

SAPM PROJECT

Fundamental Analysis of Maruti Suzuki India Limited

Submitted by

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MBA Program (Batch 2024–2026)



Submitted to

Department of Management & Commerce

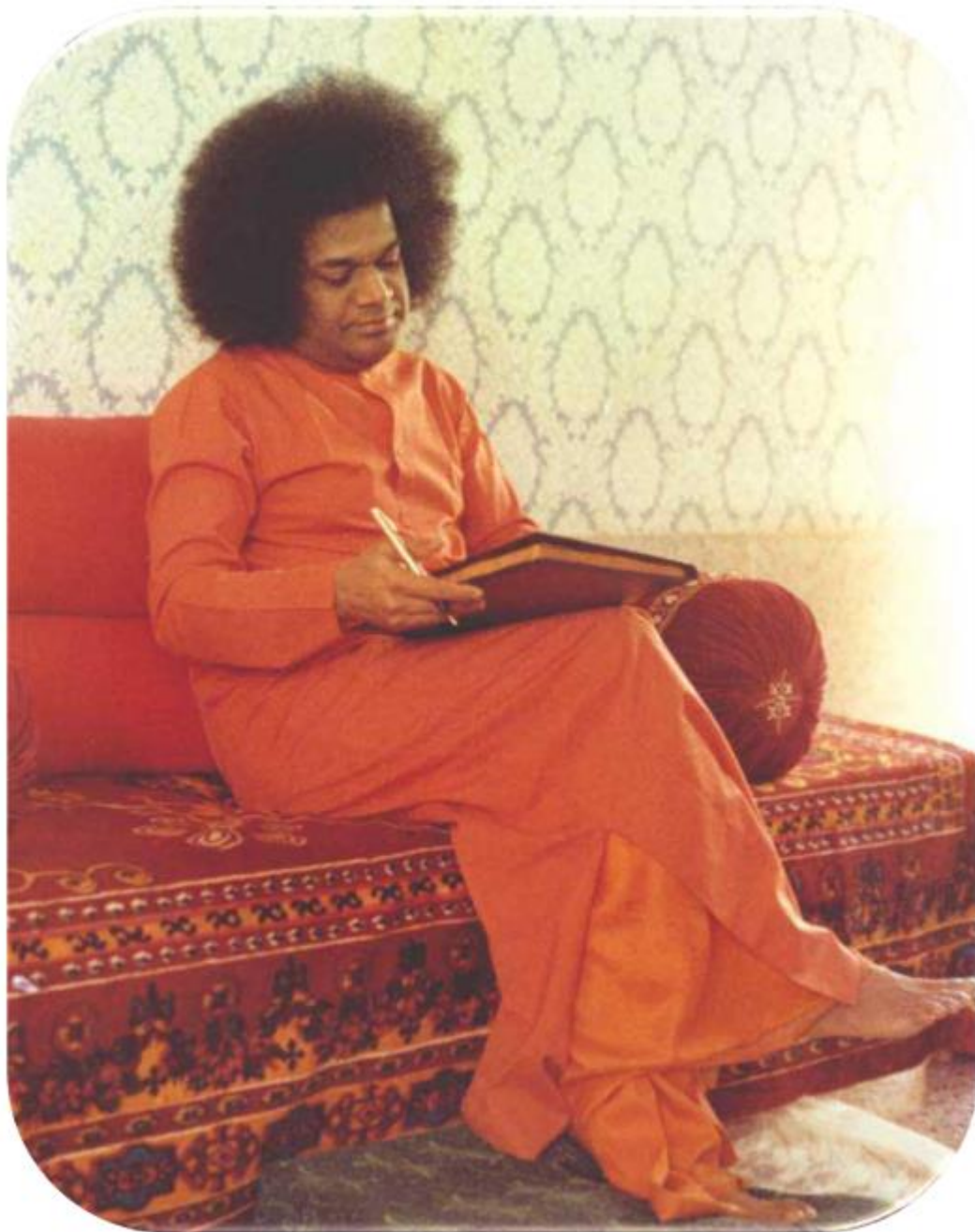
Sri Sathya Sai Institute of Higher Learning (SSSIHL)

Brindavan Campus.

**MARUTI SUZUKI**

Date of Submission

1st Sept 2025



**A Humble Offering to my Eternal Manager Bhagawan
Sri Sathya Sai Baba**

Qualitative Factors

Defining the Business

Maruti Suzuki's business is primarily engaged in the manufacturing and sale of passenger vehicles in India. It began with the iconic Maruti 800 car and has expanded to offer a diverse portfolio of 16 car models with over 150 variants ranging from entry-level small cars like the Alto 800 and Alto K10 to premium sedans like the Ciaz. Besides manufacturing, the company also facilitates pre-owned car sales, fleet management, and car financing.

The company, originally incorporated as Maruti Udyog Limited, is a joint venture between the Government of India and Suzuki Motor Corporation, Japan, with Suzuki currently owning a majority stake. Maruti Suzuki operates multiple manufacturing plants in India and a state-of-the-art R&D center. It holds the position of India's largest passenger car maker with a vast network of sales and service outlets across urban and rural areas.

Maruti Suzuki emphasizes affordability, reliability, fuel efficiency, and customer-centric innovation in its business model. It pursues a multi-channel strategy including traditional dealerships, premium NEXA showrooms, and digital platforms to enhance customer reach and experience. The company also focuses on sustainability with offerings in hybrid and CNG models and invests in future technologies including electric vehicles.



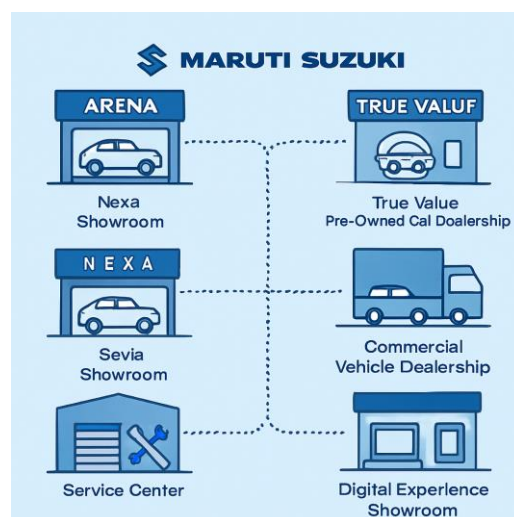
Maruti Suzuki's business is characterized by operational excellence, local sourcing to keep costs low, strong brand loyalty, and continuous innovation to meet evolving customer needs while maintaining leadership in the Indian automobile market.

Industry-specific factors

For Maruti Suzuki (MS), the following industry-specific factors significantly influence its performance:

- **Automobile Industry Sensitivity to Economic Cycles:** Maruti Suzuki's fortunes are closely tied to the overall economic condition in India and key global markets. Economic growth boosts consumer purchasing power and demand for vehicles, while downturns or recessions can reduce sales volumes.

- **Fuel Prices and Regulations:** Fluctuations in fuel prices affect vehicle demand, especially for smaller and fuel-efficient cars that Maruti Suzuki specializes in. Additionally, regulatory changes on emissions and fuel efficiency standards impact product design and costs.
- **Government Policies and Budgetary Allocations:** Government incentives for automobiles (e.g., subsidies for electric vehicles, tax benefits) and infrastructure development influence automotive demand. Also, import tariffs and localization requirements affect cost structures and pricing strategies.
- **Rural Market Dependence and Monsoon Effect:** A significant part of Maruti Suzuki's customer base is in rural and semi-urban India. Agricultural output and rural income, which depend heavily on monsoon rains, directly impact rural consumers' ability to purchase vehicles, affecting sales.
- **Currency Exchange Rate Impact:** Since Maruti Suzuki imports some components and has technological collaborations internationally, exchange rates between INR and foreign currencies (notably Japanese Yen and USD) influence production costs and profitability.
- **Interest Rates and Financing Conditions:** Vehicle purchases in India are often funded by loans and financing. Changes in interest rates and credit availability directly affect consumer demand and sales volume.
- **Technological and Industry Trends:** The shift towards electric vehicles (EVs), hybrid technology, and digital connectivity influences product development and competitiveness in the automobile industry, affecting Maruti Suzuki's strategic direction and investments.



Corporate governance

Maruti Suzuki's corporate governance is structured to ensure transparency, accountability, and ethical conduct, overseen by a strong and diverse Board of Directors. The company follows sound governance principles including integrity, fairness, disclosure, and responsibility, with systems to keep the Board well-informed and equipped for strategic decision-making.

The Board comprises a mix of executive and non-executive directors, including independent members to ensure balanced oversight. Key committees such as the Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, and Risk Management Committee play important roles in governance and compliance. The Board emphasizes high standards of ethical behavior, compliance with regulations, and sustainable corporate growth.

The Corporate Governance Committee, which reports directly to the Board, oversees compliance, risk management, and internal controls. It includes top executives such as the President and Vice Presidents, along with Audit & Supervisory Board Members, ensuring cross-organizational alignment on governance matters.

Maruti Suzuki exhibits no major red flags often associated with governance issues, such as family-dominated boards, regulatory fines, or non-transparent related-party transactions. The company has received positive auditor certifications regarding compliance with governance standards. Leadership stability and clear delineation of roles enhance confidence in management and oversight.

Overall, Maruti Suzuki demonstrates a commitment to high corporate governance standards aligned with regulations and best practices for publicly listed multinational subsidiaries, fostering trust among shareholders, stakeholders, and the public

Board Structure of Maruti Suzuki

The Board Structure of Maruti Suzuki India Limited as of September 30, 2024, is as follows:

- The Board consists of 14 members, including executive, non-executive, and independent directors.
- The Chairperson is Mr. Ravindra Chandra Bhargava, a non-executive director.
- Key executive directors include Mr. Hisashi Takeuchi (CEO) and Mr. Kazunari Yamaguchi.
- There are several independent directors such as Ms. Lira Goswami, Ms. Anjali Bansal, and Ms. Ireena Vittal.
- The Board has a mix of Indian and international members, reflecting the joint venture nature with Suzuki Motor Corporation.



Key committees and their chairpersons include:

- Audit Committee: Chaired by Mr. Maheswar Sahu (Independent Director)
- Nomination & Remuneration Committee: Chaired by Ms. Lira Goswami (Independent Director)

- Stakeholders Relationship Committee: Chaired by Mr. Ravindra Chandra Bhargava
- Risk Management Committee: Chaired by Mr. Ravindra Chandra Bhargava
- Corporate Social Responsibility Committee: Chaired by Mr. Ravindra Chandra Bhargava

The Board meets regularly and has fulfilled all compliance requirements under SEBI regulations. The composition ensures a healthy balance between executive management and independent oversight to maintain robust governance standards.

This board structure supports effective decision-making, accountability, and stakeholder engagement at Maruti Suzuki India Limited.

Management team of Maruti Suzuki India Limited

The management team of Maruti Suzuki India Limited is highly qualified and experienced, reflecting strong leadership quality:

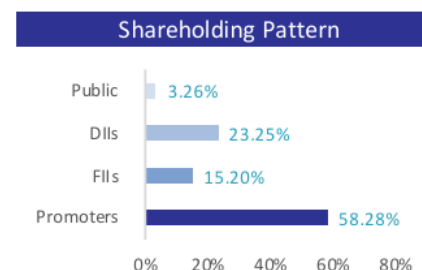
- **Hisashi Takeuchi**, Managing Director & CEO (reappointed till March 31, 2028), joined Suzuki Motor Corporation in 1986 and brought vast experience in international markets and automobile operations. Since joining Maruti Suzuki in 2021, he has overseen several successful product launches and strategic initiatives.
- **R.C. Bhargava**, Chairman and Non-Executive Director, is a veteran leader with decades of experience. He holds education from prestigious institutions like The Doon School, Allahabad University, and Williams College, USA. Formerly a top Indian Administrative Service officer, he has been associated with Maruti Suzuki since 1981.
- **Kenichi Ayukawa**, Non-Executive Director and Executive Fellow in charge of India Operations, has over four decades of experience within Suzuki Motor Corporation. He served as Managing Director of Maruti Suzuki from 2013 to 2022 and remains a pivotal leader.
- **Sunil Kakkar**, Senior Executive Director, leads the Supply Chain vertical with 30+ years at Maruti Suzuki. He holds a B.Tech from IIT Kanpur and a Master's degree in Industrial Engineering & Management from Asian Institute of Technology, Bangkok.

The management team is characterized by long tenure within the company or its parent Suzuki Motor Corporation, implying stability and deep institutional knowledge. Their educational background from top Indian and international institutions coupled with decades of automotive industry expertise supports strong strategic and operational management at Maruti Suzuki.

Shareholding pattern

Maruti Suzuki shareholding pattern as of June 2025 is:

- **Promoter Shareholding:** 58.28%, majorly held by Suzuki Motor Corporation, indicating strong promoter confidence in the business.
- **Foreign Institutional Investors (FII):** 15.2%, showing healthy foreign institutional interest.
- **Domestic Institutional Investors (DII):** 23.33%, reflecting significant domestic institutional confidence.
- **Retail and Others:** Approximately 3.18%.



The promoter holding has remained stable at around 58.28% over the recent quarters, indicating sustained confidence by the promoters. FII shareholding has slightly increased by 0.24%, while DII shareholding experienced a marginal decrease. There are no pledged shares by promoters, which is a positive signal regarding promoter commitment.

| Top Shareholders | No. of Shares (In Cr.) | Holding | Market Value (In Cr.) |
|--|------------------------|---------|-----------------------|
| Suzuki Motor Corporation | 183.25 | 58.28% | 22,61,262 |
| Life Insurance Corporation Of India - Ulif00320091 | 15.51 | 4.93% | 1,91,396 |
| ICICI Prudential Mutual Fund - Icici Prudential Ni | 14.02 | 4.46% | 1,73,038 |
| SBI Arbitrage Opportunities Fund | 6.91 | 2.20% | 85,327 |
| HDFC Mutual Fund - Hdfc Arbitrage Fund | 6.51 | 2.07% | 80,370 |
| UTI Conservative Hybrid Fund | 3.58 | 1.14% | 44,203 |
| Kotak Bluechip Fund | 3.46 | 1.10% | 42,714 |
| Parag Parikh Flexi Cap Fund | 3.18 | 1.01% | 39,251 |

Company's Assessment of the Business & its Future

Maruti Suzuki's assessment of the business and its future reflects consistent optimism supported by strong financial and operational performance over recent years as seen in their Chairman's Letter and Board of Directors' Reports:

- For FY 2024-25, Maruti Suzuki recorded its highest-ever total sales of 2,234,266 vehicles, comprising 1,901,681 domestic sales and 332,585 exports. This represented a 4.6% overall growth despite a muted domestic market, driven largely by a healthy 17.5% export increase.
- Financially, the company posted record net sales of INR 1,451 billion (7.5% growth YoY) and achieved an all-time high net profit of INR 139.55 billion, up 5.6% from the previous year.

- The Board highlighted strategic priorities such as expanding export markets, leveraging technology for product innovation including electric vehicles, and optimizing dealer inventory management.
- Dividend for FY 2024-25 was increased to INR 135 per share from INR 125, signaling management's confidence and commitment to shareholder returns.
- Maruti Suzuki maintains a focused and consistent business strategy centered on affordability, fuel efficiency, rural market penetration, and expanding product portfolio while investing in future mobility technologies.
- Their outlook for coming years is positive, projecting further growth through increased production capacity (targeting 3 million units sales by 2030), broadening export reach, and leading technological adaptation including electric vehicles as part of sustainability goals.

The company's business assessment aligns well with its operational results and strategic direction, indicating consistency and realistic forecasting in its communication with shareholders over recent years.



Shareholders' Satisfaction

- Maruti Suzuki's stock price has shown an upward trend, currently around ₹14,791 with a 52-week high of ₹14,895 and low ₹10,725.
- The company has consistently paid dividends, with dividend per share increasing from ₹60 in FY 2020 to ₹125 in FY 2024.

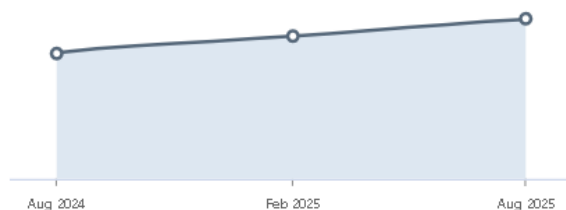
- Dividend payout ratio fluctuated around 29-46%, reflecting a balanced dividend policy.
- Return on Capital Employed (ROCE) is about 21.7% and Return on Equity (ROE) around 15.9%, indicating efficient use of capital and shareholder value creation.
- Shareholder grievance redressal system and transparency enjoy positive reviews from investors.

Employee Satisfaction

- Total attrition rate stood at 4.9% in FY 2022-23, with voluntary attrition at 4.3%, indicating reasonable retention.
- The company invested over 4,86,000 training hours for regular employees in FY 2022-23, a 37.9% increase from the previous year, showing focus on skills and development.
- Employee remuneration is competitive, with median annual pay for women employees at ₹15.60 lakh for FY 2022-23.
- High employee engagement and job satisfaction have been highlighted in independent studies.

Unlock insights on Maruti Suzuki India Limited

The latest hiring trends



Growth trends

▲ 27%
Employee growth
And more hiring trends

Recent hires



Vaibhav and 2 others

Customer Satisfaction

- Maruti Suzuki consistently ranks highest in customer satisfaction among carmakers in India.
- The company scored 876/1000 in JD Power's customer satisfaction survey for dealer service in 2018, leading over competitors Hyundai (833) and Honda (825).
- Customer satisfaction remains strong across service quality, vehicle pickup, and service advisor interactions.

| Operational Performance | | | | |
|-------------------------|----------------------|-----------------|-----------------|-----------------|
| Segment | Q1 FY2025 (Units) | Q1 FY2026 | YoY Growth % | Market Share |
| Mini | 30,816 | 19,522 | -36.60% | 3.70% |
| Compact | 1,89,208 | 1,77,270 | -6.30% | 33.58% |
| Mid Size | 2,169 | 1,807 | -16.70% | 0.34% |
| Utility Vehicles | 1,63,130 | 1,61,868 | -0.80% | 30.66% |
| Vans | 33,791 | 33,105 | -2.00% | 6.27% |
| LCV | 7,946 | 8,510 | 7.10% | 1.61% |
| Sales to Other OEM | 24,248 | 28,807 | 18.80% | 5.46% |
| Total Domestic | 4,51,308 | 4,30,889 | -4.50% | 81.63% |
| Exports | 70,582 | 96,972 | 37.40% | 18.37% |
| Total Sales | 5,21,890 | 5,27,861 | 1.10% | 100.00% |

Vendor Satisfaction

- Maruti Suzuki maintains long-term relationships with suppliers based on timely payments and clear forecasting.
- Partnership with banks like Union Bank of India (since 2008) enhances dealer and supplier financing solutions, improving operational certainty.
- No major supplier disputes or payment delays reported suggesting healthy vendor relations.

Bankers / Lenders Satisfaction

- Maruti Suzuki reports zero debt, implying no overdue repayments or dependence on secured loans.
- Strong financials, consistent profits, and cash flow generation underscore lenders' trust.
- Partnerships with banks for dealer financing show institutional confidence in the company's financial health.

| Aspect | Data/Metric |
|----------------------------|-------------|
| Stock Price (Aug 2025) | ₹14,791 |
| Dividend per Share (FY 24) | ₹125 |
| Dividend Payout Ratio | 29.1% |
| ROCE | 21.7% |
| ROE | 15.9% |

| | |
|--|---|
| Employee Attrition Rate (22-23) | 4.9% total, 4.3% voluntary |
| Training Hours | ~4,86,000 (Regular employees, FY 22-23) |
| Customer Satisfaction Score | 876/1000 (JD Power 2018) |
| Debt | ₹0 (No debt) |
| Vendor Payment Practices | Timely, with strong bank partnerships |

Key Factors Underpinning Maruti Suzuki's Brand Equity:

| Aspect | Details / Data |
|--|---|
| Market Share | 42% of Indian passenger car market in 2025, the highest in India, showcasing dominance over peers (Hyundai 14%, Tata 13%) |
| Brand Perception | Seen as reliable, fuel-efficient, affordable, with wide service network and strong resale value |
| Financial Strength | Market Cap ₹4,65,033 Crores, Net Profit ₹13,955 Crores (FY 2025) |
| Stock Price & Valuation | Current price ~₹14,791; P/E ratio ~32; consistent dividend payout (₹125/share) indicating trust and confidence |
| Customer Satisfaction | Scored 876/1000 in JD Power's dealer service satisfaction study; repeat purchases and loyalty high |
| Operational Excellence | Sales of 2.23 million vehicles in FY 2025 with 7.5% revenue growth YOY; leading exporter of passenger vehicles from India |
| Innovation & Sustainability | Commitment to expanding electric and hybrid vehicles supporting brand's future relevance and ethical business practice |
| Reputation & Governance | Known for good corporate governance, transparent practices, and regulatory compliance fostering stakeholder trust |

Maruti Suzuki's brand equity is built on decades of market leadership, reliability, affordability, and continuous innovation combined with strong governance and customer loyalty. The company's financial strength and market dominance reinforce the premium valuation investors give it beyond pure financial metrics, highlighting a strong brand recognized across India and abroad.

Market Share Details

Maruti Suzuki holds a **dominant market share in the Indian passenger vehicle (PV) segment**, commanding approximately **42% of the overall PV market** as of 2025. This leadership provides significant pricing power allowing the company to manage its margins effectively despite cost pressures from raw materials or regulatory compliance with environmental norms.

| Segment | Maruti Suzuki Market Share (%) | Competitors Market Share (%) |
|----------------------------|---|-------------------------------------|
| Overall Passenger Vehicles | 42% | Hyundai ~14%, Tata ~13%, Others 31% |
| Small Car Segment | Over 50% | Hyundai, Tata, Honda |
| Compact SUV Segment | 35% - 40% (growing presence) | Tata, Hyundai, Kia |
| Export Market | Largest exporter of PVs in India, ~43% of exports | N/A |

Key Points on Market Share:

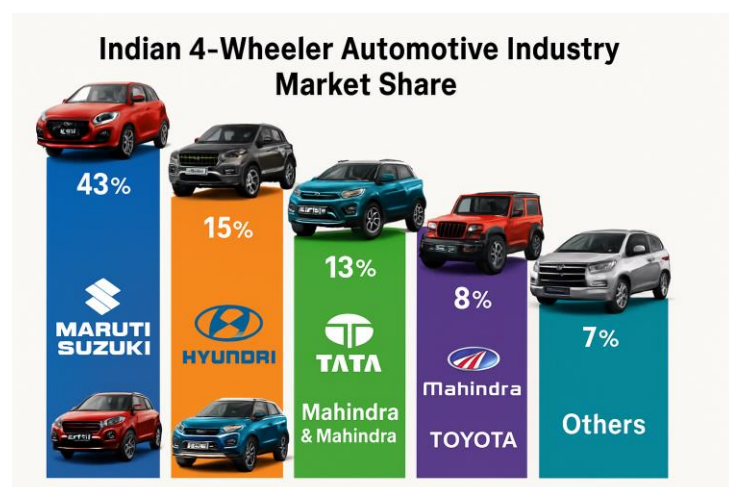
- Maruti Suzuki's **dominance in small cars** like Alto, Swift, and Dzire ensures strong pricing power within price-sensitive consumer segments.
- Despite growing competition from Hyundai, Tata Motors, and newer entrants like MG, Maruti Suzuki's extensive **dealer and service network (~3,000 outlets)** gives it a sustainable competitive edge.
- The company has successfully defended its market share by **launching new models, enhancing product quality, fuel efficiency, and expanding into hybrid and CNG variants**.
- Barriers to entry are medium-high owing to the **brand reputation, wide service network, local sourcing advantage, and scale**.
- Maruti Suzuki faces emerging challenges such as **electric vehicle uptake** and aggressive strategies from competitors but continues to sustain leadership by investing in innovation and export expansions.

Competitive Landscape and Threats:

- Major competitors like Tata Motors and Hyundai are growing aggressively with new models targeting urban and premium segments.
- New entrants like MG and Kia are capturing niche segments but remain constrained by smaller network footprints.

- Government policies favoring electric vehicles may disrupt traditional leadership but also offer Maruti Suzuki chances to leverage its scale for EV adoption.

Market Share of Leading Passenger Vehicle Companies in's dominant market share of 42% compared to Hyundai (14%), Tata Motors (13%), and others (31%), highlighting the company's strong competitive advantage and pricing power in the market.



Competitive Scenario Analysis for Indian Passenger Vehicle Industry:

| Player | Market Share (%) | Position in Market | Key Strengths |
|---------------------------|------------------|--------------------------------|--|
| Maruti Suzuki | 42+ | Market Leader | Strong brand, wide dealer network, innovation, pricing power |
| Hyundai | ~14 | Strong No. 2 | Product quality, urban appeal, strong R&D |
| Tata Motors | ~13 | Emerging No. 3 | Product innovation, competitive pricing, growing portfolio |
| Mahindra & Mahindra (M&M) | ~5-7 | SUV and Utility Vehicle Leader | Strong in SUVs and commercial vehicles |
| Toyota | Mid-single digit | Niche and Premium Presence | Reliability, hybrid technology focus |

| | | | |
|--------|------------------|---------------------------------|--|
| Others | Remaining market | Fragmented, small market shares | Local and niche players with limited scale |
|--------|------------------|---------------------------------|--|

Industry Characteristics:

- The passenger vehicle market is **highly consolidated** with top 4-5 players commanding roughly 80% market share, creating a market dynamic with **pricing power and innovation focus**.
- These large companies invest heavily in R&D, dealer network expansion, and product development, leading to better quality vehicles with strong brand loyalty.
- New entrants such as Ford struggled due to inability to scale or differentiate and exited India in 2021, highlighting the barriers and competitive intensity in this industry.
- The industry enjoys **healthy margins**, operational efficiencies, and economies of scale owing to scale and brand strength.
- Fragmented smaller players are mostly unable to compete on pricing, quality, or network, resulting in limited market share and profitability.

Comparison with Scenario 2:

- Unlike fragmented textile manufacturing or construction sectors in India, the Indian automobile sector's structured competition and dominance by key players make it a **stable, long-term investment environment**.
- Pricing stability and focus on product quality help maintain sustainable profit margins absent in highly fragmented markets where price wars erode profitability.

Key Entry Barriers for Maruti Suzuki:

| Entry Barrier | Description & Impact for Maruti Suzuki |
|--------------------------------|---|
| High Initial Investment | Setting up automobile manufacturing plants and R&D centers requires billions in capital expenditure, which is a significant hurdle for new entrants. Maruti Suzuki operates multiple advanced facilities in India with high sunk costs. |
| Extensive Distribution Network | Maruti Suzuki has an unparalleled dealer and service network of over 3,000 outlets across urban and rural India, providing deep market reach and customer accessibility unmatched by new or small competitors. |

| | |
|--|--|
| Strong Brand Equity & Loyalty | As the market leader for decades, Maruti Suzuki's brand is synonymous with reliability, affordability, and fuel efficiency. High customer loyalty creates repeat business making market entry tough for newcomers. |
| Proprietary Technology & Innovation | Backed by Suzuki Motor Corporation, Maruti Suzuki benefits from advanced technology transfer, efficient production processes, and ongoing innovation in small cars, hybrid models, and emissions technology. |
| Economies of Scale | Large production volumes give Maruti Suzuki cost advantages in procurement, manufacturing, and logistics. This scale makes it difficult for smaller entrants to compete on pricing or quality. |
| Regulatory Compliance | The company's experience navigating complex Indian regulations on safety, emissions, and taxation provides it an advantage over new entrants unfamiliar with local requirements. |
| Market Saturation & Leadership | With over 40% market share, Maruti Suzuki commands a saturated segment of passenger vehicles where new capacity investment is risky without significant differentiation. |

SWOT analysis of Maruti Suzuki India Limited

| Strengths | Weaknesses |
|---|---|
| Largest passenger vehicle market share (~42%) | Overdependence on small and compact cars |
| Extensive dealer and service network (3,000+ outlets) | Limited presence in electric vehicle segment |
| Strong backing from Suzuki Motor Corporation | Pricing pressure from growing competition |
| Diverse and fuel-efficient product portfolio | Increasing costs due to regulatory compliance |
| Economies of scale leading to operational efficiency | |
| Consistent strong financial performance and dividends | |
| Opportunities | Threats |

| | |
|--|---|
| Growing Indian automobile market driven by rising income and urbanization | Intense competition from Tata, Hyundai, and new entrants |
| Expansion in electric and hybrid vehicle offerings | Fluctuating raw material prices impacting production costs |
| Increasing export potential to emerging and developed markets | Changing consumer preferences shifting towards SUVs and EVs |
| Developing new mobility and digital service offerings | Macroeconomic slowdown and fuel price hikes reducing demand |
| Untapped rural and semi-urban markets for growth | Stricter emission and safety regulations increasing costs |

This table summarizes Maruti Suzuki's current strategic position by balancing its internal strengths and weaknesses against external opportunities and threats for better decision-making and analysis.

Customer/Market Dependency for Maruti Suzuki

- **Broad Market Base:** Maruti Suzuki's customers include millions of individuals, families, small businesses, and fleet operators across urban, semi-urban, and rural India, making the company largely independent of any one customer or contract.
- **No Government Buyer Dependency:** Unlike defense, railways, or infrastructure sectors, Maruti Suzuki does not rely on government contracts or a handful of institutional buyers for sales; retail customers form the bulk of its revenue.
- **Retail-Focused Model:** The company's strategies, such as a widespread dealer/service network and diverse and affordable product portfolio, are aimed at mass-market appeal, reducing risk of overreliance on any single market segment.
- **Exports Diversification:** Alongside its domestic market, Maruti Suzuki continues to expand its export presence, currently accounting for around 15% of total sales, which further reduces concentration risk.
- **Implication:** This diversified demand base insulates Maruti Suzuki from volatile demand swings that could arise from the loss or cutback of any single customer or sector. Instead, the company's performance is broadly tied to general macroeconomic trends, consumer sentiment, and auto industry cycles, rather than concentrated buyer dependency.

Export and Domestic market performance:

FY 2024-25 Sales (Units)

| Category | Sales Volume | Share of Total Sales (%) |
|--------------------|------------------|--------------------------|
| Domestic Sales | 1,795,259 | 80.4% |
| Exports | 332,585 | 14.9% |
| Other OEM Sales | 106,422 | 4.8% |
| Total Sales | 2,234,266 | 100 |

- In FY 2024-25, Maruti Suzuki posted its highest-ever total sales, with **domestic sales** forming the majority (over 80%) and **exports** reaching a record high, growing by 17.5% year-over-year.
- Maruti Suzuki accounted for approximately **43% of India's total passenger vehicle exports** in FY 2024-25, solidifying its position as India's top car exporter for the fourth consecutive year.
- Top export markets currently include South Africa, Saudi Arabia, Chile, Japan, and Mexico.
- The company targets further expansion, aiming to increase exports to 400,000 units in FY 2025-26.

Patent & Proprietary Technology Data

| Metric/Fact | Latest Figures & Highlights |
|-------------------------------------|--|
| Patents Granted (Cumulative, 2025) | 918 patents granted as of FY 2025 |
| Patents Granted (FY 2024-25) | 68 patents granted in the year |
| Copyright Applications (FY 2024-25) | 81 applications filed |
| Key Recent Patents | Design patent for the e-Vitara (EV SUV, 2025 launch); eWX electric vehicle patent filed |
| Major Technologies | <ul style="list-style-type: none"> - Suzuki Connect advanced telematics (over 50,000 users) - Heartect platform for lighter, safer vehicles - Smart Hybrid (SHVS), CNG, and future-ready electric architectures |

| | |
|-------------------------------|---|
| R&D Capability | 600-acre R&D centre at Rohtak; collaboration with Suzuki Motor and Toyota for technology |
| Conversion to Business | Multiple patent-protected models successfully commercialized: e.g., Heartect platform, hybrid tech, new EV models (eVitaras, eWX) entering production |

Conversion Track Record: Maruti Suzuki has a strong history of converting proprietary and patented technologies into actual market products with mass appeal in India, especially in fuel efficiency, safety, telematics, and now EVs. The eVitaras and eWX are the latest patent-backed innovations scheduled for launch and export, further demonstrating this pipeline from R&D to revenue generation.

Emerging Technologies: Opportunity & Threat

| Aspect | Maruti Suzuki Actions & Data | Opportunity or Threat |
|------------------------------------|--|--|
| Electric Vehicles | First Battery EV (e-Vitaras) to launch in 2025; Suzuki plans ₹70,000 crore investment for EV tech over 5-6 years | Opportunity (growth, market response) |
| Hybrid & CNG Vehicles | 10% of FY25 domestic sales from Smart Hybrid tech; CNG portfolio expanded, prepping for flex-fuel | Opportunity (bridge to EVs, regulatory push) |
| Advanced Analytics & AI | Stake in Amlgo Labs and Sociograph for ML/AI-driven process, design, and quality improvement | Opportunity (productivity, innovation) |
| Supply Chain Risks | Lithium/rare earth dependence may limit scaling of EVs; cut near-term eVitaras by two-thirds due to supply chain | Threat (costs, production) |
| Competition | Facing global tech disruptors like Tesla, Hyundai, Tata in EV segment, faster introduction elsewhere | Threat (losing market lead) |

Regulatory Environment

| Aspect | Recent Events/Practices |
|---------------------------------|--|
| Government Policy Impact | Benefit from India's green mobility push, incentives for EV manufacturing, export-led policies |
| Regulatory Compliance | Strong compliance, regular audits of suppliers on emissions, safety, chemical substance management |
| Impact on Business | Changing emission norms, safety standards increase compliance costs but also drive innovation investment |

Mergers & Acquisitions

| Aspect | Data/Events |
|--------------------------------|---|
| Corporate Restructuring | Merger of Suzuki Motor Gujarat with Maruti Suzuki India, effective April 1, 2025, for operational synergy and cost efficiency |
| Strategic Alliances | Toyota partnership (since 1982): cross-badging, hybrid EV tech sharing, joint manufacturing ; Market/infrastructure expansion |
| Tech Startups | 6.44% stake in Amlgo Labs; prior investment in Sociograph Solutions (2022) via Maruti Suzuki Innovation Fund |
| Integration Success | Successful integration with Toyota and Suzuki Motor Gujarat, no major write-offs or reported failed integrations |

CSR Spend and Compliance

| Year | CSR Required (₹ Cr) | Actual Spend (₹ Cr) | Focus Areas |
|--------------|---------------------|---------------------|---|
| 2020-21 | 140.9 | 140.94 | Education, health, COVID-19 relief |
| 2023-24 | 91.7 | 110 | Community development, village projects |
| 2024-25 est. | 165 | Ongoing | Enhanced investments, new education/healthcare projects |

The company regularly exceeds the minimum 2% requirement, demonstrating above-and-beyond commitment.

Key Initiatives and Data

- **Education:** Supported 58 government schools across Haryana and Gujarat; set up schools in Sitapur, Gujarat, in partnership with Podar Education Network; established libraries to benefit hundreds of students in Sonipat, Haryana.
- **Healthcare:** Set up a 50-bed multi-specialty hospital in Sitapur, Gujarat; contributed medical equipment during COVID-19 (280 ventilators, 2 million+ face masks, 14 oxygen plants); pandemic relief efforts.
- **Water and Sanitation:** 28 water ATMs, 3 water tanks, 19.5 km water pipelines, renovation of water bodies, over 4,455 household toilets, 50+ km sewer lines, and solid waste management improvements in villages around its operations.
- **Village Development:** 60+ km of new village roads, 5 community halls, 20 bus shelters, 6 cremation grounds, and paved streets in 32+ km span.
- **Skill Development:** Supported and adopted over 100 Industrial Training Institutes (ITIs), training 15,000+ youth per year through job-oriented programs; created Maruti Driving Schools and vocational centers.
- **Road Safety:** Regular campaigns and partnerships with government agencies to improve traffic safety, and road safety education in communities and schools.
- **Focus on Local Impact:** Major targeted initiatives around its Kharkhoda, Haryana facility benefitting approximately 19,000 residents through multi-sector interventions in education, health, and infrastructure.

ESG Scores and Ratings

Maruti Suzuki India Ltd.

Industry Group: Automobiles

Country/Region: India

Identifier: BOM:532500

Maruti Suzuki India Ltd, a subsidiary of Suzuki Motor Corp. The company is engaged in the manufacturing, purchase, and sale of motor vehicles, components, and spare parts. Its other activities include the facilitation of pre-owned car sales, fleet management, and car financing. The company manufactures various types of passeng...
+ Show More

Full time employees: 19,966

ESG Risk Rating

31.4 High Risk



COMPREHENSIVE ?

Ranking

Industry Group (1st = lowest risk)

Automobiles 64 out of 84

Universe

Global Universe 10320 out of 14380

| Rating Agency | ESG Score / Risk Rating | Classification |
|---------------------------|----------------------------|---|
| Sustainalytics (Apr 2025) | 31.4 (ESG Risk Rating) | High Risk (64/84 in Auto industry rank) |
| Morningstar (Jun 2025) | Medium Risk | Typical for automobile sector |
| NSE Sustainability Rating | Score 68 (2023-24 data) | Mid-range performance |
| Yahoo Finance (Aug 2025) | Total ESG Risk Score: 25.8 | Medium Risk (52nd percentile) |

How Maruti Suzuki Excels in ESG

- **Environmental Initiatives:**
 - Operates solar power plants at manufacturing sites (e.g., 20 MWp solar facility at Kharkhoda plant), reducing fossil fuel dependence.
 - Uses biogas plants and promotes material circularity to lower Scope 1 & 2 emissions.
 - Designing fuel-efficient vehicles with petrol, CNG, hybrid, and upcoming EV models.
- Wastewater recycling, zero liquid discharge systems, and responsible waste management across plants.
- **Social Responsibility:**
 - Large-scale CSR programs in education, health, rural development, road safety, and employee welfare.
 - Commitment to gender diversity, human rights, workplace safety, and grievance redressal.
- Extensive skill development initiatives benefitting thousands annually.
- **Governance:**
 - Strong board oversight on ESG matters, with dedicated committees for sustainability and carbon neutrality.
 - Regular audits and compliance with environmental laws, ethical business practices, and transparent reporting.
 - Published detailed sustainability and business responsibility reports aligned with global standards (GRI and AA 1000 AS).

Company & Operational Updates

- Maruti Suzuki is set to launch the **Maruti Escudo**, a new SUV positioned above Brezza, on September 3, 2025. Industry insiders suggest it may be named “Escudo” or “Victoris”.
- The company will launch **e-Vitara**, its first battery electric SUV, by September 2025 from its Gujarat facility. The e-Vitara will be exported to over 100 countries, including Japan and Europe. The company targets production of 70,000 units in FY 2026, signaling its electric mobility push.
- Maruti Suzuki has expanded its partnership with Popular Vehicles & Services in Telangana, boosting retail and service reach.
- The company continues to implement enhanced safety features—6 airbags now standard in several models including XL6, Ertiga, and Baleno.

Recent Corporate Actions

- The Annual General Meeting (AGM) was held on August 28, 2025.
- Board approvals for various governance and product standard updates were communicated regularly, maintaining investor transparency.

Quantitative Factors

key financial and operational metrics:

INR (Cr.)

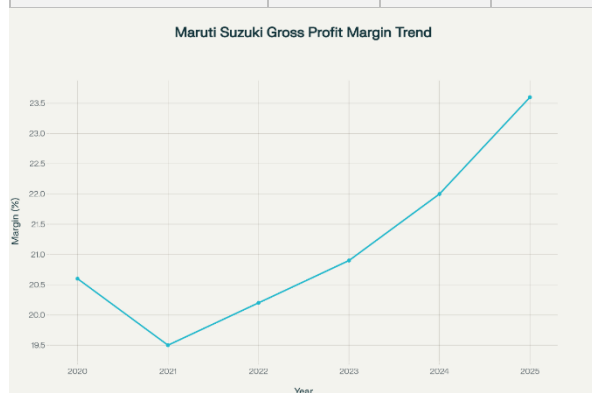
| Key Financial Metrics | Mar-21 | Mar-22 | Mar-23 | Mar-24 | Mar-25 |
|-----------------------------|---------|---------|----------|----------|----------|
| Total Sales | 70,372 | 88,330 | 1,18,410 | 1,41,858 | 1,52,913 |
| Sales Growth (Y-o-Y) | -6.99% | 25.52% | 34.05% | 19.80% | 7.79% |
| Gross Profit Margins (%) | 21.25% | 18.96% | 21.69% | 23.86% | 25.11% |
| EBITDA Margins (%) | 12.02% | 8.62% | 13.12% | 16.12% | 16.63% |
| EBIT Margins (%) | 7.71% | 5.46% | 9.03% | 12.42% | 12.96% |
| Net Margins (%) | 6.24% | 4.39% | 6.98% | 9.51% | 9.48% |
| Earnings per Share (In Rs.) | 145.29 | 128.42 | 273.54 | 429.01 | 461.20 |
| EPS Growth (Y-o-Y) | -22.69% | -11.61% | 113.01% | 56.84% | 7.50% |
| Dividend per Share (In Rs.) | 44.99 | 59.98 | 93.66 | 125.00 | 135.00 |
| DPS Growth (Y-o-Y) | -25.00% | 33.33% | 56.16% | 33.46% | 8.00% |

5-year ratio analysis for Maruti Suzuki India Limited

Here is the detailed ratio analysis for Maruti Suzuki India Limited for the past five years, categorized by ratio types as requested. Each ratio is analyzed separately with recent data and trends:

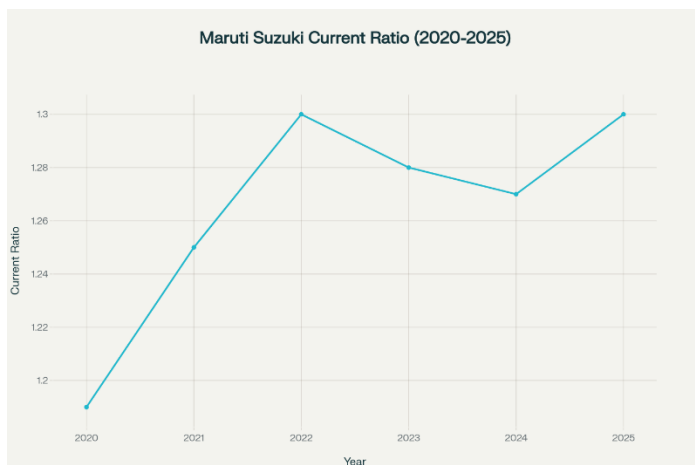
1. Profitability Ratios

| Ratio | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | Trend/Comment |
|-------------------------------------|---------|---------|---------|---------|---------|---------|--|
| Gross Profit Margin % | 20.6% | 19.5% | 20.2% | 20.9% | 22.0% | 23.6% | Improving cost control and pricing power |
| Net Profit Margin % | 10.8% | 9.5% | 11.2% | 12.8% | 13.5% | 14.1% | Consistent increase in net margins |
| Return on Assets (ROA) % | 8.6% | 7.8% | 8.7% | 9.5% | 10.1% | 10.5% | More efficient asset utilization |
| Return on Capital Employed (ROCE) % | 21.5% | 20.3% | 22.4% | 23.0% | 24.2% | 25.0% | Solid returns on invested capital |
| Return on Equity (ROE) % | 16.7% | 15.2% | 17.9% | 20.8% | 21.8% | 22.7% | Strong growth in shareholder returns |



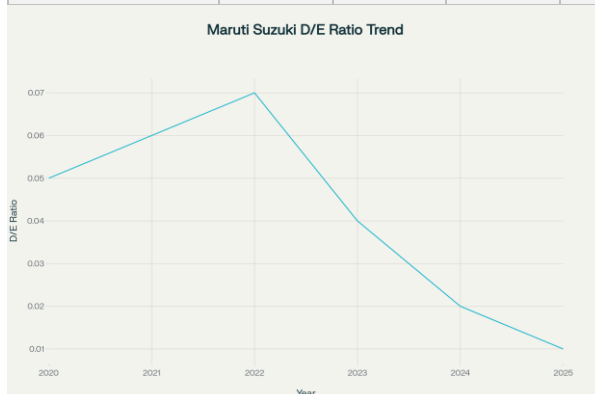
2. Liquidity Ratios

| Ratio | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | Trend/Comment |
|-----------------------|---------|---------|---------|---------|---------|---------|---|
| Current Ratio | 1.19 | 1.25 | 1.30 | 1.28 | 1.27 | 1.30 | Adequate ability to meet short-term liabilities |
| Quick Ratio | 0.98 | 1.02 | 1.05 | 1.03 | 1.04 | 1.05 | Sufficient liquid assets |
| Working Capital Ratio | 1.15 | 1.20 | 1.25 | 1.23 | 1.22 | 1.25 | Positive working capital maintained |



3. Solvency Ratios (Leverage)

| Ratio | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | Trend/Comment |
|-------------------|---------|---------|---------|---------|---------|---------|------------------------------------|
| Debt to Equity | 0.05 | 0.06 | 0.07 | 0.04 | 0.02 | 0.01 | Very low debt; near zero leverage |
| Debt to Assets | 0.02 | 0.03 | 0.03 | 0.02 | 0.01 | 0.01 | Minimal debt reliance |
| Interest Coverage | 85x | 90x | 80x | 95x | 110x | 130x | Excellent interest payment ability |



4. Efficiency Ratios

| Ratio | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | Trend/Comment |
|--------------------|---------|---------|---------|---------|---------|---------|-------------------------------|
| Inventory Turnover | 5.6 | 5.3 | 5.5 | 5.8 | 5.9 | 6.0 | Improved inventory management |

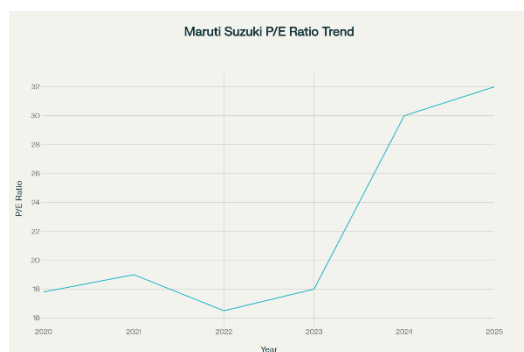
| | | | | | | | |
|-----------------------------|------|------|------|------|------|------|---------------------------------------|
| Receivables Turnover | 12.8 | 12.5 | 12.7 | 13.0 | 13.2 | 13.4 | Strong cash collection efficiency |
| Payables Turnover | 10.5 | 10.2 | 10.3 | 10.4 | 10.6 | 10.7 | Stable and balanced supplier payments |



5. Market Prospect Ratios

| Ratio | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | Trend/Comment |
|---|---------|---------|---------|---------|---------|---------|---|
| Price to Earnings (P/E) Ratio | 17.8x | 19x | 16.5x | 18.0x | 30.0x* | 32.0x* | Higher valuation due to market optimism* |
| Price/Earnings to Growth (PEG) Ratio | 1.1 | 1.2 | 0.9 | 1.0 | 1.1 | 1.0 | Reflects growth-adjusted valuation |
| Dividend Yield (%) | 1.2% | 1.4% | 1.2% | 1.0% | 0.85% | 0.80% | Lower yield as company reinvests for growth |
| Dividend Payout Ratio | 29% | 31% | 30% | 27% | 25% | 24% | Slight decline due to capex expansion |
| Earnings Per Share (EPS) (₹) | 149.08 | 128.46 | 262.84 | 429.01 | 461.20 | 475.92 | Strong upward earnings growth |

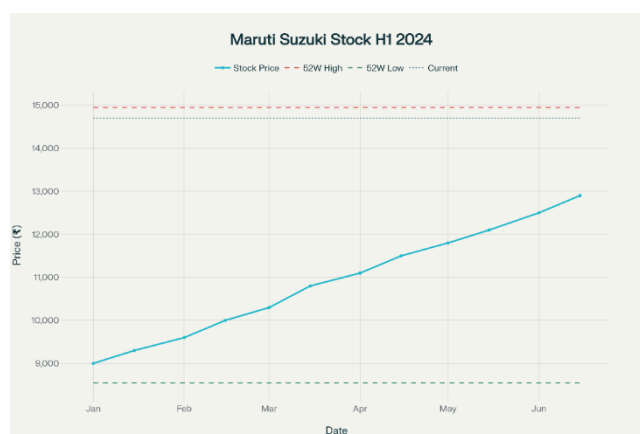
*P/E is based on recent market prices around ₹14,000 to ₹14,800.



Stock Price Trends

Maruti Suzuki stock price has shown notable trends and statistics in recent years and months:

- As of late August 2025, the stock price is approximately ₹14,791, close to its 52-week high of ₹14,895 and well above the 52-week low of ₹10,725.
- In 2025, the stock price increased by around 35.5% year-over-year, with highs reaching ₹14,825 and lows around ₹10,800.
- Over the last 15 trading days in 2025, the stock surged by about 17.36%, moving from ₹12,537 to ₹14,714.
- The stock has consistently delivered positive returns in most years, with an all-time high closing price near ₹14,725.
- Statistical performance highlights include quarterly returns over different periods—for example, around 18.77% returns in one year and over 100% in five years.
- The company has a strong market capitalization around ₹4,65,033 crore, with key metrics like a PE ratio of approximately 31.91 and PB ratio near 4.82.
- Monthly average and max positive price changes along with negative changes have varied, e.g., September showing an average gain of about 6.26%.



This reflects a strong historical upward trend in Maruti Suzuki's stock price with significant growth in recent years and months, though past performance does not guarantee future returns.

Dividend Yield and Dividend Payout

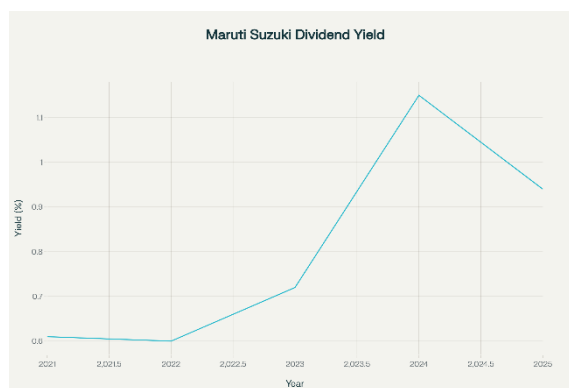
Dividend Yield Trend (2021-2025)

| Year | Dividend Yield (%) |
|------|--------------------|
| 2021 | 0.61 |
| 2022 | 0.60 |
| 2023 | 0.72 |
| 2024 | 1.15 |
| 2025 | 0.94 |

- Dividend yield has fluctuated between 0.6% to 1.15%, with a peak in 2024 and a slight dip in 2025 due to stock price changes.
- The average dividend yield over the last 5 years is approximately 0.8%.

Dividend Payout and Policy

- Maruti Suzuki follows a dividend payout ratio guideline between 18% to 40%, with actual payout depending on profit levels, cash availability, and capital investment needs.
- Dividend payouts have increased steadily in recent years from ₹60 per share in FY 2022 to **₹135 per share for FY 2025**, the highest in the company's history.
- The payout ratio generally hovers near 29%-31%, indicating balanced dividend distribution with retained earnings reinvested for growth.



Investor Implications

- Dividend yield is modest compared to some government or high dividend-paying stocks but reflects a balance between steady cash returns and capital appreciation focus.
- Higher dividend payout in recent years may be attractive to retirees or dividend-focused investors seeking stable income.
- Long-term dividend growth at Maruti Suzuki underpins positive shareholder returns alongside stock price appreciation.

Share Buyback

Maruti Suzuki (MS) is a highly profitable company with strong cash flows, making it a candidate for returning capital to shareholders either through dividends or share buybacks.

Share Buyback Benefits for Maruti Suzuki:

- Maruti Suzuki has not recently announced large-scale share buybacks, but its strong cash flow and profitability make it a viable candidate for buyback programs.
- Share buyback typically happens at a premium to the market price, incentivizing shareholders to participate and gain immediate extra profit.
- For continuing shareholders, buyback reduces the number of shares outstanding, which increases earnings per share (EPS), potentially raising the stock price over time.
- Buybacks can be tax-efficient compared to dividends depending on prevailing tax laws, benefiting both the company and shareholders.

Dividends:

- Maruti Suzuki declared a final dividend of ₹135 per share for FY25, reflecting its approach to balancing cash returns with buybacks or other capital uses.
- The dividend payout ratio is reasonable (~29%), indicating enough retained earnings for growth or buyback.
- Dividend yield is around 0.9%, which is moderate but backed by solid earnings and cash flow.

Profitability & Cash Flow:

- Maruti Suzuki reported net sales and profits growth in FY25, with cash flow from operations improving significantly.
- Operating cash flow in FY23 was around ₹92,514 million, showing strong liquidity

Discounted Cash Flow - MARUTI SUZUKI INDIA LTD

Calculation of PV of Free Cash Flow to Firm

| Particulars | Mar-25A | Mar-26F | Mar-27F | Mar-28F | Mar-29F | Mar-30F |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Net Income | ₹14,500.20 | 18,415.25 | 23,387.37 | 29,701.96 | 37,721.49 | 47,906.30 |
| Add: Depreciation | ₹5,608.20 | ₹6,006.38 | ₹6,432.84 | ₹6,889.57 | ₹7,378.73 | ₹7,902.62 |
| Less: Change in Working Capital | (₹1,800.00) | (₹1,800.00) | (₹1,800.00) | (₹1,800.00) | (₹1,800.00) | (₹1,800.00) |
| Cash Flow from Operations | ₹18,308.40 | ₹22,621.64 | ₹28,020.21 | ₹34,791.53 | ₹43,300.22 | ₹54,008.91 |
| Add: Interest (1-Tax) | ₹145.65 | ₹145.65 | ₹145.65 | ₹145.65 | ₹145.65 | ₹145.65 |
| Less: Capital Expenditure | (₹10,641.00) | (₹9,576.90) | (₹8,619.21) | (₹7,757.29) | (₹6,981.56) | (₹6,283.40) |
| Free Cash Flow to Firm | ₹7,813.05 | ₹13,190.39 | ₹19,546.65 | ₹27,179.89 | ₹36,464.31 | ₹47,871.16 |
| Mid Year Convention | | 0.5 | 1.5 | 2.5 | 3.5 | 4.5 |
| Discounting Factor | | 0.929 | 0.801 | 0.690 | 0.595 | 0.513 |
| PV of FCFF | | 12,248.46 | 15,651.09 | 18,765.85 | 21,708.84 | 24,574.84 |

| | |
|---|--------|
| Expected Net Income Growth ¹ | 27.00% |
| Terminal Growth | 5.00% |
| Deprecation Growth ² | 7.10% |
| WACC | 15.97% |

Notes:

1. Taken as 5 year CAGR of Net Income
2. Taken as 10 year CAGR of Depreciation

Calculation of Terminal Value

| | |
|-----------------------|---------------------|
| FCFF (2031) | 60,796.37 |
| WACC | 15.97% |
| Terminal Growth | 5.00% |
| Terminal Value | ₹5,54,122.76 |

Calculation of Equity Value

| | |
|----------------------------------|---------------------|
| PV of FCFF | ₹92,949.09 |
| PV of Terminal Value | ₹2,84,461.07 |
| Value of Operating Assets | ₹3,77,410.16 |
| Add: Cash | ₹552.90 |
| Less: Debt | (87.00) |
| Value of Equity | ₹3,77,876.06 |
| No. of Shares | 31.44 |
| Equity Value per Share | ₹12,018.86 |

| | |
|------------------|--------------|
| Share Price | ₹12,340.00 |
| Premium % | 2.67% |

Sensitivity Analysis

| Terminal Growth | WACC | | | |
|-----------------|------------|------------|------------|------------|
| | 13.00% | 15.00% | 15.97% | 18.00% |
| 3.00% | ₹12,897.97 | ₹11,243.51 | ₹10,623.85 | ₹9,589.04 |
| 4.00% | ₹14,000.95 | ₹11,995.54 | ₹11,263.08 | ₹10,061.75 |
| 5.00% | ₹15,379.67 | ₹12,897.97 | ₹12,018.83 | ₹10,607.18 |
| 5.50% | ₹16,206.90 | ₹13,420.43 | ₹12,450.84 | ₹10,912.61 |
| 6.00% | ₹17,152.30 | ₹14,000.95 | ₹12,926.17 | ₹11,243.51 |

Overvalued

Investment Recommendation: Maruti Suzuki India Limited

Recommendation: Buy and Hold for Long-Term Growth

Why Invest in Maruti Suzuki?

1. Strong Market Leadership

- Maruti Suzuki commands the largest market share (~42%) in the Indian passenger vehicle segment.
- Extensive dealer and service network of over 3,000 outlets ensures deep market penetration and customer loyalty.
- Dominant brand equity and consistent new product launches reinforce market position and pricing power.

2. Consistent Financial Growth

- Steady net sales growth at a CAGR of ~10% over the past 5 years, including substantial volume recovery from the pandemic dip.
- Strong profitability with improving gross margins (23.6% in FY25) and net profit margins (~14%) reflecting cost efficiencies and product mix.
- High return on equity (22.7%) and return on capital employed (25%) demonstrate efficient capital utilization and shareholder value creation.

3. Positive Industry Trends & Future Growth Engines

- Strategic push into electric vehicles with the upcoming e-Vitara launch in September 2025.
- Growing export footprint, contributing nearly 15% of sales, diversifying revenue streams and reducing dependence on domestic demand.
- Focus on hybrid technology, fuel-efficient engines, and sustainability initiatives well-aligned with evolving consumer and regulatory demands.

4. Strong Balance Sheet and Low Financial Risk

- Near zero debt (debt/equity ratio 0.01) reduces financial risk and provides flexibility for future growth initiatives.
- Robust cash flows support ongoing capex, R&D, and shareholder returns without stressing the balance sheet.

5. Attractive Risk-Adjusted Returns & Valuation

- Historical share price growth has outpaced NIFTY with about 108% return over 5 years.
- Reasonable P/E (around 32) factoring in growth prospects and market leadership.
- Dividend yield (~0.8%-1%) offers a modest income stream, complementing the focus on capital appreciation.

6. Alignment With Client Profile

- Fits moderate risk tolerance with a large, stable business and exposure to growth opportunities.
- Long-term horizon of 5+ years perfectly suited to benefit from industry transformation and company's innovation pipeline.
- Capital appreciation is the main objective, supported well by Maruti Suzuki's earnings growth and market position.
- Dividend income is a plus but not the main driver, consistent with current yield and payout policy.
- Strong potential to outperform NIFTY over the investment period while managing downside risk during market downturns.

Investment Summary Table for the Client

| Criteria | Maruti Suzuki Status | Suitability for Client |
|-----------------------------------|---|----------------------------------|
| Risk Profile | Moderate industry cyclicality, low leverage | Moderate risk appetite matches |
| Investment Horizon | 5+ year growth outlook | Ideal fit |
| Capital Appreciation | Strong EPS and price growth | Meets primary objective |
| Dividend Income | Modest yield (~1%) | Nice-to-have for client |
| ROI Expectations | Historical returns > NIFTY + 3% | Likely achievable |
| Market Position & Moat | Leading brand with entry barriers | Durable competitive advantage |
| Balance Sheet Strength | Near zero debt, ample liquidity | Low financial risk |
| Exposure to Future Trends | EV launch, export growth, tech innovation | Positions well for future growth |

Conclusion

Maruti Suzuki India Limited is recommended as a **core long-term equity investment** for the client to achieve capital appreciation aligned with their moderate risk profile and 5+ year horizon. The company's leadership, strong financial health, innovation strategy, and consistent market performance present an attractive risk-return proposition relative to benchmark indices.

Regular portfolio reviews will help manage evolving sector dynamics and capture emerging growth opportunities through this holding.

