July 30, 2015

Maruti Suzuki

Performance Highlights

Y/E March (₹ cr)	1QFY16	1QFY15	% chg (yoy)	4QFY15	% chg (qoq)
Net Sales	13,425	11,428	17.5	13,625	(1.5)
EBITDA	2,189	1,387	57.9	2,164	1.1
EBITDA Margin (%)	16.3	12.1	420 bp	15.9	40 bp
Adj. PAT	1,193	762	56.5	1,284	(7.1)

Source: Company, Angel Research

Results in line with estimates: Maruti Suzuki India Ltd (MSIL)'s 1QFY2016 results have come in in line with our estimates. Its revenues grew 18% yoy to ₹13,425cr, in line with our expectations of ₹13,466cr. Volumes grew 14% yoy while the realization/vehicle grew 4% yoy on account of a better mix. The operating margin improved sharply by 420bp yoy to 16.3% and is in line with our estimate. A favorable currency movement (depreciation of Japanese Yen and Euro vis-a-vis the Indian Rupee) led to lower imported raw material costs. These coupled with decline in discounts boosted the operating margin. On the back of the robust operating performance, the net profit at ₹1,193cr is in line with our estimates of ₹1,228cr.

Outlook and valuation: The passenger vehicle (PV) industry is well poised to post double-digit growth over the next two years, given the improved consumer sentiment, better economic outlook and softer fuel prices. Further, MSIL is focusing on larger cars with two new product launches scheduled in the large car segment over the next one year period, which would boost its market share and profitability. Also, we believe MSIL would be able to sustain higher margins (we have built in ~17% margin levels in our estimates for FY2016/17) given the subdued commodity prices and favorable currency rates. Further, reduction in discounts due to improved industry outlook coupled with new product launches and benefits of operating leverage would keep the margins at elevated levels. We view MSIL as the best play on passenger vehicle demand recovery and expect 36% earnings CAGR over FY2015-2017. **We have marginally upgraded our earnings estimates due to strong operating performance in 1QFY2016 and sustainability of higher margins going ahead. We retain our Accumulate rating on the stock with a revised price target of ₹4,735 (based on a PE multiple of 21x FY2017 EPS).**

Key financials (post SPIL merger)

Y/E March (₹ cr)	FY2014	FY2015	FY2016E	FY2017E
Net Sales	43,701	49,901	58,102	68,587
% chg	1.4	14.2	16.3	18.0
Net Profit	2,783	3,711	5,498	6,811
% chg	21.0	33.4	48.2	23.9
EBITDA (%)	11.6	13.4	16.7	16.9
EPS (₹)	92.1	122.9	182.0	225.5
P/E (x)	46.5	34.9	23.5	19.0
P/BV (x)	6.2	5.4	4.7	3.4
RoE (%)	13.3	15.6	19.9	21.0
RoCE (%)	16.2	19.3	25.7	27.3
EV/Sales (x)	2.8	2.4	2.0	1.7
EV/EBITDA (x)	23.9	18.0	12.1	9.9

Source: Company, Angel Research

ACCUMULATE

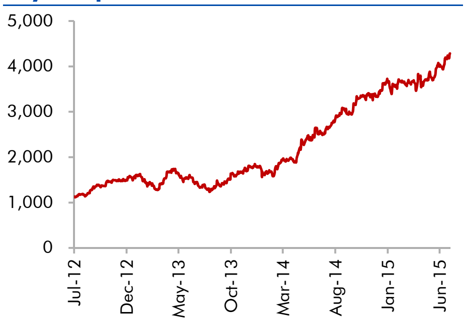
CMP	₹4,283
Target Price	₹4,735
Investment Period	12 Months

Stock Info	
Sector	Automobile
Market Cap (₹ cr)	129,381
Net Debt (₹ cr)	(9,063)
Beta	0.8
52 Week High / Low	4,360/2,485
Avg. Daily Volume	92,716
Face Value (₹)	5
BSE Sensex	27,705
Nifty	8,422
Reuters Code	MRTI.BO
Bloomberg Code	MSIL@IN

Shareholding Pattern (%)	
Promoters	56.2
MF / Banks / Indian FIs	19.5
FII / NRIs / OCBs	21.8
Indian Public / Others	2.5

Abs. (%)	3m	1yr	3yr
Sensex	2.6	6.2	61.6
Maruti Suzuki	14.8	67.8	282.4

3-year price chart



Source: Company, Angel Research

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Exhibit 1: Quarterly financial performance

Y/E March (₹ cr)	1QFY16	1QFY15	% chg (yoy)	4QFY15	% chg (qoq)	FY15	FY14	% chg (yoy)
Net Sales	**13,425**	**11,428**	*17.5*	**13,625**	*(1.5)*	**49,901**	**43,709**	*14.2*
Raw-material cost	9,045	8,184	*10.5*	9,223	*(1.9)*	35,008	31,315	*11.8*
(% of Sales)	*67.4*	*71.6*		*67.7*		*70.2*	*71.6*	
Staff cost	463	354	*31.0*	508	*(8.9)*	1,607	1,368	*17.4*
(% of Sales)	*3.4*	*3.1*		*3.7*		*3.2*	*3.1*	
Other Expenses	1,728	1,504	*14.9*	1,730	*(0.1)*	6,654	5,928	*12.2*
(% of Sales)	*12.9*	*13.2*		*12.7*		*13.3*	*13.6*	
Total Expenditure	**11,236**	**10,041**	*11.9*	**11,461**	*(2.0)*	**43,268**	**38,611**	*12.1*
Operating Profit	**2,189**	**1,387**	*57.9*	**2,164**	*1.1*	**6,633**	**5,098**	*30.1*
OPM (%)	*16.3*	*12.1*		*15.9*		*13.3*	*11.7*	
Interest	19	39	*(50.6)*	103	*(81.5)*	206	176	*17.2*
Depreciation	672	584	*15.1*	660	*1.8*	2,470	2,084	*18.5*
Other Income	172	238	*(27.7)*	320	*(46.2)*	912	821	*11.1*
PBT (excl. Extr. Items)	**1,671**	**1,003**	*66.6*	**1,722**	*(3.0)*	**4,868**	**3,659**	*33.1*
Extr. Income/(Expense)						-	-	-
PBT (incl. Extr. Items)	**1,671**	**1,003**	*66.6*	**1,722**	*(3.0)*	**4,868**	**3,659**	*33.1*
(% of Sales)	*12.4*	*8.8*		*12.6*		*9.8*	*8.4*	
Provision for Taxation	478	240	*98.8*	437	*9.2*	1,157	876	*32.1*
(% of PBT)	*28.6*	*24.0*		*25.4*		*23.8*	*23.9*	
Reported PAT	**1,193**	**762**	*56.5*	**1,284**	*(7.1)*	**3,711**	**2,783**	*33.4*
Adj PAT	**1,193**	**762**	*56.5*	**1,284**	*(7.1)*	**3,711**	**2,783**	*33.4*
Adj. PATM	*8.9*	*6.7*		*9.4*		*7.4*	*6.4*	
Equity capital (cr)	151.0	151.0		151.0		151.0	151.0	
Reported EPS (₹)	39.5	25.2	*56.5*	42.5	*(7.1)*	122.9	92.1	*33.4*

Source: Company, Angel Research

Exhibit 2: 1QFY2016 – Actual vs Angel estimates

Y/E March (₹ cr)	Actual	Estimates	*Variation (%)*
Net Sales	**13,425**	**13,466**	*(0.3)*
EBITDA	2,189	2,180	*0.4*
EBITDA margin (%)	*16.3*	*16.2*	*10 bp*
Adj. PAT	**1,193**	**1,228**	*(2.8)*

Source: Company, Angel Research

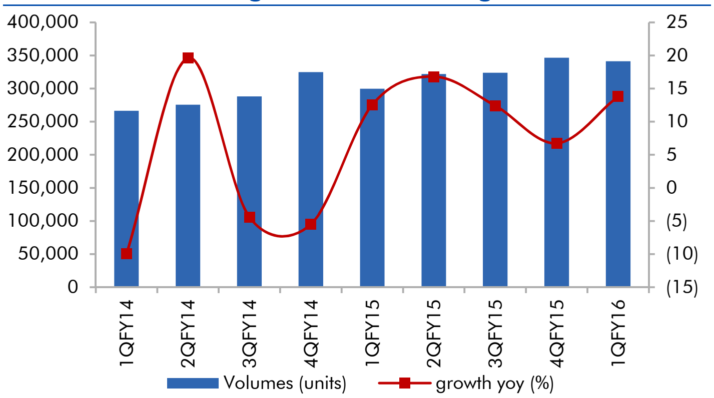
Exhibit 3: Quarterly volume performance

Volume (units)	1QFY16	1QFY15	% chg (yoy)	4QFY15	% chg (qoq)	FY15	FY14	% chg (yoy)
A: Mini: *M800, Alto, WagonR*	104,801	102,729	2.0	115,897	(9.6)	425,742	436,032	(2.4)
A: Compact: *Swift, Ritz, Celerio,Dzire*	137,833	123,297	11.8	133,912	2.9	514,638	450,393	14.3
A: Mid-Size: *Ciaz*	13,374	519	2,476.9	15,666	(14.6)	33,151	4,029	722.8
Total Passenger cars	256,008	226,545	13.0	265,475	(3.6)	973,531	890,454	9.3
B: Utility Vehicles: *Gypsy, Grand Vitara*	15,550	15,267	1.9	18,513	(16.0)	68,198	61,119	11.6
C: Vans: *Omni, Eeco*	34,136	28,831	18.4	33,182	2.9	128,973	102,115	26.3
Total Domestic	305,694	270,643	13.0	317,170	(3.6)	1,170,702	1,053,688	11.1
Total Exports	35,635	29,251	21.8	29,542	20.6	121,713	101,352	20.1
Total Volume	341,329	299,894	13.8	346,712	(1.6)	1,292,415	1,155,040	11.9

Source: Company, Angel Research

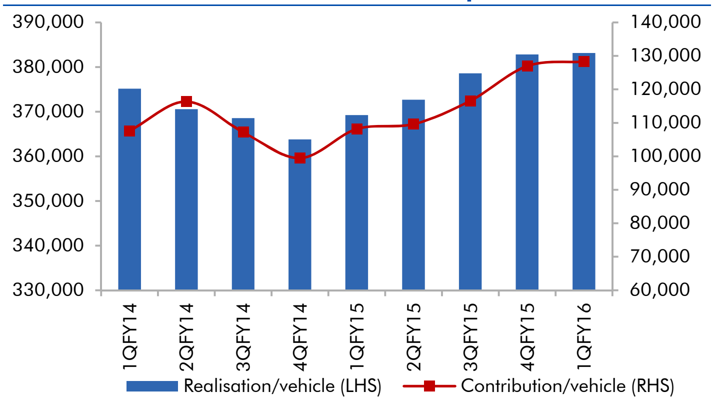
- MSIL maintained its outperformance, reporting a healthy double-digit volume growth. Improved consumer sentiments, better economic outlook and declining fuel prices boosted sales.
- Realisation/vehicle grew 4% yoy owing to a better product mix with higher volumes of Ciaz and Celerio. Further, the Contribution/vehicle improved sharply by 19% due to currency benefits (weak Japanese Yen and Euro against the INR), soft commodity prices and a better product mix.
- MSIL outperformed the domestic passenger vehicle industry, registering a growth of 13% yoy in 1QFY2016 as compared to industry growth of 6%. Consequently, MSIL's market share improved from 44% in 1QFY2015 to 46.8% in 1QFY2016.

Exhibit 4: Volumes grow in double-digits



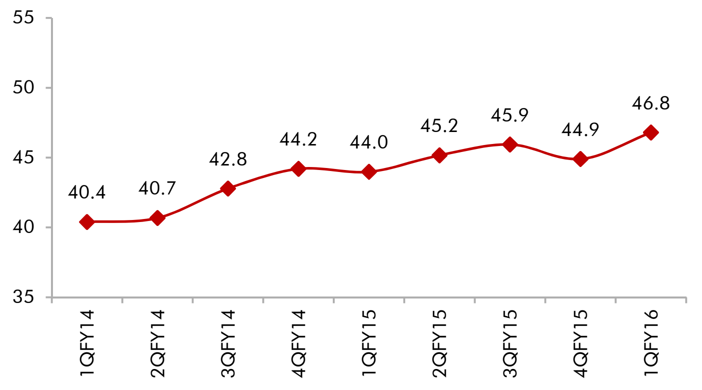
Source: Company, Angel Research

Exhibit 5: Realisation & contribution per vehicle



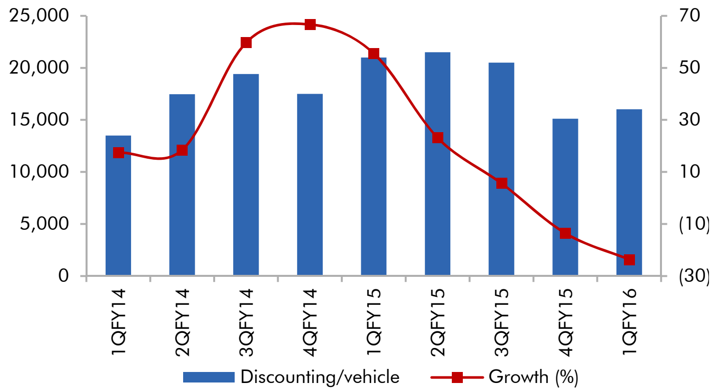
Source: Company, Angel Research

Exhibit 6: Domestic PV market share trend



Source: SIAM, Angel Research

Exhibit 7: Discounting continues to decline



Source: Company, Angel Research

Exhibit 8: Quarterly revenue and realization performance

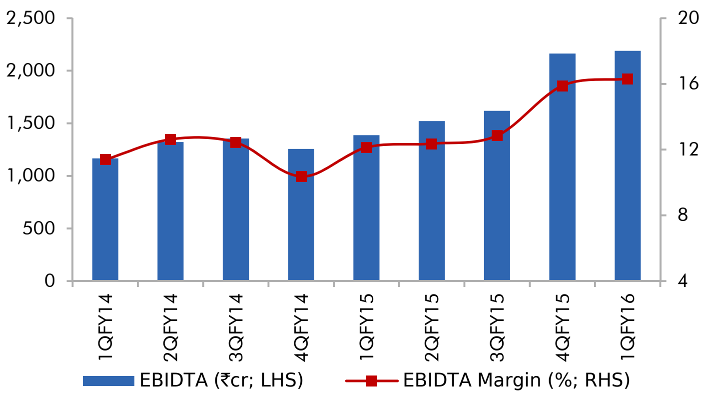
	1QFY2014	2QFY2014	3QFY2014	4QFY2014	1QFY2015	2QFY2015	3QFY2015	4QFY2015	1QFY2016
Domestic revenue (₹ cr)	9,088	8,693	9,691	10,696	9,831	10,595	11,039	12,070	11,694
Change yoy (%)	*(3.6)*	*31.5*	*0.6*	*(7.2)*	*8.2*	*21.9*	*13.9*	*12.8*	*19.0*
Domestic realization (₹)	370,421	359,859	361,343	358,214	363,228	368,294	373,952	380,539	382,550
Change yoy (%)	*3.4*	*14.3*	*0.8*	*(4.0)*	*(1.9)*	*2.3*	*3.5*	*6.2*	*5.3*
Export revenue (₹ cr)	907	1,519	929	1,122	1,243	1,401	1,224	1,203	1,384
Change yoy (%)	*(17.5)*	*84.3*	*(29.6)*	*(26.7)*	*37.0*	*(7.8)*	*31.8*	*7.2*	*11.3*
Export realization (₹)	430,102	446,450	465,291	427,038	424,943	409,517	426,347	407,217	388,382
Change yoy (%)	*27.6*	*10.6*	*14.5*	*(2.8)*	*(1.2)*	*(8.3)*	*(8.4)*	*(4.6)*	*(8.6)*

Source: Company, Angel Research

- The EBIDTA margin for the quarter, at 16.3%, is at an eight-year high. Margins improved sharply by 420bp yoy. Currency benefits (JPY and Euro depreciation against the INR) leading to lower raw material imports, coupled with lower discounts, boosted margins.

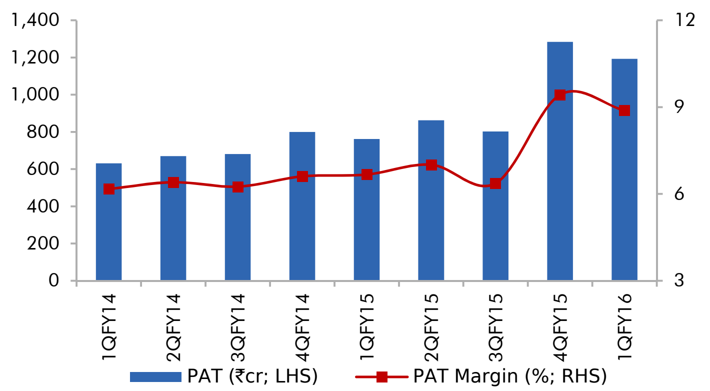
- Strong operating performance boosted profitability. The net profit grew by a robust 57% yoy to ₹1,193cr and is in line with our estimates.

Exhibit 9: EBITDA margin at an eight-year high



Source: Company, Angel Research

Exhibit 10: Strong operating performance boosts PAT



Source: Company, Angel Research

Conference call – Key highlights

- The share of petrol vehicles in the passenger vehicle industry continues to rise, with the customers preferring petrol vehicles in the light of the narrowing price differential between petrol and diesel. The share of petrol vehicles in the overall industry increased from 52% in 4QFY2015 to 56% in 1QFY2016.
- Given the better economic growth and consequent higher income levels, the share of first time buyers for MSIL has risen from 43% to 46% in the last two to three years.
- MSIL continues to gain market share on back of success of new products. The recently launched Celerio and Ciaz have received an encouraging response from consumers. Consequently, MSIL's market share improved from 44% in 1QFY2015 to 46.8% in 1QFY2016.
- Prices of commodities, ie of steel, aluminium and rubber, continue to remain benign. MSIL expects further benefits of soft commodity prices to accrue in 2QFY2016.
- Discounting/vehicle continues to decline given the recovery in the passenger vehicle industry and an improving product mix. In 1QFY2016, MSIL's discount/vehicle reduced by about 20% yoy to ₹16,000 per vehicle.
- MSIL is targeting to reach sales volumes of about 2mn vehicles by FY2018. In order to attain the target, MSIL would introduce 2-3 new products every year.
- MSIL is targeting to enhance focus on rural markets (rural segment currently constitutes about 33% of the volumes). Currently, MSIL is present in 125,000 villages and plans to cover 150,000 villages by FY2016.
- The company is witnessing strong demand for the automatic manual transmission (AMT technology). It is increasing the AMT capacity from 4,000 units/month to 12,000 units/month over the next one year.
- MSIL plans to incur a capex of ₹4,000cr in FY2016. The amount would be spent on new product introduction, research & development, and improving the marketing infrastructure.

Investment arguments

- **Per capita car penetration near inflexion point:** In FY2012, passenger vehicle penetration in India was estimated at around 16 vehicles/1,000 people compared to around 70 vehicles/1,000 people in China. Moreover, India's PPP-based per capita is estimated to approach US$7,000 over the next four to five 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 1,200 service and sales outlets, respectively), which is not easy to replicate.

- **Product launches in new segments to help outpace the PV industry:** MSIL is targeting to launch products in new segments in order to outgrow the passenger vehicle industry. MSIL would introduce products in the compact utility vehicle space which currently accounts for about 10% of the industry volumes. Also, MSIL would introduce crossovers (vehicle combining features of a car and a SUV) which would further enable it to gain market share.

- **Merger with SPIL to be a positive in the long run:** MSIL has merged its associate company, Suzuki Powertrain India (SPIL) with itself. SPIL manufactures and supplies diesel engines and transmission components for vehicles. SPIL currently supplies ~90% of its production to MSIL. We believe the merger of SPIL with MSIL is a positive for MSIL given that MSIL itself is setting up a new diesel engine facility (capacity of 300,000 units by FY2015) in Gurgaon. Further, with increased product introductions in the diesel segment (LCV and compact utility vehicle), the integration of SPIL will result in better control over diesel engine sourcing, flexibility in production planning, and managing fluctuations in market demand. Additionally, single management control of diesel engine operations will result in better sourcing, localization, and cost-reduction.

Outlook and valuation

The passenger vehicle (PV) industry is well poised to post double-digit growth over the next two years, given the improved consumer sentiment, better economic outlook and softer fuel prices. Further, MSIL is focusing on larger cars with two new product launches scheduled in the large car segment over the next one year period, which would boost its market share and profitability. Also, we believe MSIL would be able to sustain higher margins (we have built in ~17% margin levels in our estimates for FY2016/17) given the subdued commodity prices and favorable currency rates. Further, reduction in discounts due to improved industry outlook coupled with new product launches and benefits of operating leverage would keep the margins at elevated levels. We view MSIL as the best play on passenger vehicle demand recovery and expect 36% earnings CAGR over FY2015-2017. **We have marginally upgraded our earnings estimates due to strong operating performance in 1QFY2016 and sustainability of higher margins going ahead. We retain our Accumulate rating on the stock with a revised price target of ₹4,735 (based on a PE multiple of 21x FY2017 EPS).**

Exhibit 11: Volume assumptions

Y/E March	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016E	FY2017E
Mini: *M800, Alto, WagonR*	573,238	491,389	429,569	436,032	425,742	457,558	498,600
Compact: *Swift, Ritz, Celerio, Dzire*	369,754	345,886	424,873	450,393	514,638	571,248	651,223
Compact Utility Vehicle						12,000	36,000
Mid-Size: *Ciaz, Crossover*	23,317	17,997	6,707	4,029	33,151	48,000	60,600
Executive: Kizashi	138	458	188	1	-		
Total passenger cars	**966,447**	**855,730**	**861,337**	**890,455**	**973,531**	**1,088,806**	**1,246,423**
UV - Gypsy, Vitara, Ertiga	5,666	6,525	79,192	61,119	68,198	75,018	82,520
Vans - Omni, Versa, Eeco	160,626	144,061	110,517	102,115	128,973	141,870	156,057
Total passenger vehicles - domestic	**1,132,739**	**1,006,316**	**1,051,046**	**1,053,689**	**1,170,702**	**1,305,694**	**1,485,000**
Total passenger vehicles - exports	138,266	127,379	120,388	101,352	121,713	133,635	146,000
Light Commercial Vehicle						**9,000**	**21,000**
Total sales (domestic + exports)	**1,271,005**	**1,133,695**	**1,171,434**	**1,155,041**	**1,292,415**	**1,448,329**	**1,652,000**
% chg	*24.8*	*(10.8)*	*3.3*	*(1.4)*	*11.9*	*12.1*	*14.1*

Source: Company, Angel Research

Company background

Maruti Suzuki (MSIL), a subsidiary of Suzuki Motor Corporation (SMC), Japan (which holds a 56% stake), is the largest passenger car company in India, accounting for ~50% of the domestic passenger car market. MSIL derives ~60% of its overall sales from the small car segment and has a dominant position in the segment with a market share of ~50%, led by popular models like *Alto, Wagon R, Celerio* and *Swift*. The company operates from two facilities in India (Gurgaon and Manesar) with an installed capacity of 1.5mn units. Also, MSIL has steadily increased its presence internationally and exports now account for ~10% of its overall sales volume.

Profit and loss statement (post SPIL merger)

Y/E March (₹ cr)	FY2012	FY2013	FY2014	FY2015	FY2016E	FY2017E
Total operating income	35,587	43,588	43,701	49,959	58,102	68,587
% chg	*(2.8)*	*22.5*	*1.4*	*14.3*	*16.3*	*18.0*
Total expenditure	33,074	39,358	38,611	43,268	48,390	57,017
Net raw material costs	28,108	32,559	31,314	35,008	38,986	46,048
Employee expenses	844	1,070	1,368	1,607	1,996	2,345
Other expenditure	4,122	5,730	5,928	6,654	7,408	8,625
EBITDA	2,513	4,230	5,090	6,691	9,712	11,570
% chg	*(30.9)*	*68.3*	*44.8*	*31.2*	*45.1*	*19.1*
(% of total op. income)	*7.1*	*9.7*	*11.6*	*13.4*	*16.7*	*16.9*
Depreciation & amortization	1,138	1,861	2,084	2,470	2,732	2,980
EBIT	1,375	2,368	3,834	5,074	7,723	9,490
% chg	*(47.6)*	*72.3*	*27.7*	*32.3*	*52.2*	*22.9*
(% of total op. income)	*3.9*	*5.4*	*8.8*	*10.2*	*13.3*	*13.8*
Interest and other charges	55	190	176	206	154	160
Other income	827	812	829	853	742	900
Recurring PBT	2,146	2,991	3,659	4,868	7,569	9,330
% chg	*(31.0)*	*39.4*	*27.7*	*33.1*	*55.5*	*23.3*
Extraordinary income/ (exp.)	-	-	-			
PBT	2,146	2,991	3,659	4868.2	7568.5	9329.7
Tax	511	599	876	1,157	2,070	2,519
(% of PBT)	*23.8*	*20.0*	*23.9*	*23.8*	*27.4*	*27.0*
PAT (reported)	1,635	2,392	2,783	3,711	5,498	6,811
ADJ. PAT	1,635	2,392	2,783	3,711	5,498	6,811
% chg	*(28.6)*	*46.3*	*21.0*	*33.4*	*48.2*	*23.9*
(% of total op. income)	*4.6*	*5.5*	*6.4*	*7.4*	*9.5*	*9.9*
Basic EPS (₹)	54.1	79.2	92.1	122.9	182.0	225.5
Adj. EPS (₹)	54.1	79.2	92.1	122.9	182.0	225.5
% chg	*(28.6)*	*46.3*	*15.8*	*33.4*	*48.2*	*23.9*

Balance sheet statement (post SPIL merger)

Y/E March (₹ cr)	FY2012	FY2013	FY2014	FY2015E	FY2016E	FY2017E
SOURCES OF FUNDS						
Equity share capital	145	151	151	151	151	151
Reserves & surplus	15,043	18,428	20,827	23,655	27,504	32,271
Shareholders' Funds	15,187	18,579	20,978	23,806	27,655	32,422
Total loans	1,078	1,389	1,685	1,400	1,400	1,300
Deferred tax liability	302	409	587	587	587	587
Other long term liabilities	97	104	239	239	239	239
Long term provisions	169	226	198	198	198	198
Total Liabilities	16,834	20,706	23,686	26,229	30,078	34,745
APPLICATION OF FUNDS						
Gross block	14,735	19,801	22,702	26,202	30,202	34,202
Less: Acc. depreciation	7,214	10,002	11,911	14,382	17,113	20,093
Net Block	7,521	9,799	10,790	11,820	13,088	14,108
Capital work-in-progress	942	1,942	2,621	2,500	2,500	2,500
Investments	6,147	7,078	10,118	8,849	9,849	10,849
Long term loans and adv.	1,341	1,279	1,638	1,701	1,977	2,336
Other noncurrent assets	26	895	9	9	9	9
Current assets	6,325	5,695	5,359	8,440	10,561	14,029
Cash	2,436	775	630	3,597	5,023	7,568
Loans & advances	778	1,115	1,251	1,375	1,583	1,857
Other	3,111	3,805	3,478	3,468	3,955	4,605
Current liabilities	5,468	5,982	6,849	7,090	7,906	9,086
Net current assets	857	(287)	(1,491)	1,350	2,655	4,944
Total Assets	16,834	20,706	23,686	26,229	30,078	34,745

Note: Cash and bank balance includes term deposits with banks

Cash flow statement (post SPIL merger)

Y/E March (₹ cr)	FY2012	FY2013	FY2014	FY2015E	FY2016E	FY2017E
Profit before tax	2,146	2,991	3,659	4,868	7,569	9,330
Depreciation	1,138	1,861	1,910	2,470	2,732	2,980
Change in working capital	227	512	2,112	127	121	256
Direct taxes paid	(251)	(533)	(876)	(1,157)	(2,070)	(2,519)
Others	(700)	(447)	(242)	-	-	-
Cash Flow from Operations	2,560	4,384	6,563	6,308	8,351	10,047
(Inc.)/Dec. in fixed assets	(2,963)	(3,810)	(3,580)	(3,379)	(4,000)	(4,000)
(Inc.)/Dec. in investments	(782)	(916)	(3,040)	1,269	(1,000)	(1,000)
Others	649	1,152	-	-		
Cash Flow from Investing	(3,096)	(3,574)	(6,620)	(2,109)	(5,000)	(5,000)
Issue of equity	-	-	-	-	-	-
Inc./(Dec.) in loans	911	(514)	296	(285)	-	(100)
Dividend paid (Incl. Tax)	(217)	(217)	(696)	(884)	(1,650)	(2,043)
Others	(78)	(235)	312	-	-	-
Cash Flow from Financing	617	(966)	(88)	(1,169)	(1,650)	(2,143)
Inc./(Dec.) in cash	81	(156)	(145)	3,030	1,702	2,903
Opening Cash balances	96	281	775	630	3,597	5,023
Closing Cash balances	176	125	630	3,597	5,023	7,568

Note: Closing Cash balances excludes term deposits with banks and unclaimed dividend accounts

Key ratios

Y/E March	FY2012	FY2013	FY2014	FY2015E	FY2016E	FY2017E
Valuation Ratio (x)						
P/E (on FDEPS)	79.2	54.1	46.5	34.9	23.5	19.0
P/CEPS	46.7	30.4	26.6	20.9	15.7	11.5
P/BV	8.5	7.0	6.2	5.4	4.7	3.4
Dividend yield (%)	0.2	0.2	0.3	0.6	1.3	1.6
EV/Sales	3.7	3.0	2.8	2.4	2.0	1.7
EV/EBITDA	51.7	30.7	23.9	18.0	12.1	9.9
EV / Total Assets	7.7	6.3	5.1	4.6	3.9	3.3
Per Share Data (₹)						
EPS (Basic)	54.1	79.2	92.1	122.9	182.0	225.5
EPS (fully diluted)	54.1	79.2	92.1	122.9	182.0	225.5
Cash EPS	91.8	140.8	161.1	204.6	272.4	324.1
DPS	7.5	8.0	12.0	25.0	54.6	67.6
Book Value	502.8	615.0	694.5	788.1	915.5	1073.3
Du-pont Analysis						
EBIT margin	3.9	5.4	8.8	10.2	13.3	13.8
Tax retention ratio	76.2	80.0	0.8	0.8	0.7	0.7
Asset turnover (x)	2.7	2.5	1.9	2.2	2.3	2.5
ROIC (Post-tax)	7.9	11.0	12.7	17.1	22.4	25.5
Cost of Debt (Post Tax)	6.1	12.3	7.9	11.2	8.0	9.0
Leverage (x)	(0.5)	(0.3)	(0.4)	(0.5)	(0.5)	(0.5)
Operating ROE	7.0	11.5	10.6	14.4	15.4	16.8
Returns (%)						
ROCE (Pre-tax)	8.8	12.6	16.2	19.3	25.7	27.3
Angel ROIC (Pre-tax)	18.3	25.1	16.6	22.4	30.8	34.9
ROE	11.3	14.2	13.3	15.6	19.9	21.0
Turnover ratios (x)						
Asset Turnover (Gross Block)	2.7	2.5	1.9	1.9	1.9	2.0
Inventory / Sales (days)	16	15	14	13	13	12
Receivables (days)	9	10	12	11	11	11
Payables (days)	37	39	52	46	45	43
WC cycle (ex-cash) (days)	(12)	(11)	(25)	(22)	(21)	(20)
Solvency ratios (x)						
Net debt to equity	(0.5)	(0.3)	(0.4)	(0.5)	(0.5)	(0.5)
Net debt to EBITDA	(3.0)	(1.5)	(1.8)	(1.7)	(1.4)	(1.5)
Interest Coverage (EBIT / Int.)	24.9	12.5	21.8	24.6	50.1	59.3

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DISCLAIMER

Disclosure of Interest Statement	**Maruti Suzuki**
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

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

Ratings (Based on expected returns over 12 months investment period):	*Buy (> 15%)*	*Accumulate (5% to 15%)*	*Neutral (-5 to 5%)*
		Reduce (-5% to -15%)	*Sell (< -15)*