Maruti Suzuki India Ltd

Traffic ahead

▼ **Neutral**
Previous: Overweight

MRTI.BO, MSIL IN

Price: Rs1,459.95

▼ **Price Target: Rs1,560.00**
Previous: Rs1,630.00

India
Automobile Manufacture

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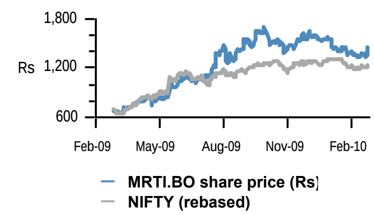
J.P. Morgan India Private Limited

Price Performance



- **Downgrading recommendation to Neutral**: Post strong growth over the year, we believe that Maruti's earnings growth will likely moderate from hereon, given normalizing industry growth, rising competition as well as tapering EBITDA margins. We believe that valuation multiples will adjust accordingly to reflect the changing outlook.
- **Volume growth likely to moderate:** While Maruti has benefited from robust industry growth over the year, we believe that growth rates will ease (from a high base) over FY10-12E as 1) domestic demand moderates: as stimulus measures are phased out (as announced in the budget), product prices are likely to rise on emission related upgrade costs / higher input costs and interest rates are likely to firm up, 2) exports should stagnate: given a likely decline in W. European car sales, 3) competition should increase as global OEMs launch 5-6 new small cars over the year.
- We expect margins, which currently are at peak levels, to taper off from hereon. We believe that margins will likely decline by over 100bps over FY10E-12E on rising input costs and a build up in competitive intensity (we would watch for the extent of increase in competition though).
- **Price Target**: We are introducing FY12E estimates and are rolling forward our PT to Mar 11. We set a revised target price of Rs.1,560 based on a one year forward PE multiple of 15x on our new FY12 estimates. We believe that as growth rates normalize, the stock multiples will moderate to mid cycle levels. We are changing our valuation methodology to PE basis (from Cash PE earlier) as the industry growth has recovered; thus the reported earnings are reflective of the current environment. Substantial cash holdings, estimated at c.Rs190 per share, should in our view provide downside support to the stock.
- The key risks to our investment view are: Lower than expected economic growth, sharper than expected build up in competitive intensity on the downside. Any potential outsourcing benefits to Volkswagen and Maruti's ability to sustain market share are key risks on the upside.

Table 1: Rs. In Million, year end March (Bloomberg: MSIL.IN Reuters: MRTI.BO)

	FY09A	FY10E	FY11E	FY12E		
Net sales	204,554	288,635	326,126	367,935	52-week range (Rs)	639 - 1,740
Net profit	12,186	25,187	27,472	30,089	Market cap (Rs B)	421,651
EPS (Rs)	42.2	87.2	95.1	104.1	Market cap (US$ M)	9,146
Cash EPS (Rs)	66.6	115.4	127.1	143.5	Shrs outsting (MM)	289
DPS (Rs)	3.5	7	7	8	Free float (%)	46
Net sales growth (%)	14	41	13	13	Avg daily value (Rs MM)	1,169
EPS growth (%)	-30	107	9	10	Avg daily value (US$ MM)	25.4
Cash EPS growth (%)	-16	73	10	13	Avg dly volume (MM shs)	0.9
ROE (%)	13.0	21.6	19.3	17.7	BSE sensex	16,429
P/E (x)	34.6	16.7	15.3	14.0	Exchange rate (Rs/US$)	46.1
EV/EBITDA (x)	23.3	10.5	9.9	8.7		

Source: Bloomberg, J.P. Morgan estimates. Valuations based on prices as of close on February 26, 2010

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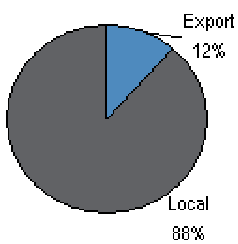
Company Description

Maruti Suzuki India Ltd. is India's largest passenger car OEM with a domestic market share in excess of 50%. The company is a subsidiary of the Japanese parent - Suzuki, which owns a 54% stake. Maruti has a manufacturing capacity of over 1m units, which provides it with significant scale benefits. The company has now ventured into the export market, with the model - A Star.

Revenue customer chart



Source: Company

EPS: J.P. Morgan vs consensus

	J. P. Morgan	Consensus
FY09	42.2	42.2
FY10E	87.2	83.3
FY11E	95.1	93.7

Source: Bloomberg, J.P. Morgan Estimates

P&L sensitivity metrics

	EBITDA impact (%)	EPS impact (%)
Sales volume growth assumption	4%	3%
Impact of each 2%		
Gross margin assumption	8%	6%
Impact of each 1%		

Source: J.P. Morgan Estimates

Price target and valuation analysis

We are rolling forward our PT to Mar 11 and set a revised target price of Rs.1,560 based on a one year forward PE multiple of 15x on our new FY12 estimates. We believe that as growth rates normalize, the stock multiples will moderate to mid cycle levels. Substantial cash holdings, estimated at Rs190 per share, should in our view provide downside support to the stock.

The key risks to our investment view are: Lower than expected economic growth, sharper than expected build up in competitive intensity on the downside. Any potential outsourcing benefits to VW and Maruti's ability to sustain market share are key risks on the upside.

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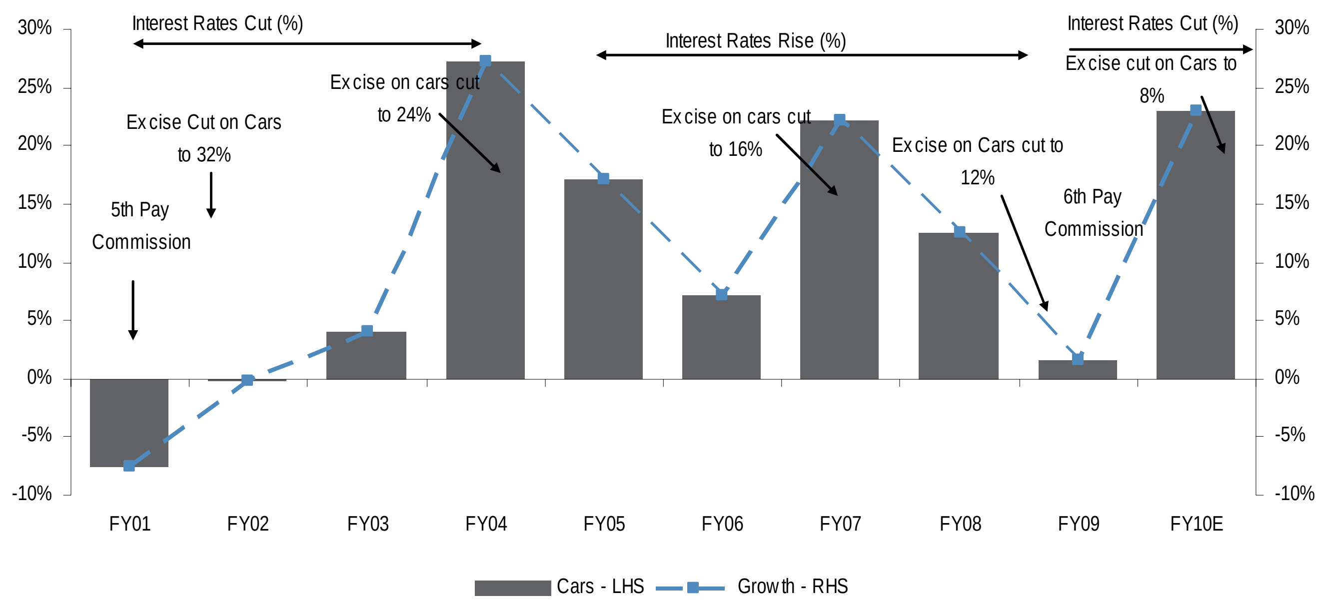
Post strong growth over the year, we believe that Maruti's earnings growth will likely moderate from hereon, given normalizing industry growth, rising competition as well as a tapering EBITDA margin outlook. We believe that valuation multiples will adjust accordingly to reflect the changing outlook.

Demand to moderate from hereon

Passenger car sales have risen sharply over the year, with growth being aided by the stimulus measures as well a subsequent pick up in the economy. We expect growth rates for the passenger car sector to moderate off a high base to normalized levels of c.12% CAGR over FY10 – 12E.

We believe that demand will ease given: a) the withdrawal of the stimulus measures as announced in the budget, b) rising product prices on emission related upgrade costs / higher input related prices c) a likely increase in interest rates.

Figure 1: Passenger Car Industry – Historical Growth trend (%)



Source: SIAM, J.P. Morgan estimates.

In the FY11 budget, the government has announced the withdrawal of the stimulus measures including raising excise duties as well as increasing duties on petro products.

Higher excise duties: The government has raised excise duties by 2% to 10% for small cars and to 22% for larger cars. Maruti has already passed on the price increase to consumers.

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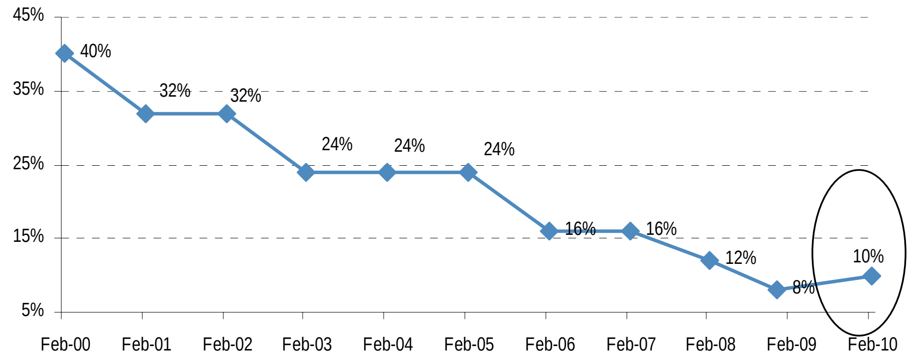
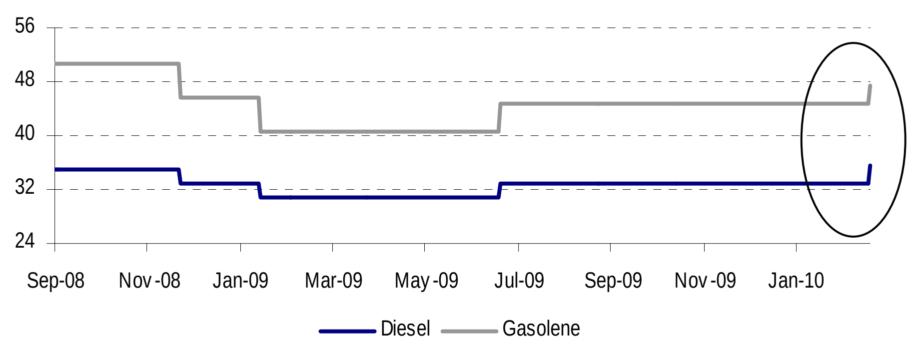
Figure 2: Excise Duty on Small cars in India



Source: Ministry of Finance

Higher duties on petro products resulting in a hike in fuel prices: The government has raised fuel prices by Rs.2.7 per litre for petrol (6% increase) and Rs.2.6 per litre for diesel (8% increase). This will raise the monthly running costs for a passenger car.

Figure 3: Fuel Prices in India (in INR)



Source: Bloomberg

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Besides higher product prices, the impact of the above factors should result in a 3-4% higher monthly outgo for consumers.

Table 2: Increase in monthly operating costs for a passenger car

	Pre – Budget	Post Budget	Cost Increase
Maruti Alto Price on road (Rs)	243,000	248,500	
Down payment (Rs)	48,600	49,718	2%
Finance %	80	80	
Finance Amount (Rs)	194,400	198,871	
Interest Rate (%)	12%	12%	
Tenure of loan (months)	36	36	
EMI (Rs)	6,457	6,605	2%
Usage per month (Kms)	900	900	
Mileage per Litre (Kms)	15	15	
Petrol consumed p.m. (ltrs)	60	60	
Petrol cost per ltr (Rs)	44.6	47.3	6%
Fuel cost p.m. (Rs)	2,676	2,838	6%
Maintenance cost p.m.(Rs)	1,250	1,250	
Total monthly cost (Rs)	10,383	10,693	3%

Source: Company, Bloomberg, J.P. Morgan

Lower personal income tax rates to partially offset the same

The finance minister has lowered the direct tax payout for individuals by increasing the taxable income limits as follows:

Table 3: Tax Savings for individuals

Tax Rate	New Tax Slabs (in INR)	Income (in INR)	Tax Savings (in INR)
Exempt Income	160,000	400,000	10,300
10%	160,001 – 500000	500,000	20,600
20%	500,001 - 800,000	700,000	41,200
30%	800,001+	1,000,000	51,500

Source: Economic Times

This will primarily benefit consumers who are in the income slab of Rs.300,000 – 800,000 – resulting in savings of Rs.10,000 – Rs.50,000 p.a.. While consumers would benefit from higher disposable income, the surplus would be allocated, based on the diverse expenditure requirements of households.

Emission norm related upgrades

As emission norms roll over from Apr ’10, the BS IV emission norms will be applicable to the large ten cities and the NCR region. As over 40% of passenger car sales are in the top 10 metros, OEMs will have to upgrade product offerings to meet the new regulations.

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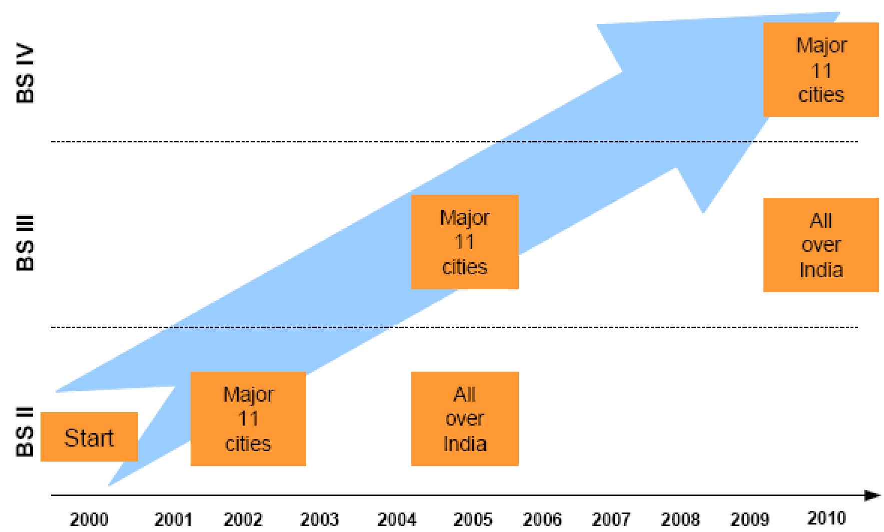
Picture: Roadmap of emission norms in India



Source: Company Reports

Anticipating this change, Maruti Suzuki had introduced its new series BS IV compliant 'K' series engine in April 2009, which has entailed an investment of Rs.20B. While the company has gradually upgraded c.40% of its domestic portfolio to BS IV compliant engines, the mass market vehicles – Alto, Wagon R and Omni are yet to be converted to the same. (The management has decided not to upgrade the M800, given the substantial product modifications required.)

Table 4: Maruti Suzuki product range

BS IV Compliant models	% of Unit Sales	BS I I I Compliant Models	% of Unit Sales
Ritz	c.40 %	M 800	c. 60%
Estilo		Alto	
Swift		Wagon R	
Swift Dzire		Omni	
Eeco		A Star	

Source: Company

While the earlier upgrade from BSII to BSIII in 2005 involved an increase of c.4% in the selling price of vehicles, the upgrade costs to the BS IV norms would likely be lower.

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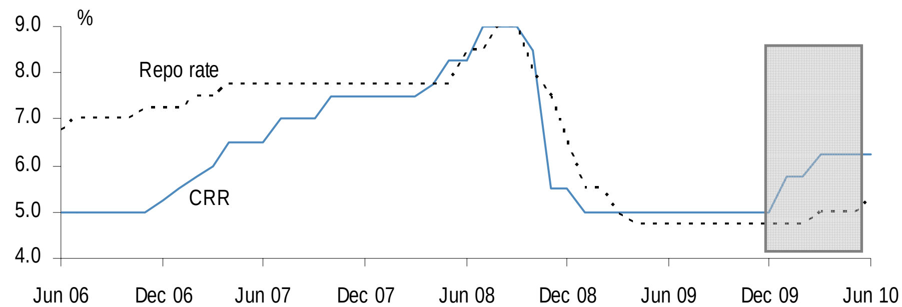
Interest Rates to firm up

Given that RBI has indicated the end to its easy monetary policy and has raised CRR in January, our J.P. Morgan India economist's team believes that interest rates will firm up from hereon.

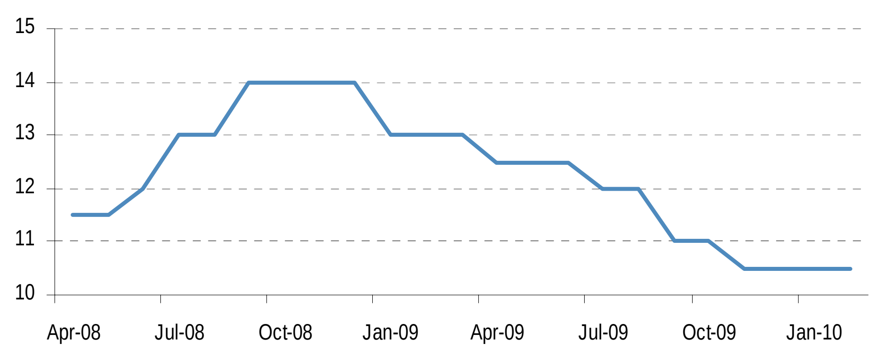
Figure 4: India Repo Rate and Central Reserve Ratios (%)



Source: J.P. Morgan Economics.

Interest rates have corrected by c.300bps from peak levels in 2008 and are expected to rise from current levels.

Figure 5: Interest Rates on Passenger Car Loans (%)



Source: Company

In India, financing has an important bearing on industry growth rates as c.70% of the passenger cars are bought on credit. While product prices have already been raised, any potential increase in interest rates should further raise the monthly EMI costs for consumers.

Table 5: Potential increase in costs on interest rate hikes

	Pre Budget	100bps increase	200bps increase
Maruti Alto Price on road (Rs)	243,000	248,500	248,500
Down payment (Rs)	48,600	49,718	49,718
Finance %	80	80	80
Finance Amount (Rs)	194,400	198,871	198,871
Interest Rate (%)	11%	12%	13%
Tenure of loan (months)	36	36	36
EMI (Rs)	6,364	6,605	6,701
% increase		4%	5%

Source: Company, J.P. Morgan

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Competition is ramping up –

The Indian automobile market has attained critical mass as passenger car sales should exceed 2m units in FY10E. To benefit from the growth potential in India, global OEMs are setting up dedicated capacities to manufacture small cars. A substantial portion of the new capacities are likely to come on stream over the next 12 months, which should result in a fall in utilization levels from current levels of c.75%.

Table 6: Passenger Segment Installed capacity (in Unit Nos)

	F2005	F2006	F2007	F2008	F2009	F2010E	F2011E	F2012E
Maruti	550,000	550,000	650,000	820,000	920,000	1,000,000	1,100,000	1,320,000
Hyundai	200,000	250,000	300,000	600,000	600,000	600,000	600,000	660,000
Tata Motors	225,000	225,000	250,000	300,000	300,000	300,000	300,000	300,000
Tata Motors Nano	-	-	-	-	-	50,000	250,000	250,000
Tata Motors UV's	60,000	60,000	60,000	75,000	75,000	75,000	75,000	75,000
Fiat	60,000	60,000	60,000	100,000	100,000	100,000	100,000	100,000
Ford	100,000	100,000	100,000	100,000	100,000	100,000	200,000	200,000
GM	60,000	60,000	85,000	85,000	225,000	225,000	225,000	225,000
Honda	30,000	50,000	50,000	100,000	100,000	100,000	100,000	140,000
Toyota	60,000	60,000	60,000	60,000	60,000	60,000	140,000	140,000
M&M-Renault	-	-	-	30,000	50,000	50,000	50,000	50,000
Mahindra UV's	150,000	156,000	192,000	200,000	200,000	200,000	250,000	250,000
Renault Nissan	-	-	-	-	-	-	200,000	200,000
Volkswagen						110,000	110,000	110,000
Skoda	15,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
OTHERS	102,250	112,250	113,950	115,250	118,000	118,000	118,000	118,000
Installed Capacity	1,612,250	1,713,250	1,950,950	2,615,250	2,878,000	3,118,000	3,848,000	4,168,000
% Growth	15%	6%	14%	34%	10%	8%	23%	8%

Source: Industry, J.P. Morgan Estimates

Table 7: Capacity Utilization Levels (%)

Growth Rate over FY10E-12E (%)	Utilization Levels (%)
8	65%
10	67%
12	70%
15	73%
17	76%
20	80%

Source: J.P. Morgan estimates.

OEMs including Toyota, VW, GM, Honda, Nissan and Ford are launching new models for the Indian small car market at aggressive price points.

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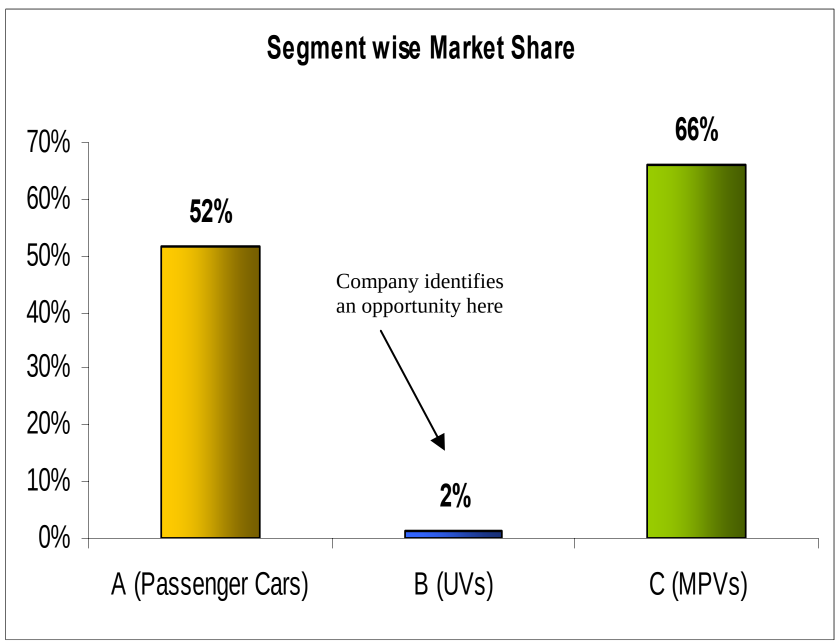
Table 8: New Product launches in India

OEM	Model	Price - INR	Launch	Competition
GM	Beat	334,990	Jan-10	Wagon R; Estillo
Ford	Figo	360,000	Mar-10	Wagon R; Estillo
VW	Polo	434,000	Feb-10	Swift / Ritz
Nissan	Micra	400,000	Jul-10	Swift
Toyota	Etios	NA	Dec-10	
Honda	2 CV	NA	CY2011	

Source: Companies.

We expect Maruti's market share to decline over FY10-12E. However, market share losses could be gradual, as the new entrants ramp up on their distribution network. In an attempt to broad base revenues, Maruti's management has identified the UV segment as a medium term growth driver.

Picture: Maruti's segmental market share (%)



Source: Company Reports

Maruti's exports should remain flat: The OEMs exports are likely to remain flat over FY11E, given that passenger car sales in the key Western European market (which accounts for over 80% of total exports) are likely to decline by 9% next year (as per the estimates of our J.P. Morgan European Autos analyst Ranjit Unnithan).

Consequently, we expect Maruti's volume growth to moderate over FY10-12E.

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Table 9: Maruti Suzuki Volumes (in Unit Nos)

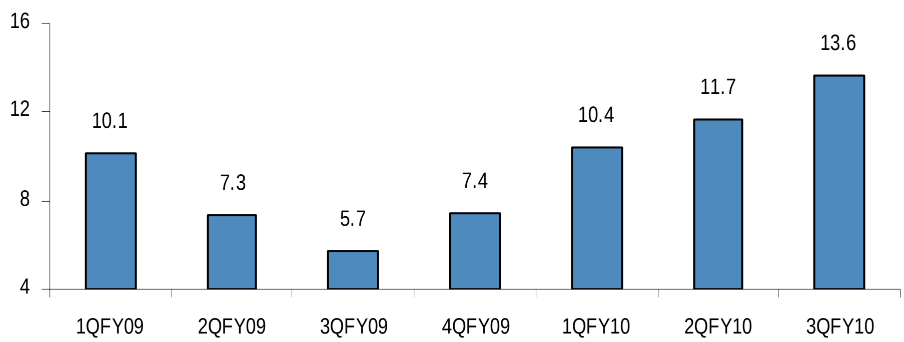
	FY09	FY10E	FY11E	FY12E
Export Sales (in Unit Nos)	70,023	144,948	145,527	157,170
% Growth	32%	107%	0%	8%
Domestic Sales (in Unit Nos)	722,144	866,573	966,229	1,067,200
% Growth	1%	20%	12%	10%
Total Sales (in Unit Nos)	792,167	1,011,520	1,111,756	1,224,369
% Growth	4%	28%	10%	10%

Source: Company, J.P. Morgan Estimates.

EBITDA Margins to taper off

The company has benefited from improving profitability over FY10E as utilization levels picked up and commodity costs declined from peak levels.

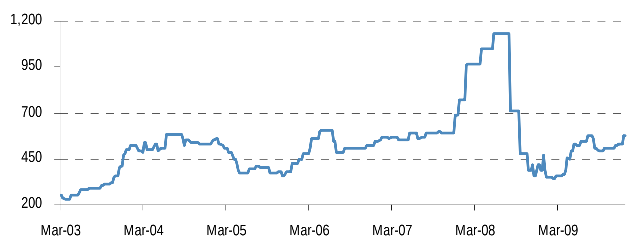
Figure 6: Maruti quarterly EBITDA Margins (%)



Source: Company

However, we expect margins to taper off from current levels given rising raw material prices. Further, we would watch for the extent of build up in competitive intensity– given the new model launches ahead.

Figure 7: HR Steel Prices – CIS ($/MT)



Source: Bloomberg

Figure 8: LME Aluminum ($/ MT)

Source: Bloomberg

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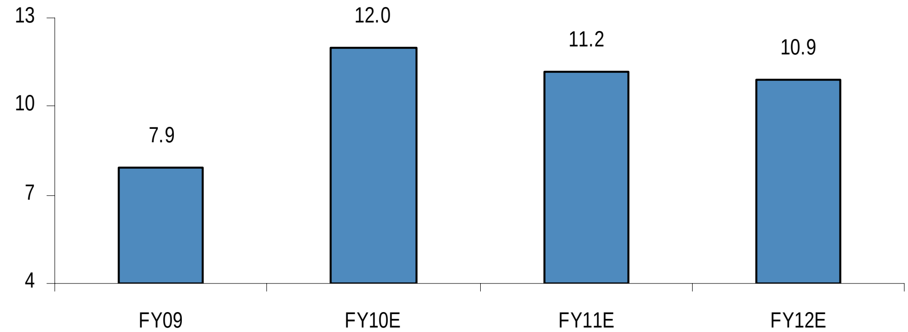
Maruti, though, is undertaking measures to cut costs and reduce its currency volatility by: a) increasing localization of auto parts over the next two years (vendor imports currently account for 12-14% of sales), b) given rising exports, the company has swapped its euro denominated exports with JPY, to part hedge its imports.. Further, the company will attempt to raise prices to partially offset the impact of rising costs.

Figure 9: Maruti Annual EBITDA Margin (%)



Source: Company, J.P. Morgan Estimates

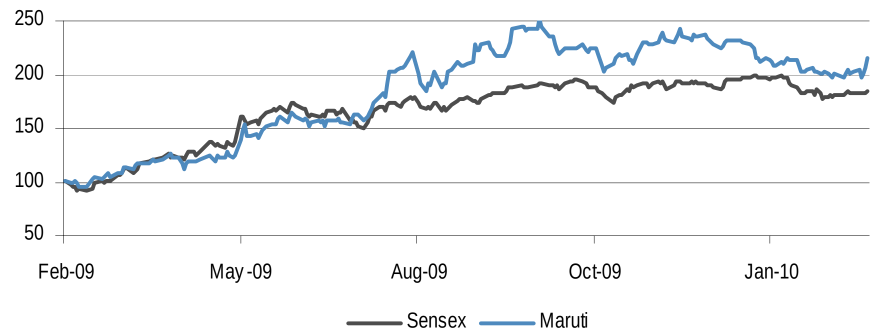
We consequently expect earnings growth to moderate over FY10-12E given easing volume growth and tapering EBITDA margins.

Introducing FY12E estimates: We are introducing FY12E estimates in our note. We are also raising our FY10E estimates by 11% to factor in higher volume growth over the past quarter.

Valuation and View

Maruti has outperformed the broader markets over the past year as the company benefited from strong sales pick up, driven by the stimulus measures and an improving economic environment.

Figure 10: Maruti vs. BSE Sensex (Based to 100)



Source: Bloomberg

After robust growth over the year, we expect earnings growth to moderate over FY10-12E as volume growth moderates and EBITDA margins taper off. We believe

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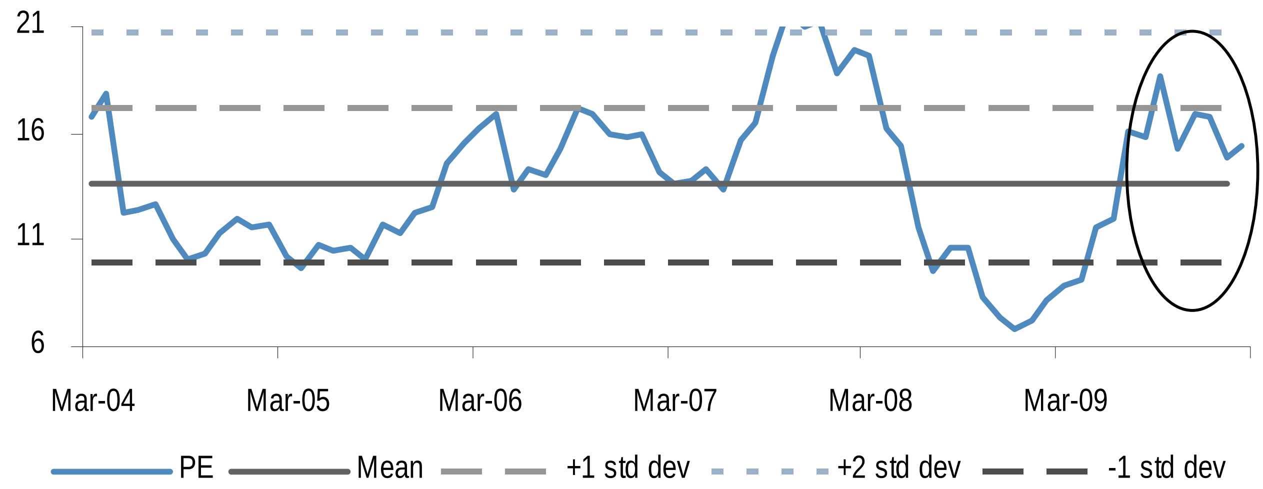
that this is being reflected in the valuation multiples for the company, which have come off from peak levels.

Figure 11: Maruti One year Rolling Forward PE Chart



Source: Company, Bloomberg, J.P. Morgan

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Key Risks

We believe that the key risks to our investment view and target price are: Lower than expected economic growth, sharper than expected build up in competitive intensity on the downside. Any potential outsourcing benefits to VW and Maruti’s ability to sustain market share are key risks on the upside. Any volatility in the currencies i.e. JPY, Euro would impact profitability as well.

Maruti Suzuki: Summary of Financials

Profit and Loss statement				
Rs in millions, year-end Mar	FY09A	FY10E	FY11E	FY12E
Revenues	204,554	288,635	326,126	367,935
% change Y/Y	14%	41%	13%	13%
EBITDA	16,189	34,636	36,494	39,995
% change Y/Y	-28%	114%	5%	10%
EBITDA Margin (%)	7.9%	12.0%	11.2%	10.9%
EBIT	9,124	26,459	27,238	28,621
% change Y/Y	-46%	190%	3%	5%
Interest Expense	510	270	250	120
Other Income	9,985	10,401	12,258	14,177
Earnings before tax	16,757	36,240	39,246	42,679
% change Y/Y	-33%	116%	8%	9%
Tax	4,571	11,053	11,774	12,590
as % of EBT	27.3%	30.5%	30.0%	29.5%
Net Income (Adjustedl)	12,186	25,187	27,472	30,089
% change Y/Y	-30%	107%	9%	10%
Shares Outstanding	289	289	289	289
EPS (pre exceptional)	42.2	87.2	95.1	104.1
% change Y/Y	-30%	107%	9%	10%
Dividend Per Share	3.5	7.0	7.1	7.8
Div Payout (%)	8%	8%	8%	8%

Cash flow statement				
Rs in millions, year-end Mar	FY09A	FY10E	FY11E	FY12E
EBIT	7,282	26,109	27,238	28,621
Depreciation & amortisation	7,065	8,178	9,256	11,373
Dec/(Inc) in Working Capital	-2,063	-1,108	-273	-1,152
Taxes	-4,721	-10,936	-11,651	-12,461
Cash flow from operations	7,563	22,242	24,570	26,381
Net Capex	-16,058	-18,000	-30,000	-25,000
(Pur) / Sale of investments	20,074	-5,000	-3,003	-7,000
Net Interest (Paid)/ Recd	-510	-270	-250	-120
Cash flow from investing	3,506	-23,270	-33,253	-32,120
Income from Investments	9,985	10,401	12,258	14,177
Change in Networth	-1,880	0	0	0
Debt raised/ (repaid)	-2,013	-500	-500	-500
Other				
Dividends paid	-1,011	-2,015	-2,060	-2,257
Cash generated	16,150	6,859	1,015	5,682
Beginning cash	3,240	19,390	26,248	27,262
Ending cash	19,390	26,249	27,262	32,944

Balance sheet				
Rs in millions, year-end Mar	FY09A	FY10E	FY11E	FY12E
Cash	19,390	26,248	27,262	32,944
Cash Equivalents	27,907	32,907	35,910	42,910
Accounts receivable	9,189	11,071	13,402	16,129
Inventories	9,023	14,234	15,189	18,145
Others	17,309	18,942	20,738	22,714
Current assets	82,818	103,401	112,502	132,841
LT investments	3,826	3,826	3,826	3,826
Net fixed assets	49,321	59,143	79,888	93,514
Total assets	135,965	166,371	196,216	230,182
Liabilities				
Payables	30,169	36,640	41,249	47,390
Others	3,807	4,954	5,155	5,520
Total current liabilities	33,976	41,594	46,404	52,909
Total debt	6,988	6,488	5,988	5,488
Other liabilities	1,551	1,668	1,791	1,920
Total liabilities	42,515	49,750	54,183	60,317
Shareholder's Equity	1,445	1,445	1,445	1,445
Shareholders' Networth	93,449	116,621	142,033	169,865
BVPS (Rs per Share)	323	404	491	588

Ratio Analysis				
%, year-end Mar	FY09A	FY10E	FY11E	FY12E
EBITDA margin	7.9	12.0	11.2	10.9
Net profit margin	6.0	8.8	8.5	8.2
Sales growth	14	41	13	13
Net profit growth	(30)	107	9	10
EPS growth	(30)	107	9	10
Cash EPS Growth	(16)	73	10	13
PE (x)	34.6	16.7	15.3	14.0
Cash PE (x)	21.9	12.6	11.5	10.2
EV/EBITDA (x)	23.3	10.5	9.9	8.7
EV/Sales (x)	1.9	1.3	1.1	0.9
Price to Book Value (x)	4.5	3.6	3.0	2.5
Dividend Yield	0.2	0.5	0.5	0.5
Debt to equity	0.1	0.1	0.0	0.0
ROE	13.0	21.6	19.3	17.7
ROCE	16.9	29.3	26.4	24.1

Source: Company, J.P. Morgan estimates.

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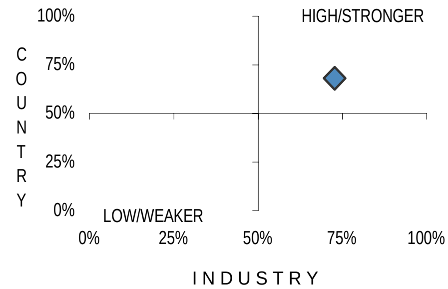
All Data As Of 26-Feb-10

Q-Snapshot: Maruti Suzuki India Ltd.

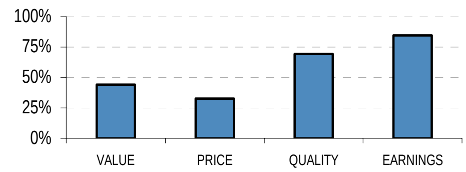
Quant Return Drivers (a Score >50% indicates company ranks 'above average')

Score 0% (worst) to 100% (best)	vs Country	vs Industry	Raw Value
Value			
P/E Vs Market (12mth fwd EPS)	39%	49%	1.0x
P/E Vs Sector (12mth fwd EPS)	27%	30%	1.2x
EPS Growth (forecast)	67%	56%	32.1%
Value Score	44%	42%	
Price Momentum			
12 Month Price Momentum	35%	58%	113.7%
1 Month Price Reversion	44%	58%	-4.9%
Momentum Score	33%	61%	
Quality			
Return On Equity (forecast)	54%	72%	18.7%
Earnings Risk (Variation in Consensus)	87%	91%	0.05
Quality Score	69%	81%	
Earnings & Sentiment			
Earnings Momentum 3mth (risk adjusted)	88%	78%	120.6
1 Mth Change in Avg Recom.	80%	85%	0.20
Net Revisions FY2 EPS	73%	70%	50%
Earnings & Sentiment Score	85%	81%	
COMPOSITE Q-SCORE* (0% To 100%)	68%	73%	

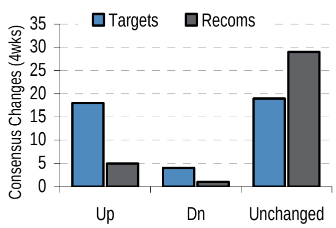
J.P. Morgan Composite Q-Score



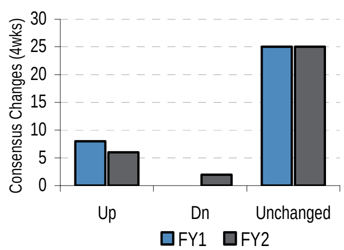
Quant Return Drivers Summary (vs Country)



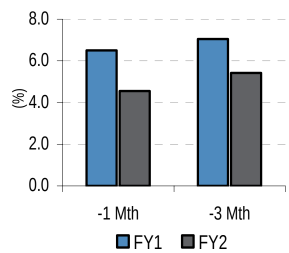
Targets & Recommendations**



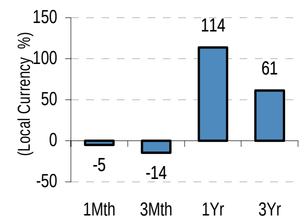
EPS Revisions**



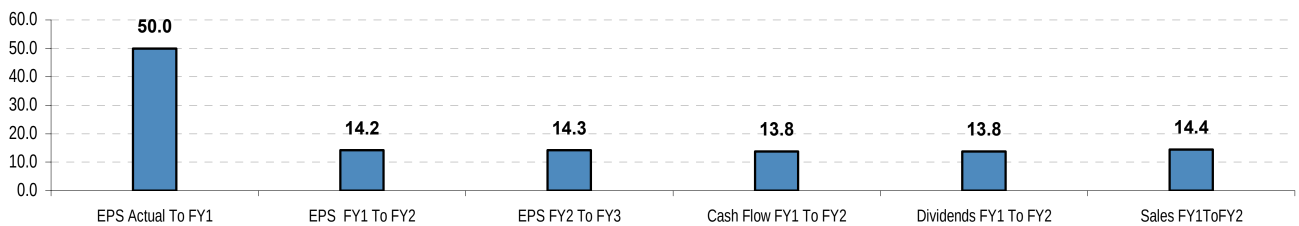
EPS Momentum (%)



Historical Total Return (%)



Consensus Growth Outlook (%)



Closest in Country by Size (Consensus. ADV = average daily value traded in US$m over the last 3 mths)

Code	Name	Industry	USD MCAP	ADV	PE FY1	Q-Score*
532792-IN	Cairn India Ltd.	Oil & Gas Production	10,709	14.29	42.5	10%
532868-IN	DLF Ltd.	Real Estate Development	10,602	80.15	24.2	36%
500188-IN	Hindustan Zinc Ltd.	Other Metals/Minerals	10,114	5.49	11.9	93%
532898-IN	Power Grid Corp. of India Ltd.	Electric Utilities	9,675	5.16	21.0	29%
532215-IN	Axis Bank Ltd.	Regional Banks	9,543	40.63	18.1	56%
532500-IN	**Maruti Suzuki India Ltd.**	**Motor Vehicles**	**8,550**	**23.45**	**16.3**	**68%**
533098-IN	NHPC Ltd.	Electric Utilities	8,525	6.97	23.4	38%
500570-IN	Tata Motors Ltd.	Trucks/Construction/Farm Machinery	8,082	55.02	23.5	75%
500182-IN	Hero Honda Motors Ltd.	Motor Vehicles	7,221	14.80	16.0	81%
532939-IN	Reliance Power Ltd.	Electric Utilities	7,132	6.51	62.4	2%
532712-IN	Reliance Communications Ltd.	Major Telecommunications	7,025	22.62	8.2	16%

Source: Factset, Thomson and J.P. Morgan Quantitative Research. For an explanation of the Q-Snapshot, please visit http://jpmorgan.hk.acrobat.com/qsnapshot/
Q-Snapshots are a product of J.P. Morgan's Global Quantitative Analysis team and provide quantitative metrics summarized in an overall company 'Q-Score.'
Q-Snapshots are based on consensus data and should not be considered as having a direct relationship with the J.P. Morgan analysts' recommendation.
* The Composite Q-Score is calculated by weighting and combining the 10 Quant return drivers shown. The higher the Q-Score the higher the one month expected return. On a 14 Year back-test the stocks with the highest Q-Scores have been shown (on average) to significantly outperform those stocks with the lowest Q-Scores in this universe. ** The number of up, down and unchanged target prices, recommendations or EPS forecasts that make up consensus.

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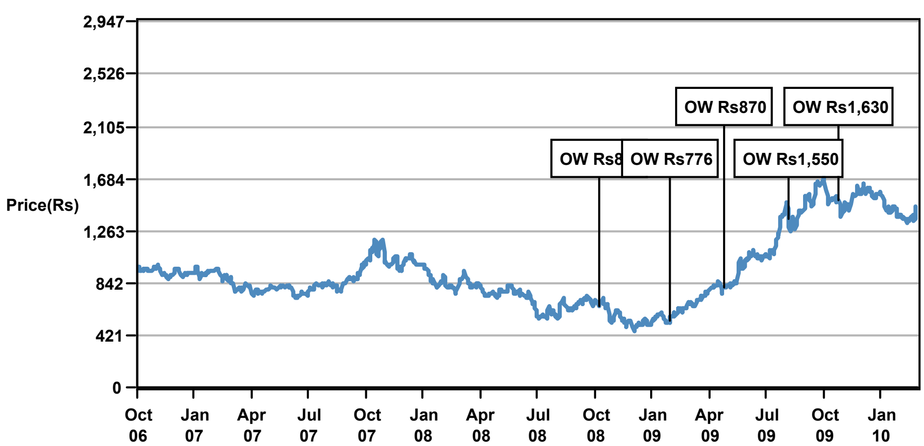
Maruti Suzuki India Ltd (MRTI.BO) Price Chart



Date	Rating	Share Price (Rs)	Price Target (Rs)
07-Oct-08	OW	659.90	810.00
30-Jan-09	OW	544.80	776.00
26-Apr-09	OW	807.50	870.00
07-Aug-09	OW	1364.00	1550.00
26-Oct-09	OW	1517.55	1630.00

Source: Bloomberg and J.P. Morgan; price data adjusted for stock splits and dividends.
Break in coverage May 18, 2004 - Aug 18, 2004. This chart shows J.P. Morgan's continuing coverage of this stock; the current analyst may or may not have covered it over the entire period.
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IB clients*	58%	57%	42%
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IB clients*	78%	73%	57%

*Percentage of investment banking clients in each rating category.
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