


<p align="center">Research Report</p>	 <p align="center">Spearhead FinServe PRIVATE LIMITED <small>A subsidiary of Spearhead Services Pvt Ltd</small></p>																		
<p align="center">Maruti Suzuki</p>	<table> <tr> <td>Recommendation</td><td align="right">Accumulate</td></tr> <tr> <td>Current Market Price</td><td align="right">3610</td></tr> <tr> <td>Target</td><td align="right">4148</td></tr> <tr> <td>Accumulation Price Band</td><td align="right">3600-3625</td></tr> <tr> <td>Time Frame</td><td align="right">6 months</td></tr> <tr> <td>Derivative Segment</td><td align="right">Yes</td></tr> </table>	Recommendation	Accumulate	Current Market Price	3610	Target	4148	Accumulation Price Band	3600-3625	Time Frame	6 months	Derivative Segment	Yes						
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<p align="center">Company Overview</p> <p>» Incorporated in the year 1983,Maruti Suzuki is a market leader with 45% market share apart from presence in Utility Vehicles and sedans.</p> <p>» Maruti Suzuki is a subsidiary of Suzuki Motor Corp of Japan and pays about 6% as royalty to its parent.</p> <p>»The companies key models include Alto, Desire, Wagon R and Swift and enjoys a early mover advantage in the fast growing dominant small car segment .</p> <p>»It has over 1200 sales outlets in 900 cities & towns and over 3000 service outlets covering over 1408 cities & towns apart from rural sales from towns below the top 150 towns, accounting for about 27% of sales.</p>	<table> <tr> <td align="center" colspan="2">Financials</td></tr> <tr> <td>EPS (Rs)</td><td align="right">93.74</td></tr> <tr> <td>Book Value (Rs)</td><td align="right">694.45</td></tr> <tr> <td>P/E</td><td align="right">38.51</td></tr> <tr> <td>P/BV</td><td align="right">5.20</td></tr> <tr> <td>ROE</td><td align="right">13.27</td></tr> <tr> <td>ROCE (%)</td><td align="right">16.91</td></tr> <tr> <td>Dividend Yield (%)</td><td align="right">0.33</td></tr> <tr> <td>Debt - Equity</td><td align="right">0.09</td></tr> </table>	Financials		EPS (Rs)	93.74	Book Value (Rs)	694.45	P/E	38.51	P/BV	5.20	ROE	13.27	ROCE (%)	16.91	Dividend Yield (%)	0.33	Debt - Equity	0.09
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<p align="center">Industry Overview</p> <p>» The Indian Automobile Industry had a market size of about USD 57.7 Bn in FY10 and is expected to reach about USD 145 Bn in FY16.</p> <p>» The Indian Automobile Industry derives strong growth in demand due to rising income, middle class, and a young population which is likely to propel India among the world's top five auto manufacturers .</p> <p>» The Production of automobiles increased at a CAGR of 11.8 per cent over FY05-13 with passenger vehicles being the fastest growing segment, growing at a CAGR of 12.9 per cent.</p> <p>» Automobile export volumes increased at a CAGR of 19.1 per cent over FY05-13 with the Two-wheeler segment reporting the fastest growth (22.2 per cent) followed by three-wheelers (16.3 per cent) over FY05-13. The Indian luxury car market is estimated to expand at a CAGR of 25 per cent during 2012-20 and reach 150,000 units by 2020 (accounting for 4 per cent of the estimated 6.8-million-unit domestic car market)</p>	<table> <tr> <td align="center" colspan="2">Highlights</td></tr> <tr> <td>Debt (Rs Cr)</td><td align="right">1,865.30</td></tr> <tr> <td>Reserves (Rs Crs)</td><td align="right">21,345.40</td></tr> <tr> <td>FII Holdings (%)</td><td align="right">21.74</td></tr> <tr> <td>MF Holdings (%)</td><td align="right">6.53</td></tr> <tr> <td>Free Float Market Capitalization (Rs Cr)</td><td align="right">47,758</td></tr> <tr> <td>Beta</td><td align="right">1.58</td></tr> <tr> <td>Avg Volume Per day (no. of shares)</td><td align="right">342,585</td></tr> <tr> <td>Avg Volume Per Month (no. of shares)</td><td align="right">6,408,626</td></tr> </table>	Highlights		Debt (Rs Cr)	1,865.30	Reserves (Rs Crs)	21,345.40	FII Holdings (%)	21.74	MF Holdings (%)	6.53	Free Float Market Capitalization (Rs Cr)	47,758	Beta	1.58	Avg Volume Per day (no. of shares)	342,585	Avg Volume Per Month (no. of shares)	6,408,626
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<p align="center">Key Highlights</p> <p>» After riding high on the success of its Celerio model in the Indian market, Maruti Suzuki is ready to roll out the diesel variant of the model in April 2015 which will increase its realizations and margins.</p> <p>» Maruti is also planning to launch the Suzuki SX4 (S Cross) in the coming months which will be available in five trims with two fuel option petrol and diesel and will compete with Hyundai's i20 Active and Toyota's Etios Cross.</p> <p>»Maruti Suzuki to launch 13 new products in the next four years new product range will also be targeting Tier II and rural market.</p>																			
<p align="center">Key Risks</p> <p>» Sharp increase in the prices of raw materials and the inability of the company to pass on the burden to the customers will impact its margins and profitability.</p> <p>» Any slowdown in the Indian economy would result in lower demand for cars and SUV's.</p> <p>» Rising competition in the Indian market with global car manufacturers setting up their manufacturing base in India which might result in loss in market share for Maruti Suzuki</p>																			

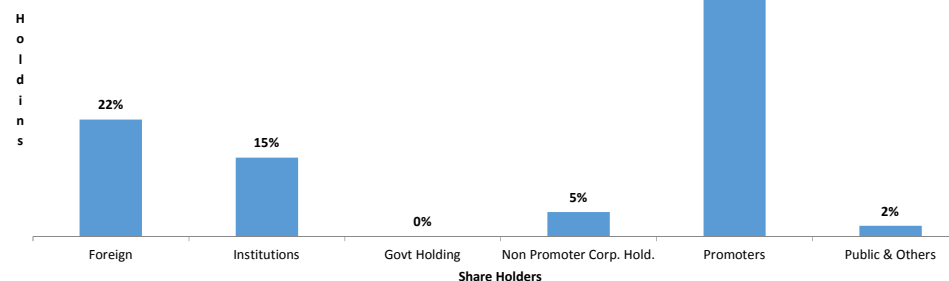
Financial Highlights

Income Statement (Annual)					
Particulars (Rs. Cr)	2014	2013	2012	2011	2010
Net Sales	44,450.60	44,304.40	36,089.90	37,155.80	29,437.10
Operating Profit	5,203.80	4,328.40	2,525.10	3,681.20	3,558.80
Operating Profit Margin	11.71	9.77	7.00	9.91	12.09
Depreciation	2,116.00	1,889.70	1,162.70	1,031.30	841.40
Interest	184.50	198.70	61.60	29.40	33.50
Other Income	830.50	830.10	844.30	514.50	1,018.70
PBT	3,733.80	3,070.10	2,145.10	3,135.00	3,753.70
APAT	2,831.60	2,448.60	1,633.60	2,307.10	2,545.00
PAT Margin (%)	6.37	5.53	4.53	6.21	8.65
Earnings Per Share	93.74	81.06	56.54	79.86	88.09

Balance Sheet					
Particulars (Rs. Cr)	2014	2013	2012	2011	2010
Equity Share Capital	151.00	151.00	144.50	144.50	144.50
Reserves and Surplus	21,345.40	18,876.80	15,530.00	14,164.30	12,038.10
Net Worth	21,496.40	19,027.80	15,674.50	14,308.80	12,182.60
Deferred Tax Liability :	-	-	-	-	-
Long Term Debt	-	-	-	-	26.50
ShortTerm Debt	1,865.30	1,568.80	1,262.20	315.00	794.90
Total Debt	1,865.30	1,568.80	1,262.20	315.00	821.40
Current Liabilities	7,164.10	5,995.80	5,469.70	3,966.40	3,199.20
Total Provisions	873.40	867.80	692.90	516.10	619.20
Total Liabilities	23,373.90	20,607.20	16,936.70	14,623.80	13,148.90
Gross Block	22,837.20	19,985.10	14,998.90	11,933.50	10,608.50
Net Fixed Assets	11,033.70	10,021.70	7,745.50	5,671.80	5,171.30
Investments	10,527.10	7,421.40	6,545.00	5,439.30	7,396.40
Current Assets	7,211.10	8,059.80	8,196.60	7,116.00	3,923.10
Deferred Tax Asset :	-	-	-	-	-
Receivables	1,489.10	1,489.20	1,006.60	881.30	820.70
Inventories	1,763.20	1,887.20	1,837.80	1,438.60	1,207.90
Cash	648.60	814.80	2,463.40	2,532.00	116.80
Total Assets	23,373.90	20,607.20	16,936.70	14,623.80	13,148.90

Income Statement (Quarterly)								
Particulars (Rs. Cr)	2014				2013			2012
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net Sales	12,263.14	11,996.33	11,073.51	11,818.13	10,619.68	10,211.83	9,995.12	13,056.26
Operating Profit	1,093.70	1,115.24	1,041.09	1,090.46	930.36	923.28	890.30	1,582.71
Operating Profit Margin	8.92	9.30	9.40	9.23	8.76	9.04	8.91	12.12
Depreciation	627.84	598.85	583.64	563.69	541.38	499.17	480.16	815.89
Interest	30.02	34.79	38.55	43.43	44.80	43.39	44.23	72.64
Other Income	128.95	193.25	296.53	406.62	116.95	101.02	204.30	398.99
PBT	1,063.68	1,080.45	1,002.54	1,047.03	885.56	879.89	846.07	1,510.07
APAT	802.16	862.54	762.28	800.05	681.15	670.23	631.61	1,239.62
PAT Margin (%)	6.54	7.19	6.88	6.77	6.41	6.56	6.32	9.49
Earnings Per Share	26.55	28.55	25.23	26.48	22.55	22.19	20.91	41.04

Share Holding Pattern

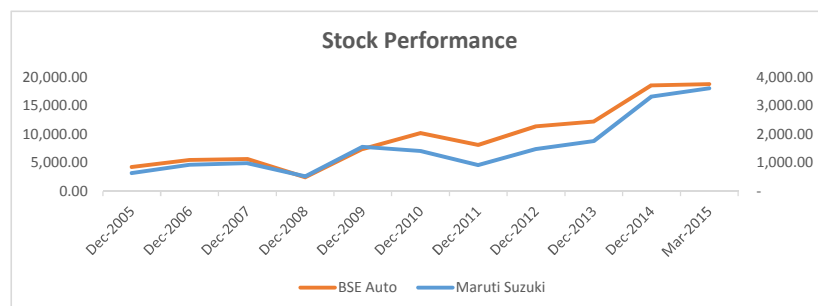


Key Financial Indicators						
Particulars	Units	2014	2013	2012	2011	2010
Revenue	Crs	44,450.60	44,304.40	36,089.90	37,155.80	29,437.10
EBITDA Margins	%	11.71	9.77	7.00	9.91	12.09
PAT	Crs	2,831.60	2,448.60	1,633.60	2,307.10	2,545.00
PAT Margins	%	6.37	5.53	4.53	6.21	8.65
Revenue Growth	%	0.33	22.76	(2.87)	26.22	42.10
EBITDA Growth	%	20.22	71.41	(31.41)	3.44	112.58
PAT Growth	%	15.64	49.89	(29.19)	(9.35)	106.62
Gearing	times	0.09	0.08	0.08	0.02	0.07
ROCE	%	16.77	15.87	13.02	21.63	27.94
ROE	%	13.27	12.97	10.72	16.64	21.54

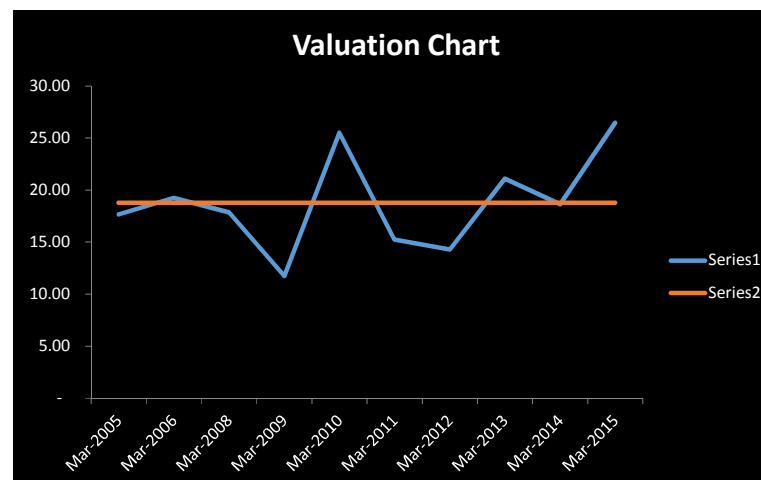
Peer Comparison				
Particulars	Units	Maruti Suzuki	Tata Motors	M&M
Revenue	Rs Cr	44,450.60	44,765.72	73,915.52
EBITDA Margins	%	11.71	7.63	13.58
PAT	Rs Cr	2,831.60	301.81	4,323.38
PAT Margins	%	6.37	1.39	5.85
Gearing	%	0.09	0.85	1.21
EPS	Rs / Share	40.84	2.61	70.20
PE	times	38.51	155.83	16.93
P/BV	times	5.20	6.84	4.38
ROCE	%	16.77	5.14	16.39
ROE	%	13.27	47.30	20.02
EV/EBITDA	times	20.97	30.25	9.27

Stock Performance vis-a-vis Index

Particulars	Return(%)	
	YTD	QTD
Maruti Suzuki	8.10%	8.10%
BSE Auto	0.75%	0.75%



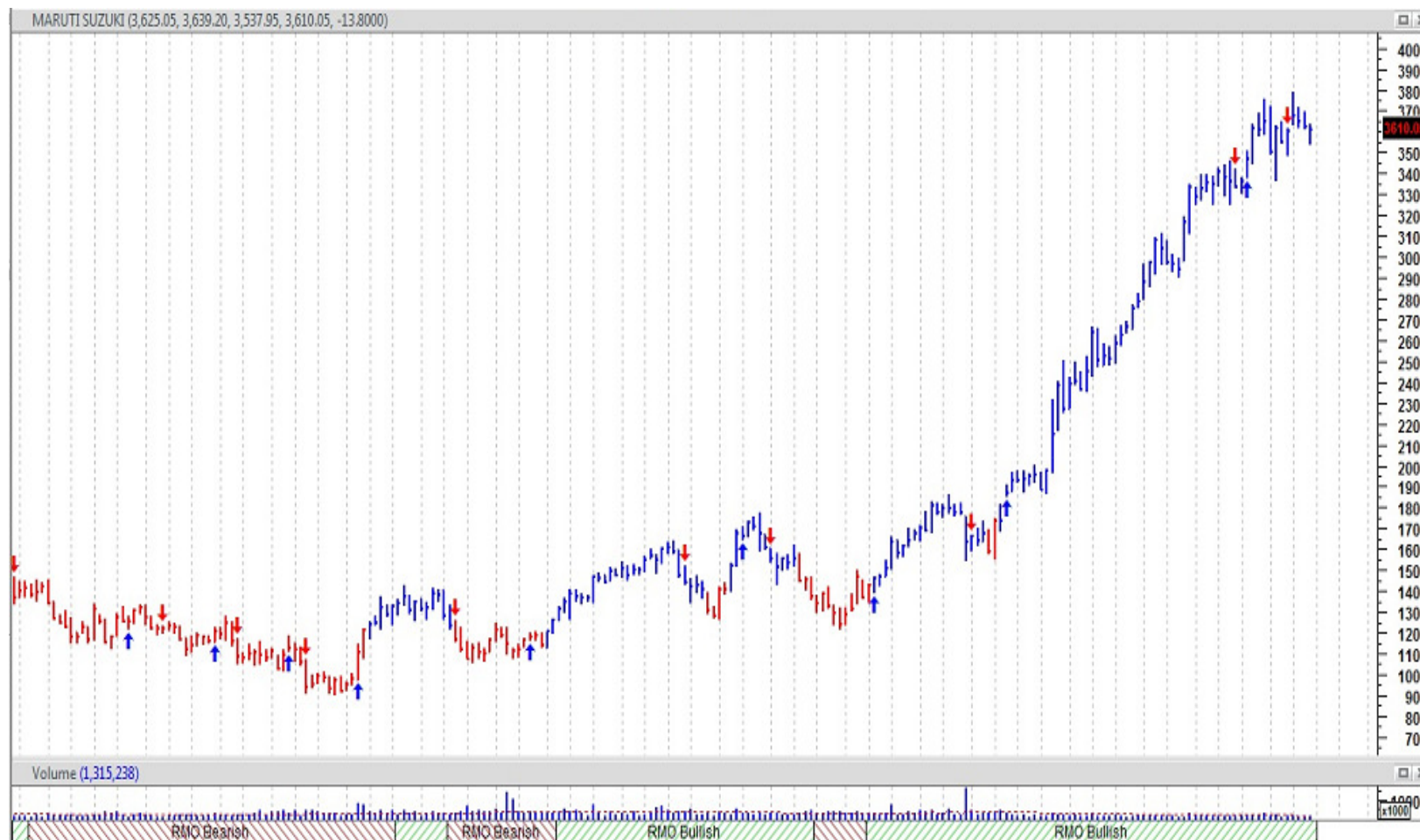
Valuation Chart



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Technical Outlook



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