

Capex Plans

It has announced capital expenditure of Rs 2,800 crore in 2010-11 and an estimated Rs 3,000 crore for the next financial year, whereas it has spent Rs 1,300 crore on capex in the year 2009-10

Outlook

Its growth will be lower in 2010-11, primarily due to the high base effect. Total Indian passenger car industry is projected to grow by a lower double-digit, in the range of 11-12 per cent, and Maruti will register similar growth. Rural areas and middle class cities pushed the company's sales last year, while in coming year top cities are expected to respond well. However, higher fuel prices, an expected increase in interest rates and depreciation of the euro will continue to put pressure on the company's margins in the ongoing financial year. The A2 segment of Maruti, which constitutes of more than 50% of sales in terms of number of units, is showing signs of slowing down. This segment comprises of Alto, Wagon-R, Estilo, Swift, A-Star, Ritz.

Valuations and Recommendation

At the CMP of Rs 1333 the stock is trading at 14.7 times its TTM earnings of Rs 90.8. We remain cautiously optimistic about the performance of the company in the current quarter.

Result Update



Kyon ki bhaiya, sabse bada rupaiya.

(Rs. In Cr.)

Maruti Suzuki India Ltd.	Q4FY10	Q4FY09	% Chg.	Q4FY10	Q3FY09	% Chg.	FY201003	FY200903	% Chg.
Net Sales	8234.9	6308.4	30.5	8234.9	7333.8	12.3	28958.5	20358.3	42.2
Other operational Income	189.7	124.6	52.3	189.7	169.1	12.2	664.5	494.2	34.5
Total Oper. Income(TOI)	8424.6	6432.9	31.0	8424.6	7502.9	12.3	29623.0	20852.5	42.1
Raw Materials Cons.-	6127.6	4738.5	29.3	6127.6	5491.9	11.6	21701.7	15235.3	42.4
% to TOI	72.7%	73.7%	-	72.7%	73.2%	-	73.3%	73.1%	-
Stock adj. (-)Inc / (+)Dec-	12.9	162.1	-92.1	12.9	-131.2	LP	-193.3	281.9	PL
% to TOI	0.2%	2.5%	-	0.2%	-1.8%	-	-0.7%	1.4%	-
Net Raw Mat adj. for stock	6140.5	4900.6	25.3	6140.5	5360.7	14.6	21508.4	15517.1	38.6
% to TOI	72.9%	76.2%	-	72.9%	71.5%	-	72.6%	74.4%	-
Other expenses	1019.6	949.9	7.3	1019.6	875.8	16.4	3614.7	3032.2	19.2
% to TOI	12.1%	14.8%	-	12.1%	11.7%	-	12.2%	14.5%	-
Contribution Net_Sales	1264.4	582.4	117.1	1264.4	1266.4	-0.2	4499.9	2303.2	95.4
Personnel	153.4	133.1	15.2	153.4	132.5	15.8	545.6	471.1	15.8
% to TOI	1.8%	2.1%	-	1.8%	1.8%	-	1.8%	2.3%	-
Total expenditure	7313.5	5983.6	22.2	7313.5	6368.9	14.8	25668.7	19020.5	35.0
Operating Profit	1111.1	449.3	147.3	1111.1	1133.9	-2.0	3954.3	1832.1	115.8
<i>% to TOI</i>	<i>13.2%</i>	<i>7.0%</i>	<i>-</i>	<i>13.2%</i>	<i>15.1%</i>	<i>-</i>	<i>13.4%</i>	<i>8.8%</i>	<i>-</i>
Non-Operating Income	79.0	105.4	-25.1	79.0	91.3	-13.5	496.8	601.3	-17.4
Interest	12.9	8.9	44.9	12.9	8.4	53.5	33.5	51.0	-34.3
Exceptional Items			-			-	0.0		0.0
Gross Profit	1177.2	545.9	115.7	1177.2	1216.8	-3.3	4417.6	2382.4	85.4
Depreciation	223.0	197.1	13.1	223.0	202.8	10.0	825.0	706.5	16.8
PBT before Extra-ord	954.2	348.7	173.6	954.2	1014.0	-5.9	3592.5	1675.9	114.4
% to TOI	11.3%	5.4%	-	11.3%	13.5%	-	12.1%	8.0%	-
Extraordinary Items			-			-	0.0		0.0
PBT	954.2	348.7	173.6	954.2	1014.0	-5.9	3592.5	1675.9	114.4
Tax Rate	31.2%	30.3%	-	31.2%	32.2%	-	30.5%	27.3%	-
Prov. for Tax	297.6	105.6	181.8	297.6	326.5	-8.9	1094.9	457.1	139.5
% to TOI	3.5%	1.6%	-	3.5%	4.4%	-	3.7%	2.2%	-
Profit after Tax	656.6	243.1	170.0	656.6	687.5	-4.5	2497.6	1218.7	104.9
<i>% to TOI</i>	<i>7.8%</i>	<i>3.8%</i>	<i>-</i>	<i>7.8%</i>	<i>9.2%</i>	<i>-</i>	<i>8.4%</i>	<i>5.8%</i>	<i>-</i>
Face Value	5.0	5.0	0.0	5.0	5.0		5.0	5.0	0.0
Equity Share capital	144.5	144.5	0.0	144.5	144.5	0.0	144.5	144.5	0.0
EPS (Rs.)	22.7	8.4	170.0	22.7	23.8	-4.5	86.5	42.2	104.9
CEPS (Rs.)	30.4	15.2	99.8	30.4	30.8	-1.2	115.0	66.6	72.6

Source: ACE Equity

Result Update



Kyon ki bhaiya, sabse bada rupaiya.

Source: ACE Equity

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