WagonR, Zen, Swift, A Star, Ritz	511,396	633,190	808,552	707,143	821,700	932,630
A3 : SX4, Dzire	75,928	99,315	131,282	128,129	151,192	173,871
A4: Kizashi	-	-	138	458	916	1,832
<b>Total passenger cars</b>	<b>714,655</b>	<b>866,858</b>	<b>1,127,083</b>	<b>999,791</b>	<b>1,157,879</b>	<b>1,311,363</b>
MUV: Gypsy, Vitara	7,489	3,932	5,666	6,525	7,308	8,185
<b>Total domestic</b>	<b>722,144</b>	<b>870,790</b>	<b>1,132,749</b>	<b>1,006,316</b>	<b>1,165,187</b>	<b>1,319,548</b>
<b>Total export</b>	<b>70,023</b>	<b>147,557</b>	<b>138,266</b>	<b>127,379</b>	<b>142,664</b>	<b>159,784</b>
<b>Total sales</b>	<b>792,167</b>	<b>1,018,347</b>	<b>1,271,015</b>	<b>1,133,695</b>	<b>1,307,851</b>	<b>1,479,332</b>
<b>% yoy chg.</b>	<b>3.6</b>	<b>28.6</b>	<b>24.8</b>	<b>(10.8)</b>	<b>15.4</b>	<b>13.1</b>

Source: Company, Angel Research

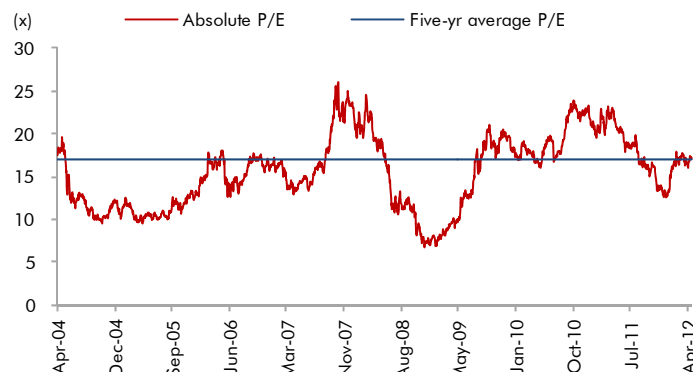
**Exhibit 11: Angel vs. consensus forecast**

	Angel estimates		Consensus		Variation (%)	
	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E
Net sales (₹ cr)	42,683	48,736	43,821	51,490	(2.6)	(5.3)
EPS (₹)	86.6	100.6	87.0	105.1	(0.5)	(4.3)

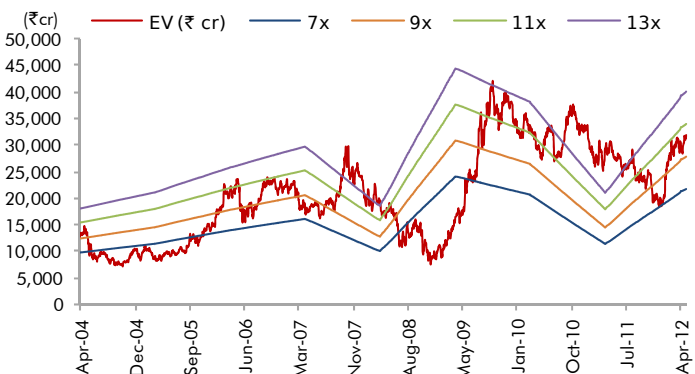
Source: Bloomberg, Angel Research

**Exhibit 12: One-year forward P/E band**


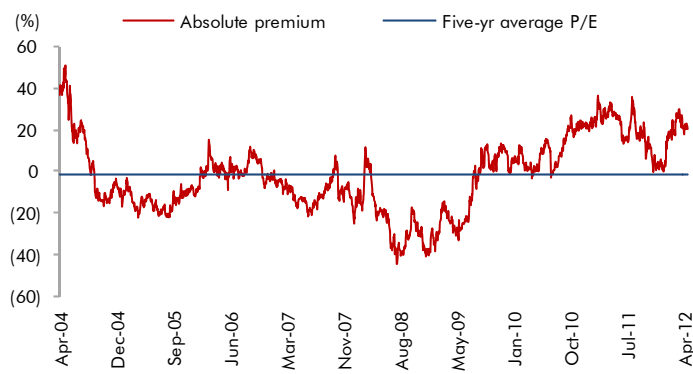
Source: Company, Bloomberg, Angel Research

**Exhibit 13: One-year forward P/E chart**


Source: Company, Bloomberg, Angel Research

**Exhibit 14: One-year forward EV/EBITDA band**


Source: Company, Bloomberg, Angel Research

**Exhibit 15: Premium/Discount to Sensex P/E**


Source: Company, Bloomberg, Angel Research

**Exhibit 16: Automobile - Recommendation summary**

Company	Reco.	CMP (₹)	Tgt. price (₹)	Upside (%)	P/E (x)		EV/EBITDA (x)		RoE (%)		FY11-14E EPS
					FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	CAGR (%)
Ashok Leyland	Buy	31	37	21.4	11.9	9.9	6.5	5.7	15.5	17.0	9.3
Bajaj Auto	Buy	1,593	1,888	18.5	13.7	12.7	8.4	7.1	44.4	37.9	9.8
Hero MotoCorp	Neutral	2,245	-	-	16.6	15.9	9.3	7.6	54.5	43.2	15.3
<b>Maruti Suzuki</b>	<b>Accumulate</b>	<b>1,332</b>	<b>1,510</b>	<b>13.3</b>	<b>15.4</b>	<b>13.2</b>	<b>9.8</b>	<b>7.8</b>	<b>15.3</b>	<b>15.4</b>	<b>8.3</b>
M&M	Accumulate	715	802	12.1	16.0	14.7	8.8	7.5	18.8	18.1	4.1
Tata Motors	Accumulate	305	328	7.5	7.9	7.1	4.9	4.3	39.8	33.9	14.5
TVS Motor	Buy	42	56	34.6	8.3	7.4	3.6	3.1	18.9	18.3	8.8

Source: Company, Bloomberg, Angel Research

**Profit & Loss Statement**

Y/E March (₹ cr)	FY09	FY10	FY11	FY12E	FY13E	FY14E
<b>Gross sales</b>	<b>23,181</b>	<b>31,948</b>	<b>40,102</b>	<b>38,614</b>	<b>47,744</b>	<b>54,514</b>
Less: Excise duty	2,727	2,849	4,253	3,908	5,061	5,779
Net Sales	20,454	29,099	35,849	34,706	42,683	48,736
<b>Total operating income</b>	<b>20,454</b>	<b>29,099</b>	<b>35,849</b>	<b>34,706</b>	<b>42,683</b>	<b>48,736</b>
% chg	14.3	42.3	23.2	(3.2)	23.0	14.2
<b>Total Expenditure</b>	<b>19,021</b>	<b>25,672</b>	<b>32,980</b>	<b>33,074</b>	<b>39,652</b>	<b>45,071</b>
Net Raw Materials	16,045	22,170	28,338	28,066	33,506	37,916
Other Mfg costs	448	526	515	493	790	975
Personnel	464	538	704	844	1,024	1,218
Other	2,064	2,439	3,423	3,672	4,332	4,961
<b>EBITDA</b>	<b>1,433</b>	<b>3,427</b>	<b>2,869</b>	<b>1,632</b>	<b>3,030</b>	<b>3,665</b>
% chg	(37.5)	139.1	(16.3)	(43.1)	85.7	20.9
(% of Net Sales)	7.0	11.8	8.0	4.7	7.1	7.5
Depreciation & Amortization	707	825	1,014	1,138	1,349	1,522
<b>EBIT</b>	<b>727</b>	<b>2,602</b>	<b>1,856</b>	<b>493</b>	<b>1,682</b>	<b>2,143</b>
% chg	(57.9)	258.0	(28.7)	(73.4)	240.9	27.4
(% of Net Sales)	3.6	8.9	5.2	1.4	3.9	4.4
Interest & other Charges	51	34	25	55	69	69
Other Income	1,000	1,024	1,278	1,708	1,793	1,883
(% of PBT)	0	0	0	0	0	0
<b>Recurring PBT</b>	<b>1,676</b>	<b>3,593</b>	<b>3,109</b>	<b>2,146</b>	<b>3,406</b>	<b>3,957</b>
% chg	(33.0)	114.4	(13.5)	(31.0)	58.7	16.2
Extraordinary Expense/(Inc.)	(146)	(79)	0	0	0	0
<b>PBT</b>	<b>1,530</b>	<b>3,514</b>	<b>3,109</b>	<b>2,146</b>	<b>3,406</b>	<b>3,957</b>
Tax	457	1,095	820	511	903	1,049
(% of PBT)	29.9	31.2	26.4	23.8	26.5	26.5
<b>PAT (reported)</b>	<b>1,219</b>	<b>2,498</b>	<b>2,289</b>	<b>1,635</b>	<b>2,503</b>	<b>2,908</b>
<b>ADJ. PAT</b>	<b>1,073</b>	<b>2,419</b>	<b>2,289</b>	<b>1,635</b>	<b>2,503</b>	<b>2,908</b>
% chg	(35.8)	125.5	(5.4)	(28.6)	53.1	16.2
(% of Net Sales)	5.2	8.3	6.4	4.7	5.9	6.0
<b>Basic EPS (₹)</b>	<b>42.2</b>	<b>86.4</b>	<b>79.2</b>	<b>56.6</b>	<b>86.6</b>	<b>100.6</b>
<b>Adjusted EPS (₹)</b>	<b>37.1</b>	<b>83.7</b>	<b>79.2</b>	<b>56.6</b>	<b>86.6</b>	<b>100.6</b>
% chg	(35.8)	125.5	(5.4)	(28.6)	53.1	16.2



### Balance Sheet

Y/E March (₹ cr)	FY09	FY10	FY11	FY12E	FY13E	FY14E
<b>SOURCES OF FUNDS</b>						
Equity Share Capital	145	145	145	145	145	145
Reserves & Surplus	9,200	11,691	13,723	15,105	17,354	20,009
<b>Shareholders' Funds</b>	<b>9,345</b>	<b>11,835</b>	<b>13,868</b>	<b>15,249</b>	<b>17,499</b>	<b>20,153</b>
Total Loans	699	821	309	1,388	1,388	1,388
Deferred Tax Liability	155	137	164	164	164	164
<b>Total Liabilities</b>	<b>10,199</b>	<b>12,794</b>	<b>14,341</b>	<b>16,801</b>	<b>19,051</b>	<b>21,706</b>
<b>APPLICATION OF FUNDS</b>						
Gross Block	8,721	10,407	11,738	14,461	17,073	19,263
Less: Acc. Depreciation	4,650	5,382	6,208	7,347	8,695	10,217
<b>Net Block</b>	<b>4,071</b>	<b>5,025</b>	<b>5,529</b>	<b>7,114</b>	<b>8,378</b>	<b>9,046</b>
Capital Work-in-Progress	861	388	1,429	1,018	1,366	1,156
Goodwill	-	-	-	-	-	-
Investments	3,173	7,177	5,107	5,983	6,784	7,729
<b>Current Assets</b>	<b>5,510</b>	<b>3,772</b>	<b>6,356</b>	<b>6,282</b>	<b>7,979</b>	<b>8,820</b>
Cash	1,939	98	2,509	2,559	3,433	3,639
Loans & Advances	1,731	1,656	1,540	1,388	1,707	1,949
Other	1,840	2,019	2,308	2,335	2,839	3,232
Current liabilities	3,417	3,568	4,080	3,596	5,456	5,045
<b>Net Current Assets</b>	<b>2,094</b>	<b>205</b>	<b>2,277</b>	<b>2,686</b>	<b>2,523</b>	<b>3,775</b>
Mis. Exp. not written off	-	-	-	-	-	-
<b>Total Assets</b>	<b>10,199</b>	<b>12,794</b>	<b>14,341</b>	<b>16,801</b>	<b>19,051</b>	<b>21,706</b>

### Cash Flow Statement

Y/E March (₹ cr)	FY09	FY10	FY11	FY12E	FY13E	FY14E
Profit before tax	1,530	3,514	3,109	2,146	3,406	3,957
Depreciation	707	825	1,014	1,138	1,349	1,522
Change in Working Capital	(624)	48	338	(359)	1,037	(1,046)
Others	1,038	764	689	-	-	-
Other income	(1,000)	(1,024)	(1,278)	(1,708)	(1,793)	(1,883)
Direct taxes paid	(457)	(1,095)	(820)	(511)	(903)	(1,049)
<b>Cash Flow from Operations</b>	<b>1,193</b>	<b>3,032</b>	<b>3,051</b>	<b>706</b>	<b>3,096</b>	<b>1,501</b>
(Inc.)/Dec. in Fixed Assets	(1,560)	(1,212)	(2,372)	(2,312)	(2,960)	(1,980)
(Inc.)/Dec. in Investments	2,007	(4,003)	2,070	(876)	(801)	(945)
Other income	1,000	1,024	1,278	1,708	1,793	1,883
<b>Cash Flow from Investing</b>	<b>1,447</b>	<b>(4,191)</b>	<b>976</b>	<b>(1,480)</b>	<b>(1,968)</b>	<b>(1,042)</b>
Issue of Equity	-	-	-	-	-	-
Inc./(Dec.) in loans	(201)	123	(512)	1,078	-	-
Dividend Paid (Incl. Tax)	118	202	252	254	254	254
Others	(949)	(1,006)	(1,356)	-	-	-
<b>Cash Flow from Financing</b>	<b>(1,032)</b>	<b>(681)</b>	<b>(1,617)</b>	<b>825</b>	<b>(254)</b>	<b>(254)</b>
Inc./(Dec.) in Cash	1,608	(1,841)	2,410	50	874	206
<b>Opening Cash balances</b>	<b>331</b>	<b>1,939</b>	<b>98</b>	<b>2,509</b>	<b>2,559</b>	<b>3,433</b>
<b>Closing Cash balances</b>	<b>1,939</b>	<b>98</b>	<b>2,509</b>	<b>2,559</b>	<b>3,433</b>	<b>3,639</b>

**Key Ratios**

Y/E March	FY09	FY10	FY11	FY12E	FY13E	FY14E
<b>Valuation Ratio (x)</b>						
P/E (on FDEPS)	35.9	15.9	16.8	23.5	15.4	13.2
P/CEPS	20.0	11.9	11.7	13.9	10.0	8.7
P/BV	4.1	3.3	2.8	2.5	2.2	1.9
Dividend yield (%)	0.3	0.5	0.6	0.6	0.6	0.6
EV/Sales	1.5	1.0	0.8	0.8	0.6	0.5
EV/EBITDA	23.8	9.4	10.9	19.2	9.8	7.8
EV / Total Assets	3.6	3.1	2.4	2.2	1.8	1.5
<b>Per Share Data (₹)</b>						
EPS (Basic)	42.2	86.4	79.2	56.6	86.6	100.6
EPS (fully diluted)	37.1	83.7	79.2	56.6	86.6	100.6
Cash EPS	66.6	112.2	114.3	96.0	133.3	153.3
DPS	3.5	6.0	7.5	7.5	7.5	7.5
Book Value	323.4	409.5	479.8	527.6	605.5	697.4
<b>Dupont Analysis</b>						
EBIT margin	3.6	8.9	5.2	1.4	3.9	4.4
Tax retention ratio	0.7	0.7	0.7	0.8	0.7	0.7
Asset turnover (x)	4.5	5.5	5.9	4.6	5.0	3.6
ROIC (Post-tax)	11.2	33.8	22.3	5.0	14.5	11.7
Cost of Debt (Post Tax)	4.5	3.0	3.3	5.0	3.7	3.7
Leverage (x)	0.0	0.0	0.0	0.0	0.0	0.0
Operating ROE	11.2	33.8	22.3	5.0	14.5	11.7
<b>Returns (%)</b>						
ROCE (Pre-tax)	7.4	22.6	13.7	3.2	9.4	10.5
Angel ROIC (Pre-tax)	14.3	47.1	27.6	6.0	19.0	11.9
ROE	12.1	22.8	17.8	11.2	15.3	15.4
<b>Turnover ratios (x)</b>						
Asset Turnover	2.6	3.0	3.2	2.6	2.7	2.7
Inventory / Sales (days)	17	13	13	15	15	15
Receivables (days)	14	11	9	9	9	9
Payables (days)	49	37	33	34	33	34
WC (ex-cash) (days)	1	2	(1)	(1)	(3)	(3)
<b>Solvency ratios (x)</b>						
Net debt to equity	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
Net debt to EBITDA	(3.1)	(1.9)	(2.5)	(4.4)	(2.9)	(2.7)
Interest Coverage	14.2	77.7	74.2	8.9	24.2	30.9

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1. Analyst ownership of the stock	No
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

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