

MARUTI UDYOG LIMITED + \$

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AUTOMOBILES/VEHICLES

MISCELLANEOUS

Chairman: Shinzo Nakanishi

SEC: S. Ravi Aiyer (Chief Legal Officer)

AUD: Price Waterhouse

Yr of Inc	B. Code	BL. Code	F.V.	Price	% ch 1-m	% ch 12-m	P/E	P/CF	Yield	Mkt cap	Vol.	ISIN
1980	532500	MUL.IN	5	896.7	-5.3	54.8	21.2	17.2	0.4	259,051.2	155.6	INE585B01010

SHAREHOLDING

		FX Transaction (FY06)	
Indian Promoters	: 10.3%	Exports (fob)	Rs m 5,839
Foreign collaborators	: 54.2%	Imports (cif)	Rs m 16,260
Indian inst/Mut Fund	: 15.3%	Fx inflow	Rs m 5,839
FII's/GDR	: 15.5%	Fx outflow	Rs m 18,652
Free float	: 4.7%	Net fx	Rs m -12,813
Shareholders	: 83,837		

	No. of months	12	12	12
	Year ending	31/03/04	31/03/05	31/03/06

EQUITY SHARE DATA

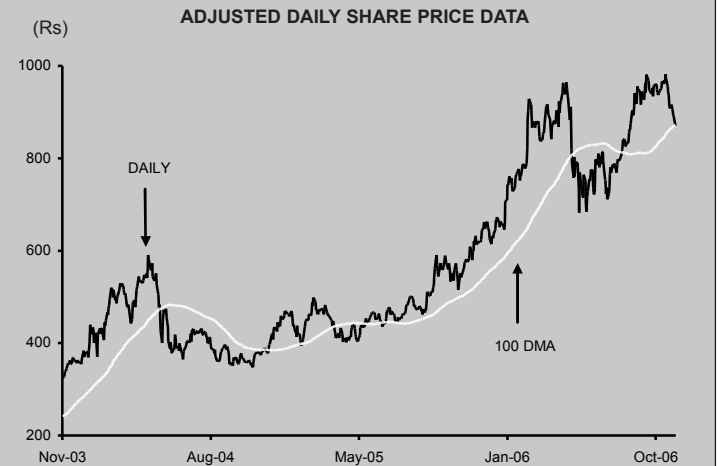
High	Rs	535	602	944
Low	Rs	156	342	393
Sales per share	Rs	317.0	381.6	420.3
Earnings per share	Rs	19.4	30.5	42.2
Cash flow per share	Rs	40.8	46.5	52.0
Dividends per share	Rs	1.50	2.00	3.50
Dividend yield (eoy)	%	0.4	0.4	0.5
Book value per share	Rs	125.9	154.7	192.9
Shares outstanding (eoy)	m	288.91	288.91	288.91
Bonus/Rights/Conversions	-	-	-	-
Price / Sales ratio	x	1.1	1.2	1.6
Avg P/E ratio	x	17.8	15.5	15.8
P/CF ratio (eoy)	x	9.4	10.2	12.8
Price / Book Value ratio	x	2.7	3.1	3.5
Dividend payout	%	7.7	6.6	8.3
Avg Mkt Cap	Rs m	99,775	136,366	193,136
No. of employees	'000	3	3	3
Total wages/salary	Rs m	1,824	2,021	2,377
Avg. sales/employee	Rs Th	27,472.1	31,932.2	35,167.1
Avg. wages/employee	Rs Th	547.1	585.3	688.4
Avg. net profit/employee	Rs Th	1,682.4	2,548.8	3,530.6

INCOME DATA

Net Sales	Rs m	91,592	110,262	121,432
Other income	Rs m	4,384	4,646	5,212
Total revenues	Rs m	95,976	114,908	126,644
Gross profit	Rs m	10,895	13,896	15,685
Depreciation	Rs m	4,980	4,621	2,891
Interest	Rs m	453	377	223
Profit before tax	Rs m	9,846	13,544	17,783
Minority Interest	Rs m	0	0	25
Prior Period Items	Rs m	-724	-163	55
Extraordinary Inc (Exp)	Rs m	-1,196	0	68
Tax	Rs m	2,317	4,580	5,740
Profit after tax	Rs m	5,609	8,801	12,191
Gross profit margin	%	11.9	12.6	12.9
Effective tax rate	%	23.5	33.8	32.3
Net profit margin	%	6.1	8.0	10.0

BALANCE SHEET DATA

Current assets	Rs m	20,408	30,042	42,568
Current liabilities	Rs m	15,473	16,255	20,875
Net working cap to sales	%	5.4	12.5	17.9
Current ratio	x	1.3	1.8	2.0
Inventory Turnover	Days	18	22	27
Debtors Turnover	Days	28	20	20
Net fixed assets	Rs m	19,400	19,539	20,491
Share capital	Rs m	1,445	1,445	1,445
"Free" reserves	Rs m	34,548	42,514	54,096
Net worth	Rs m	36,386	44,692	55,730
Long term debt	Rs m	3,000	700	6,090
Total assets	Rs m	57,030	65,414	84,206
Interest coverage	x	22.7	36.9	80.7
Debt to equity ratio	x	0.1	0.0	0.1
Sales to assets ratio	x	1.6	1.7	1.4
Return on assets	%	9.8	13.5	14.5
Return on equity	%	15.4	19.7	21.9
Return on capital	%	15.4	20.2	20.1
Exports to sales	%	10.3	8.9	4.8
Imports to sales	%	13.2	15.6	13.4



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CASH FLOW

From Operations	Rs m	10,572	11,049	14,416
From Investments	Rs m	-15,744	-2,244	-7,569
From Financial Activity	Rs m	-2,318	-896	2,674
Net Cashflow	Rs m	-7,490	7,909	9,521

INTERIM RESULTS

		3QFY06	4QFY06	1QFY07	2QFY07
Net sales	Rs m	31,142	32,770	31,255	34,192
Gross profit	Rs m	4,659	4,862	4,567	4,756
Gross profit margin	%	15.0	14.8	14.6	13.9
Net profit	Rs m	3,393	3,610	3,696	3,674
Net profit margin	%	10.9	11.0	11.8	10.7

KEY DATA

Parameters	Unit	FY04	FY05	FY06
Capacity	THNOS	350	350	350
Units sold	THNOS	472	528	562
Capex/sales	%	0.6%	4.5%	-0.8%
EBIT/vehicle sold	Rs	11,120	17,013	23,003

NOTES

Maruti Udyog Ltd (MUL) is the country's largest passenger car manufacturer with a market share of 52% in FY06 of the domestic car market. While Suzuki, Japan holds a 54.2% equity stake in the company, the Government of India holds around 10%. After remaining a near monopoly till 1992, the entry of other multinationals has resulted in the company losing market share. However, it has been able to steady its share in the Indian passenger car segment off late.

Though volumes of its erstwhile bread-and-butter model, 'Maruti 800' continued to decline, the fall has been more than compensated by the 28% increase in the volumes in 'A2' segment. Similarly, the company also performed well in the 'A3' segment as volumes grew by 8% YoY. As a result of the above, total volumes (domestic and exports) improved 7% while the topline recorded a 10% growth, indicating better product mix. Operating margins registered an expansion of 70 basis points while interest costs and depreciation outgo were lower by 43% and 38% respectively. Consequently, bottomline registered a 39% improvement and net profit margins expanded by 210 basis points and stood at 10%. The robust performance continued in 1HFY07 as topline improved by 16% on the back of similar growth in volumes, while operating margins expanded by 230 basis points and bottomline jumped 51%.

With the commencement of its new plant in Manesar, Haryana, the company has expanded its capacity to 9,00,000 cars per annum and this will enable it to take advantage of the industry growth story over the next 3-5 years. Its foray into the diesel car segment is also a big positive and will help it further in expanding its addressable markets. Although the company might not retain its dominant market position, we believe it will be one of the major beneficiaries of the Indian auto growth story, thanks mainly to its extensive distribution network and a strong focus on quality.