

Future Vision Computer Institute

FINANCIAL STATEMENT ANALYSIS

MARUTI SUZUKI

Business analysis is also useful for increasing profits and helping to achieve business goals and can be used to get to know more about the business from several sides.



WHY FSA ?

- Building Block for Your “Fancy Analysis”
- Establishing a Strong Foundation: Mastering the basics of financial statement analysis to support advanced, complex evaluations.
- Engage with Real-World Use Cases: Share your specific use cases or financial analysis challenges with the class for relatable learning.
- Unified Understanding for Deeper Insights: Ensuring everyone has a common foundation for comprehensive and impactful class discussions.

WHAT COMES TO YOUR MIND WHEN I SAY "FINANCIAL STATEMENT ANALYSIS"?



WHAT IS FSA ALL ABOUT ?

- To produce forecasts and valuations that help investors determine where their capital is likely to earn its highest risk-adjusted returns, a thorough financial statement analysis must follow four sequential steps:

1. Business and industry analysis
2. Accounting analysis
3. Financial analysis
4. Valuation.

QUESTION FOR INDUSTRY ANALYSIS

- How fast is the industry growing?
- Is it stagnant or declining?
- How many competitors are there?
- Do firms compete mainly on price or differentiation?
- Is there a history of cooperative pricing or is price competition more “cutthroat”?
- What are the key economic and regulatory issues faced by companies in this industry?



TOOLS & RESOURCES FOR BUSINESS & INDUSTRY ANALYSIS

- SWOT Analysis
- Porter Five Force Framework
- Newspaper
- Industry Reports
- Analyst Reports



SWOT ANALYSIS (MARUTI SUZUKI)

Strengths

Market Leader: Dominates India's car market with ~44% market share (FY 2023).

Cost Efficiency: Economies of scale from mass production, resulting in competitive pricing.

Brand Recognition: Trusted brand in India, associated with affordability and reliability.

Strong Distribution Network: 2,100+ dealerships and service centers across India.

Weakness

Dependence on the Indian Market: Over-reliance on India (75% of sales), with limited international presence.

Product Portfolio: Limited presence in premium segments; competition from new entrants (e.g., Hyundai, Tata Motors).

Slow EV Adoption: Lagging in electric vehicle (EV) development compared to global competitors.

Opportunities

EV Growth: Expansion into electric vehicles with models like the "Fronx" and future electric models.

Rural Market: Growing demand in rural and semi-urban areas where Maruti has a stronghold.

Technological Advancements: Increased focus on connected car technology and autonomous driving.

Threats

Intense Competition: Competition from both domestic (Tata, Mahindra) and international players (Hyundai, Kia).

Raw Material Prices: Volatility in raw material costs (steel, semiconductors) impacting profitability.

Regulatory Pressure: Stringent emission norms and safety regulations increasing costs.

ACCOUNTING ANALYSIS

ANALYSIS OF:

- Income Statement.
- Balance Sheet
- Cash Flow Statement
- Other Income



Business environment
analysis and strategy



Business environment
analysis and strategy



Income Statement

	Mar 2013	Mar 2014	Mar 2015	Mar 2016	Mar 2017	Mar 2018	Mar 2019	Mar 2020	Mar 2021	Mar 2022	Mar 2023	Mar 2024	Mar 2025
Sales +	44,304	44,542	50,801	57,589	68,085	79,809	86,068	75,660	70,372	88,330	118,410	141,858	160,000
Expenses +	39,944	39,232	43,909	48,565	57,664	67,692	75,012	68,305	64,961	82,578	105,288	123,232	140,000
Operating Profit	4,361	5,310	6,892	9,024	10,421	12,118	11,056	7,355	5,411	5,752	13,122	18,626	20,000
OPM %	10%	12%	14%	16%	15%	15%	13%	10%	8%	7%	11%	13%	12%
Other Income +	797	724	817	1,464	2,399	2,155	2,664	3,410	3,046	1,861	2,415	4,248	5,000
Interest	198	184	218	82	89	346	76	134	102	127	252	194	200
Depreciation	1,890	2,116	2,515	2,822	2,604	2,760	3,021	3,528	3,034	2,789	4,846	5,256	6,000
Profit before tax	3,070	3,734	4,976	7,585	10,127	11,167	10,624	7,103	5,321	4,697	10,438	17,424	19,000
Tax %	20%	24%	24%	28%	26%	29%	28%	20%	18%	17%	21%	23%	22%
Net Profit +	2,470	2,854	3,809	5,497	7,511	7,881	7,651	5,678	4,389	3,880	8,264	13,488	15,000
EPS in Rs	81.74	94.44	126.04	181.98	248.61	260.86	253.21	187.90	145.30	128.43	273.56	429.01	480.00
Dividend Payout %	10%	13%	20%	19%	30%	31%	32%	32%	31%	47%	34%	29%	30%

Compounded Sales Growth

10 Years:	12%
5 Years:	11%
3 Years:	26%
TTM:	11%

Compounded Profit Growth

10 Years:	18%
5 Years:	18%
3 Years:	45%
TTM:	23%

Stock Price CAGR

10 Years:	13%
5 Years:	9%
3 Years:	11%
1 Year:	5%

Return on Equity

10 Years:	13%
5 Years:	11%
3 Years:	12%
Last Year:	17%

Balance Sheet

	Mar 2013	Mar 2014	Mar 2015	Mar 2016	Mar 2017	Mar 2018	Mar 2019	Mar 2020	Mar 2021	Mar 2022	Mar 2023	Mar 2024	Sep 2024
Equity Capital	151	151	151	151	151	151	151	151	151	151	157	157	157
Reserves	18,877	21,345	24,167	30,465	36,924	42,408	46,941	49,262	52,350	55,182	74,443	85,479	88,969
Borrowings -	1,569	2,004	666	231	484	121	160	184	541	426	1,248	119	158
Long term Borrowings	705	627	278	0	0	10	8	5	3	0	0	0	0
Short term Borrowings	864	1,238	52	77	484	111	150	106	489	382	1,216	33	15
Lease Liabilities	0	0	0	0	0	0	0	70	47	41	32	86	143
Other Borrowings	0	139	335	154	0	0	2	2	3	3	0	0	
Other Liabilities -	6,920	7,975	9,492	11,879	14,402	17,568	16,717	14,031	18,335	18,896	24,258	29,550	32,412
Non controlling int	11	12	13	14	15	16	18	19	0	0	0	0	0
Trade Payables	4,277	4,999	5,514	7,409	8,369	10,499	9,638	7,499	10,168	9,765	13,676	16,988	17,971
Advance from Customers	208	209	428	506	941	1,152	418	468	1,019	1,124	1,463	1,464	
Other liability items	2,424	2,755	3,538	3,950	5,076	5,900	6,644	6,045	7,148	8,007	9,120	11,098	14,442
Total Liabilities	27,517	31,476	34,477	42,726	51,960	60,248	63,969	63,628	71,376	74,656	100,106	115,304	121,696
Fixed Assets -	10,022	11,034	12,490	12,530	13,311	13,389	15,437	15,744	14,989	13,747	27,941	27,865	29,337
Land	1,519	1,630	2,100	1,902	1,963	3,212	3,914	4,569	4,566	4,592	6,830	6,896	
Building	1,600	1,760	1,882	1,513	1,835	1,983	2,333	2,697	2,831	2,955	5,218	5,604	
Plant Machinery	16,287	18,866	21,802	11,163	13,888	15,082	18,550	20,775	22,262	22,712	40,872	44,745	
Computers	161	172	193	83	135	172	208	238	292	324	510	601	
Furniture n fittings	114	133	144	109	140	206	270	347	403	445	569	636	
Railway sidings	0	0	0	0	0	0	0	0	0	0	73	74	
Vehicles	80	92	108	104	130	162	184	206	174	248	351	448	
Intangible Assets	0	0	0	0	0	0	0	0	0	0	0	0	721
Other fixed assets	391	452	674	468	589	640	907	937	967	1,254	1,660	1,783	
Gross Block	20,152	23,105	26,902	15,343	18,680	21,458	26,365	29,768	31,496	32,530	56,083	60,787	
Accumulated Depreciation	10,131	12,071	14,412	2,813	5,370	8,069	10,928	14,024	16,508	18,783	28,141	32,922	
CWIP	1,966	2,640	1,890	1,007	1,252	2,132	1,607	1,415	1,497	2,936	4,143	7,735	8,303
Investments	7,421	10,527	13,298	20,676	29,151	36,123	37,504	37,488	42,945	42,035	49,184	57,296	57,820
Other Assets -	8,107	7,275	6,800	8,513	8,247	8,604	9,421	8,980	11,946	15,937	18,837	22,408	26,237
Inventories	1,887	1,763	2,745	3,133	3,264	3,160	3,323	3,214	3,049	3,532	5,444	5,318	6,977
Trade receivables	1,536	1,489	1,144	1,323	1,203	1,465	2,313	1,978	1,280	2,034	3,285	4,597	5,904
Cash Equivalent	815	649	43	51	24	74	188	29	3,047	3,042	2,748	2,827	2,095
Loans n Advances	106	188	126	99	163	831	682	766	1,293	2,753	179	54	326
Other asset items	3,764	3,187	2,741	3,907	3,594	3,074	2,916	2,994	3,276	4,575	7,181	9,612	10,935
Total Assets	27,517	31,476	34,477	42,726	51,960	60,248	63,969	63,628	71,376	74,656	100,106	115,304	121,696

Cash Flow Statement Analysis

Cash from Operating Activity

	Mar 2013	Mar 2014	Mar 2015	Mar 2016	Mar 2017	Mar 2018	Mar 2019	Mar 2020	Mar 2021	Mar 2022	Mar 2023	Mar 2024
Cash from Operating Activity -	4,059	4,995	6,449	8,482	10,282	11,788	6,601	3,496	8,856	1,840	10,815	16,801
Profit from operations	4,534	5,111	6,779	8,935	10,413	12,036	11,060	7,503	5,531	5,832	13,176	18,676
Receivables	-412	46	345	-204	122	-262	-851	340	696	-764	-1,270	-1,316
Inventory	343	124	-982	-450	-131	104	-162	109	165	-483	-1,050	125
Payables	634	813	712	1,789	979	2,128	-858	-2,155	2,680	-396	2,491	3,321
Loans Advances	-317	-563	23	-1	1	-0	-13	-1	-6	-8	1	-3
Other WC items	-172	321	648	325	1,222	839	569	-863	801	-1,162	-269	-406
Working capital changes	76	742	745	1,460	2,192	2,808	-1,315	-2,570	4,336	-2,813	-97	1,722
Direct taxes	-551	-858	-1,075	-1,912	-2,323	-3,056	-3,144	-1,438	-1,011	-1,178	-2,265	-3,597

Cash from Investing Activity

	Mar 2013	Mar 2014	Mar 2015	Mar 2016	Mar 2017	Mar 2018	Mar 2019	Mar 2020	Mar 2021	Mar 2022	Mar 2023	Mar 2024
Cash from Operating Activity +	4,059	4,995	6,449	8,482	10,282	11,788	6,601	3,496	8,856	1,840	10,815	16,801
Cash from Investing Activity -	-3,119	-4,997	-4,491	-7,230	-9,173	-8,302	-3,540	-557	-7,291	-239	-8,820	-11,865
Fixed assets purchased	-3,572	-3,545	-3,058	-2,469	-3,391	-3,912	-4,872	-3,437	-2,370	-3,459	-8,065	-9,200
Fixed assets sold	44	9	16	12	16	26	170	37	42	136	109	45
Investments purchased	-12,695	-13,100	-17,354	-12,044	-17,716	-47,069	-52,957	-44,205	-44,869	-60,525	-66,597	-65,736
Investments sold	11,846	10,450	15,270	7,378	11,839	42,564	53,986	46,969	42,920	63,579	61,605	61,933
Interest received	350	195	152	67	36	68	124	96	67	174	313	372
Dividends received	43	54	54	11	13	20	9	4	3	3	6	6
Redemp n Canc of Shares	0	0	0	0	22	0	0	0	0	0	0	0
Acquisition of companies	0	0	0	0	0	0	-0	-15	-65	-146	0	-80
Other investing items	865	940	428	-186	7	0	0	-5	-3,019	-1	3,808	795

Cash from Financing Activity

	Mar 2013	Mar 2014	Mar 2015	Mar 2016	Mar 2017	Mar 2018	Mar 2019	Mar 2020	Mar 2021	Mar 2022	Mar 2023	Mar 2024
Cash from Operating Activity +	4,059	4,995	6,449	8,482	10,282	11,788	6,601	3,496	8,856	1,840	10,815	16,801
Cash from Investing Activity +	-3,119	-4,997	-4,491	-7,230	-9,173	-8,302	-3,540	-557	-7,291	-239	-8,820	-11,865
Cash from Financing Activity -	-979	-74	-2,004	-1,237	-1,129	-3,436	-2,948	-3,104	-1,545	-1,607	-1,214	-4,062
Proceeds from borrowings	1,033	1,264	92	77	484	10	39	0	380	0	831	0
Repayment of borrowings	-1,551	-885	-1,449	-313	-231	-373	0	-46	0	-110	0	-1,183
Interest paid fin	-208	-170	-222	-92	-110	-346	-73	-136	-102	-130	-186	-147
Dividends paid	-217	-242	-362	-755	-1,057	-2,266	-2,417	-2,417	-1,812	-1,359	-1,812	-2,719
Financial liabilities	0	0	0	0	0	0	0	-10	-11	-8	-47	-13
Other financing items	-35	-41	-62	-154	-215	-461	-497	-497	0	0	0	0
Net Cash Flow	-39	-76	-45	16	-20	50	113	-165	20	-6	780	874

Other Income Analysis

Consolidated Figures in Rs. Crores / [View Standalone](#)

	Mar 2013	Mar 2014	Mar 2015	Mar 2016	Mar 2017	Mar 2018	Mar 2019	Mar 2020	Mar 2021	Mar 2022	Mar 2023	Mar 2024	TTM
Sales +	44,304	44,542	50,801	57,589	68,085	79,809	86,068	75,660	70,372	88,330	118,410	141,858	145,213
Expenses +	39,944	39,232	43,909	48,565	57,664	67,692	75,012	68,305	64,961	82,578	105,288	123,232	125,446
Operating Profit	4,361	5,310	6,892	9,024	10,421	12,118	11,056	7,355	5,411	5,752	13,122	18,626	19,766
OPM %	10%	12%	14%	16%	15%	15%	13%	10%	8%	7%	11%	13%	14%
Other Income -	797	724	817	1,464	2,399	2,155	2,664	3,410	3,046	1,861	2,415	4,248	5,002
Exceptional items	390	441	638	1,183	2,148	1,903	2,375	3,049	-59	1,521	154	-10	
Other income normal	407	284	178	281	251	252	289	361	3,105	340	2,261	4,258	
Interest	198	184	218	82	89	346	76	134	102	127	252	194	212



Basic Accounting Analysis Tools

- Trend/ Pattern Analysis
- Ratio Analysis
- Cash Flow Analysis
- Valuation Analysis



With right analysis, a business can avoid losses and the worst possibility.

Horizontal Analysis

Horizontal analysis, also called trend analysis, is a technique for evaluating a series of financial statement data over a period of time.

Purpose is to determine the increase or decrease.

Commonly applied to the

- ▶ Balance sheet
- ▶ Income statement



Correct Decision Making

Business analysis is also useful for increasing profits and helping to achieve business goals and can be used to get to know more about the business from several sides.

Horizontal Analysis

Balance Sheet of Maruti Suzuki								
	Mar-22	Mar-23	Increase or Decrease (In Numbers)	Increase or Decrease (In Percentage)	Mar-23	Mar-24	Increase or Decrease (In Numbers)	Increase or Decrease (In Percentage)
Equity Capital	151	157	6	4%	157	157	0	0%
Reserves	55,182	74,443	19261	35%	74,443	85,479	11036	15%
Borrowings +	426	1,248	822	193%	1,248	119	-1129	-90%
Other Liabilities +	18,896	24,258	5362	28%	24,258	29,550	5292	22%
Total Liabilities	74,656	1,00,106	25450	34%	1,00,106	1,15,304	15198	15%
Fixed Assets +	13,747	27,941	14194	103%	27,941	27,865	-76	0%
CWIP	2,936	4,143	1207	41%	4,143	7,735	3592	87%
Investments	42,035	49,184	7149	17%	49,184	57,296	8112	16%
Other Assets +	15,937	18,837	2900	18%	18,837	22,408	3571	19%
Total Assets	74,656	1,00,106	25450	34%	1,00,106	1,15,304	15198	15%

CWIP stands for Capital Work in Progress, and it's an accounting term that refers to the costs of projects that are still being constructed or developed.

As we can see in the Balance Sheet, from year **22-23**, the borrowings had a significant increase of **193%**, while from the year **23-24**, it had gone down by almost **90%**, and also we can see that **Fixed Assets & CWIP** of the company had also **increased almost 103% from year 22-23** & while fixed assets remaining constant from year 23-24, **CWIP had a significant increase of almost 87%** which **signifies** that borrowings in the year 22-23 was for major expansion in their fixed assets for **increasing production capacity of the company**.

Horizontal Analysis

Income Statement of Maruti Suzuki

	Mar-22	Mar-23	Increase or Decrease (In Numbers)	Increase or Decrease (In Percentage)	Mar-23	Mar-24	Increase or Decrease (In Numbers)	Increase or Decrease (In Percentage)
Sales +	88,330	1,18,410	30,080	34%	1,18,410	1,41,858	23,448	20%
Expenses +	82,578	1,05,288	22,710	28%	1,05,288	1,23,232	17,944	17%
Operating Profit	5,752	13,122	7,370	128%	13,122	18,626	5,504	42%
OPM %	7%	11%			11%	13%		
Other Income +	1,861	2,415	554	30%	2,415	4,248	1,833	76%
Interest	127	252	125	98%	252	194	-58	-23%
Depreciation	2,789	4,846	2,057	74%	4,846	5,256	410	8%
Profit before tax	4,697	10,438	5,741	122%	10,438	17,424	6,986	67%
Tax %	17%	21%			21%	23%		
Net Profit +	3,880	8,264	4,384	113%	8,264	13,488	5,224	63%
EPS in Rs	128.43	273.56	145	113%	273.56	429.01	155	57%
Dividend Payout %	47%	34%			34%	29%		

Starting from the **Operating Profit**, It had **increased significantly from the year 22-23 by almost 128%**, while it was **only 42%** in from year 23-24. Also from our balance sheet we had observed that **fixed assets had been purchased** by company from year 22-23 & as a reason the depreciation for that year had also **increased significantly**. But as we can see that both **profit before tax, & net profit had increased significantly from 22-23** which **faced little decrease from year 23-24**. Also the **EPS** which is essential for the **company shareholder** had a significant **increase in year 22-23**

Vertical Analysis

Vertical analysis, also called common-size analysis, is a technique that expresses each financial statement item as a percent of a base amount.

On an income statement, we might say that selling expenses are 16% of net sales.

Commonly applied to the

- ▶ Balance sheet
- ▶ Income statement



Vertical Analysis

Balance Sheet of Maruti Suzuki									
	Mar-22		Mar-23		Mar-24	Increase or Decrease (In Numbers)			
Equity Capital	₹ 151.00	0.20%	₹ 157.00	0.16%	₹ 157.00	0.14%			
Reserves	₹ 55,182.00	73.92%	₹ 74,443.00	74.36%	₹ 85,479.00	74.13%			
Borrowings +	₹ 426.00	0.57%	₹ 1,248.00	1.25%	₹ 119.00	0.10%			
Other Liabilities +	₹ 18,896.00	25.31%	₹ 24,258.00	24.23%	₹ 29,550.00	25.63%			
Total Liabilities	₹ 74,656.00	100.00%	₹ 1,00,106.00	100%	₹ 1,15,304.00	100%			
Fixed Assets +	₹ 13,747.00	18.41%	₹ 27,941.00	27.91%	₹ 27,865.00	24.17%			
CWIP	₹ 2,936.00	3.93%	₹ 4,143.00	4.14%	₹ 7,735.00	6.71%			
Investments	₹ 42,035.00	56.30%	₹ 49,184.00	49.13%	₹ 57,296.00	49.69%			
Other Assets +	₹ 15,937.00	21.35%	₹ 18,837.00	18.82%	₹ 22,408.00	19.43%			
Total Assets	₹ 74,656.00	100.00%	₹ 1,00,106.00	100%	₹ 1,15,304.00	100%			

CWIP stands for Capital Work in Progress, and it's an accounting term that refers to the costs of projects that are still being constructed or developed.

Vertical Analysis

Income Statement of Maruti Suzuki						
	Mar-22		Mar-23		Mar-24	
Net Sales	₹ 88,330.00	100%	₹ 1,18,410.00	100%	₹ 1,41,858.00	100%
Expenses	₹ 82,578.00	93%	₹ 1,05,288.00	89%	₹ 1,23,232.00	87%
Operating Profit	₹ 5,752.00	7%	₹ 13,122.00	11%	₹ 18,626.00	13%
Other Income +	₹ 1,861.00	2%	₹ 2,415.00	2%	₹ 4,248.00	3%
Interest	₹ 127.00	0.14%	₹ 252.00	0.21%	₹ 194.00	0.14%
Depreciation	₹ 2,789.00	3%	₹ 4,846.00	4%	₹ 5,256.00	4%
Profit before tax	₹ 4,697.00	5%	₹ 10,438.00	9%	₹ 17,424.00	12%
Tax %	17%		21%		23%	
Net Profit +	₹ 3,880.00	4%	₹ 8,264.00	7%	₹ 13,488.00	10%

Ratio Analysis

Ratio analysis of financial statement is another tool that helps identify changes in a company's financial situation.

A single ratio is not sufficient to adequately judge the financial situation of the company. Several ratios must be analyzed together and compared with prior-year ratios, or even with other companies in the same industry.

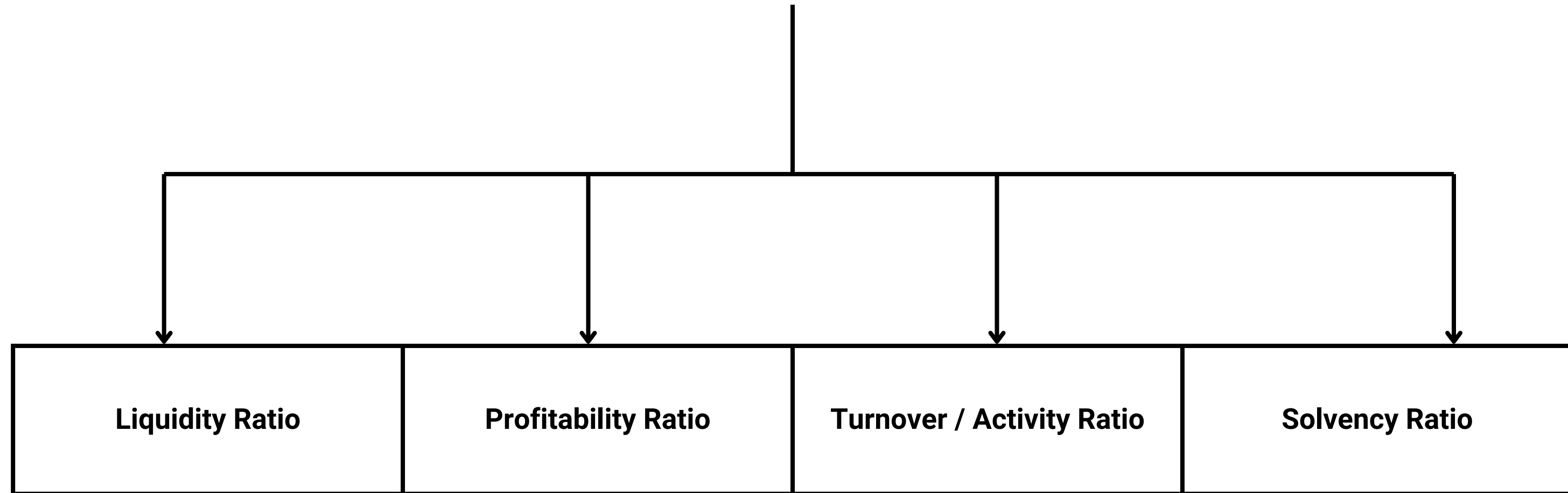
This comparative aspect of ratio analysis is extremely important in financial analysis. It is important to note that ratios are parameters and not precise or absolute measurements. Thus, ratios must be interpreted cautiously to avoid erroneous conclusions.



Correct Decision Making

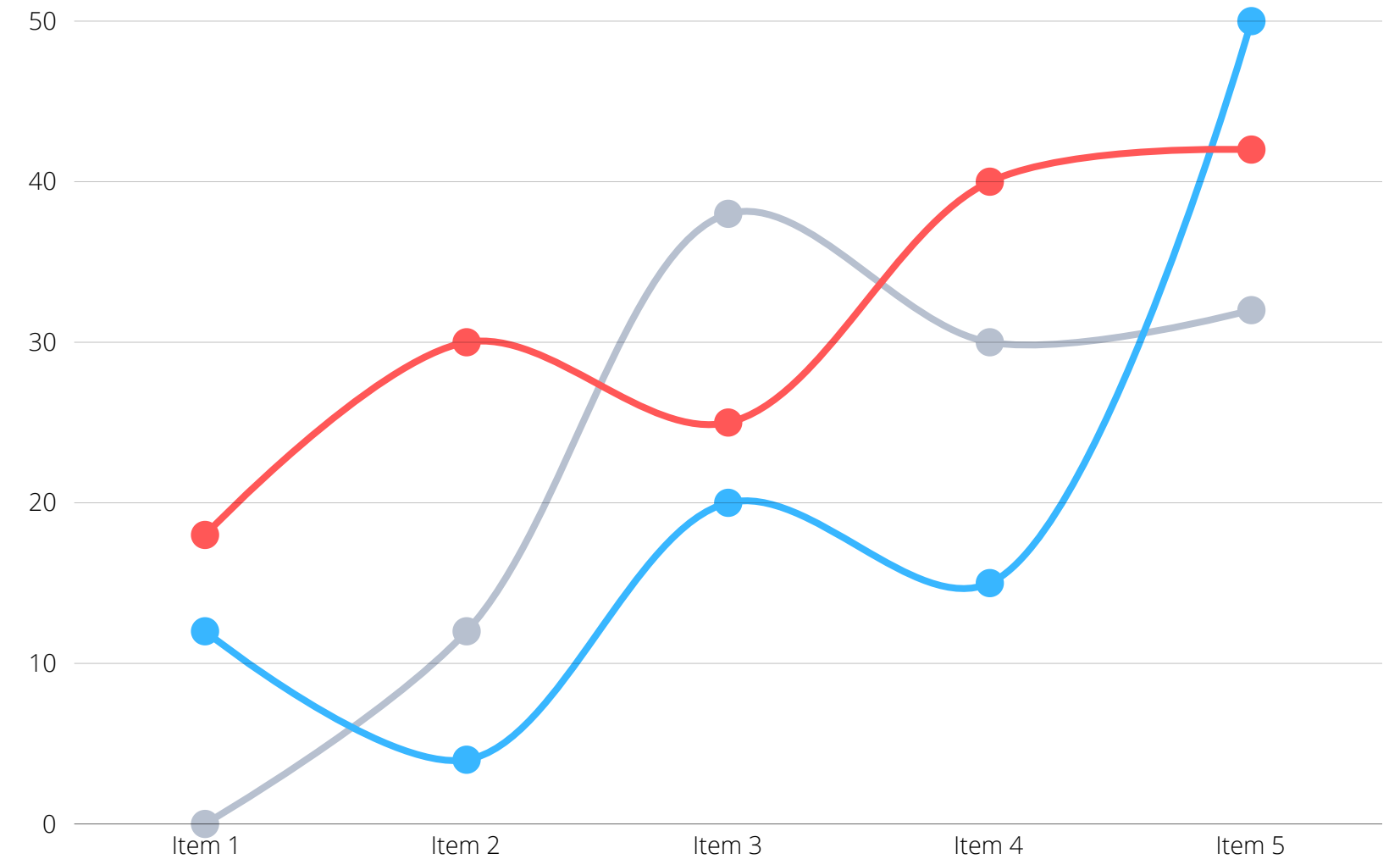
With ratios, a business can avoid losses and the worst possibility.

Financial Ratios





Liquidity Ratio



Liquidity ratio analysis measure how liquid the company's assets are (how easily can the assets be converted into cash) as compared to its current liabilities.

The common liquidity ratio are:

- 1.Current ratio analysis
- 2.Acid test (or quick asset) ratio analysis

Current Ratio Analysis

Current ratio is the most frequently used ratio to measure company's liquidity as it is quick, intuitive and easy measure to understand the relationship between the current assets and current liabilities.

It basically answers this question "How many Rupees in current assets does the company have to cover each ₹ of current liabilities"

$$\text{Current Ratio} = \text{Current Assets} / \text{Current Liabilities}$$

INTERPRETATION OF CURRENT RATIO

Manufacturing companies - **High CR**

Retail Sector (Walmart, DMart) – **Lower CR**



Correct Decision Making

With ratios, a business can avoid losses and the worst possibility.

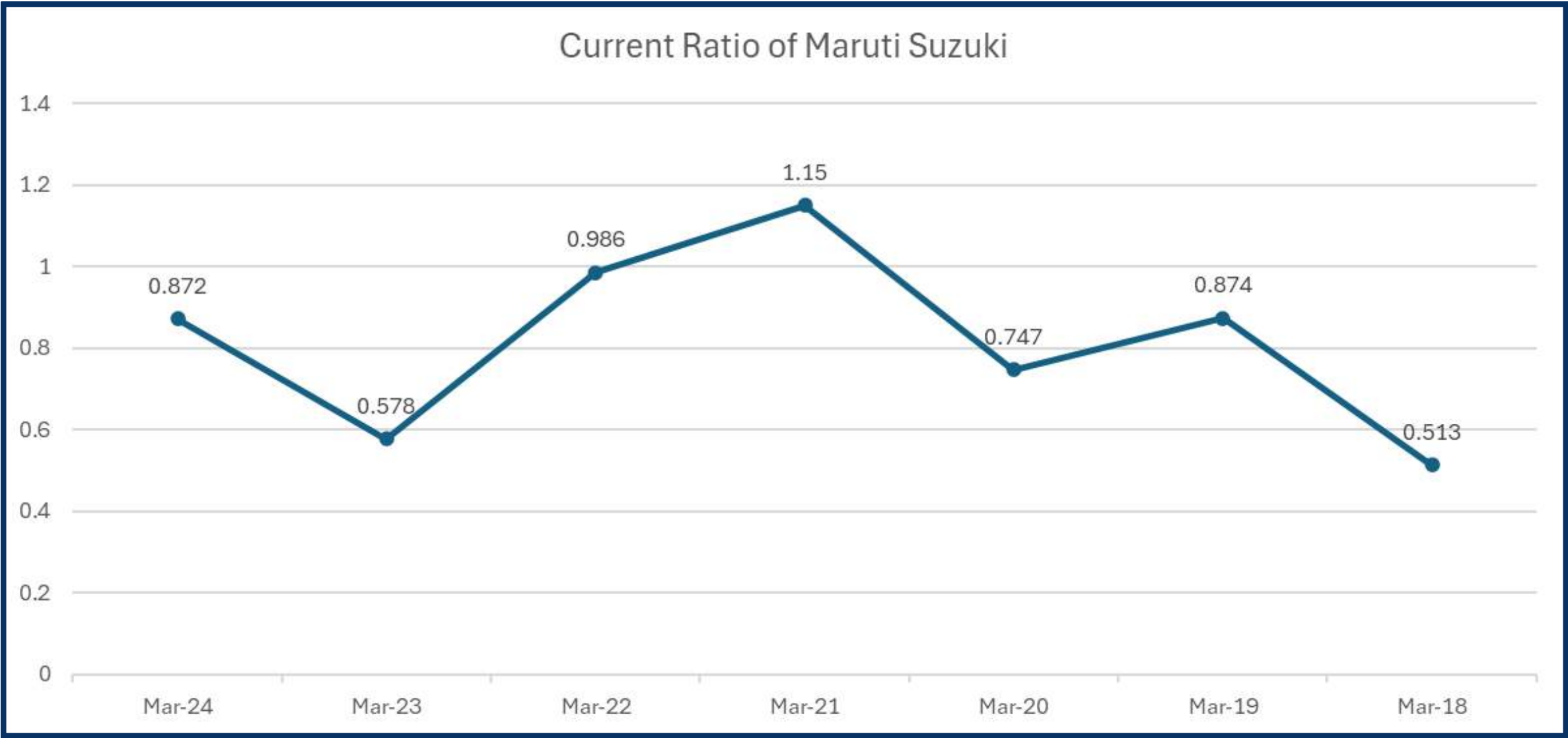


CURRENT RATIO ANALYSIS – MARUTI SUZUKI

The current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations. It is calculated as a company's Total Current Assets divided by its Total Current Liabilities. Maruti Suzuki India's current ratio for the quarter that ended in **Sep. 2024 was 0.87**.

Maruti Suzuki India has a current ratio of 0.87. It indicates that the company may have **difficulty meeting its current obligations**. Low values, however, do not indicate a critical problem. If Maruti Suzuki India has good long-term prospects, it may be able to borrow against those prospects to meet current obligations. **During the past 13 years, Maruti Suzuki India's highest Current Ratio was 1.12. The lowest was 0.51. And the median was 0.83.**

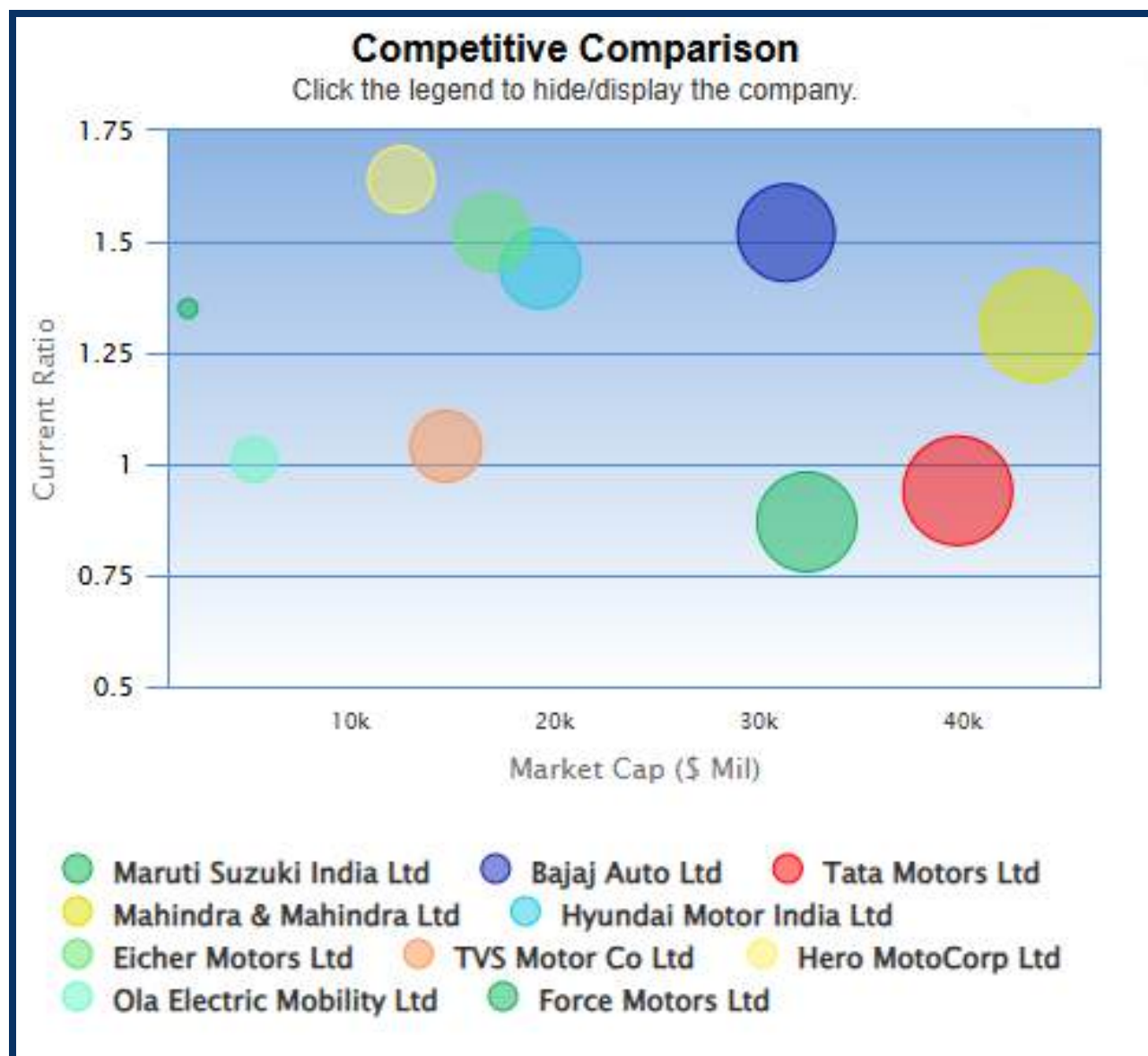
Period	Mar-24	Mar-23	Mar-22	Mar-21	Mar-20	Mar-19	Mar-18
Current Ratio	0.872	0.578	0.986	1.15	0.747	0.874	0.513



Comparison of Current Ratio of Maruti Suzuki vs other competitors

For the Auto Manufacturers subindustry, Maruti Suzuki India's Current Ratio, along with its competitors' market caps and Current Ratio data, can be viewed below:

* Competitive companies are chosen from companies within the same industry, with headquarter located in same country, with closest market capitalization; x-axis shows the market cap, and y-axis shows the term value; the bigger the dot, the larger the market cap.

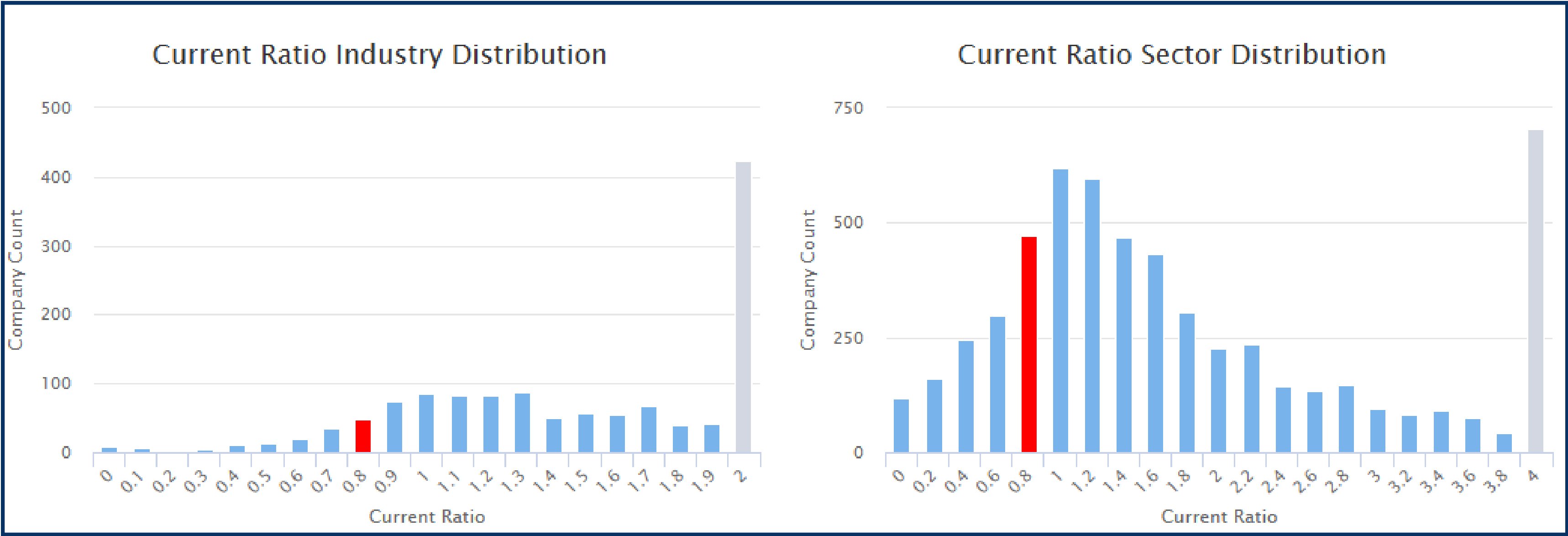


Competitive Comparison Data

Company	Market Cap (M)	Current Ratio
Maruti Suzuki India Ltd	\$ 31,400.80	0.87
Bajaj Auto Ltd	\$ 30,380.42	1.52
Tata Motors Ltd	\$ 38,791.85	0.94
Mahindra & Mahindra...	\$ 42,642.35	1.31
Hyundai Motor India Ltd	\$ 18,349.28	1.44
Eicher Motors Ltd	\$ 15,959.72	1.52
TVS Motor Co Ltd	\$ 13,722.94	1.04
O Hero MotoCorp Ltd	\$ 11,534.26	1.64
Ola Electric Mobility Ltd	\$ 4,348.28	1.01
Force Motors Ltd	\$ 1,090.90	1.35

Current Ratio- Industry Analysis

For the Vehicles & Parts industry and Consumer Cyclical sector, Maruti Suzuki India's Current Ratio distribution charts can be found below:
* The bar in red indicates where Maruti Suzuki India's Current Ratio falls into.



WHAT IS QUICK RATIO?

Sometimes current assets may contain huge amounts of inventory, prepaid expenses etc. This may skew the current ratio interpretations as these are not very liquid.

To address this issue, if we consider the only most liquid assets like Cash and Cash equivalents and Receivables, then it should provide us with a better picture on the coverage of short term obligations.

This ratio is known as Quick Ratio or the Acid Test

The rule of thumb for a healthy acid test index is 1.0.

Quick Ratio = $\frac{\text{Current Assets} - \text{Stock} - \text{Prepaid-Expenses}}{\text{Current Liabilities}}$ – B.O

Interpretation of Quick Ratio

Low quick ratios in businesses that sell on cash basis (for example, restaurants, supermarkets etc). In these businesses there are no receivables, however, there may be a huge pile of inventory.

Construction Companies – A/R takes much time to convert into cash



Correct Decision Making

With ratios, a business can avoid losses and the worst possibility.

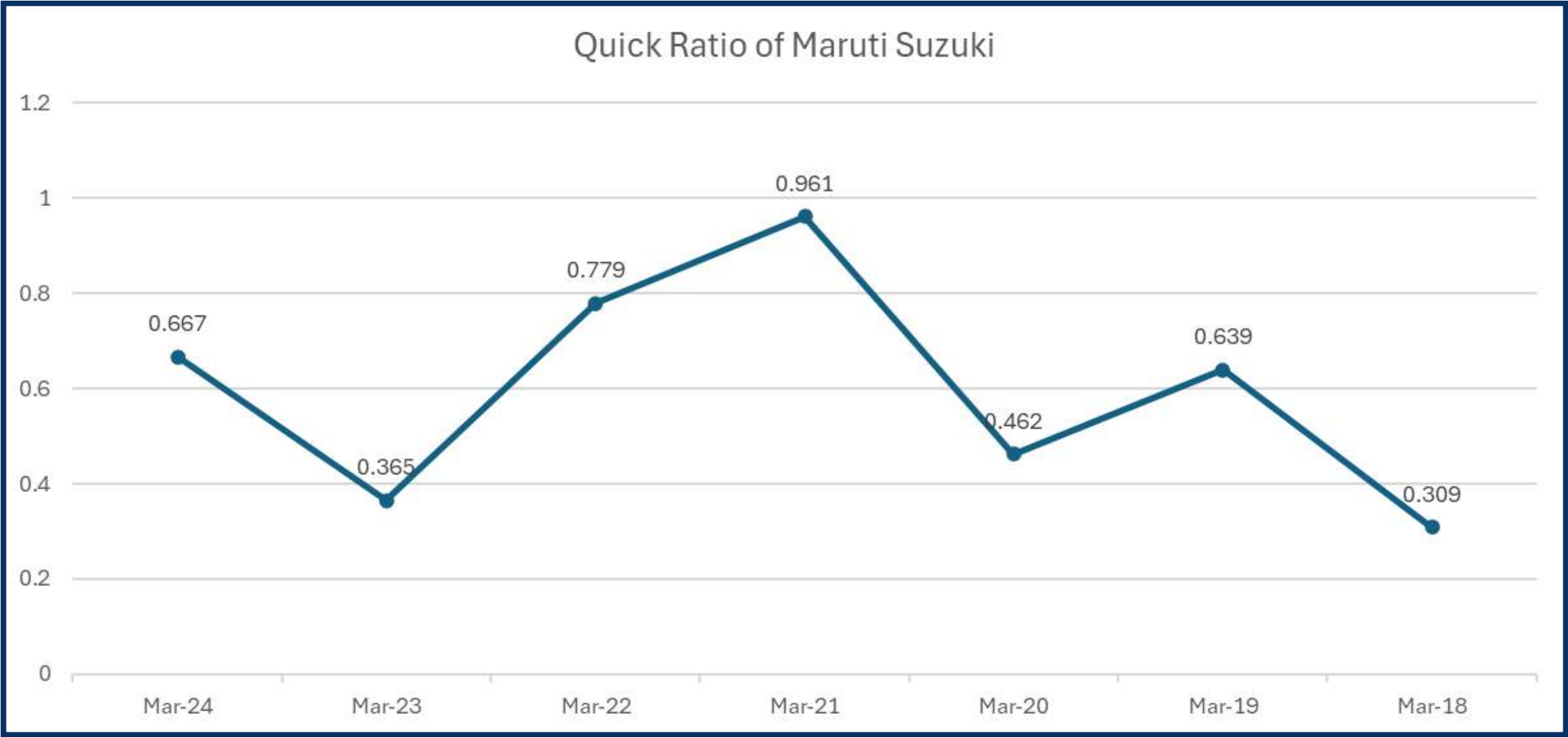
QUICK RATIO ANALYSIS – MARUTI SUZUKI

The quick ratio measures a company's ability to meet its short-term obligations with its most liquid assets. It is calculated as a company's Total Current Assets excludes Total Inventories divides by its Total Current Liabilities. Maruti Suzuki India's quick ratio for the quarter that ended in **Sep. 2024 was 0.61**.

Maruti Suzuki India has a **quick ratio of 0.61**. It indicates that the **company cannot currently fully pay back its current liabilities**. During the past 13 years, **Maruti Suzuki India's highest Quick Ratio was 0.93**. The lowest was 0.31. And the median was 0.56.

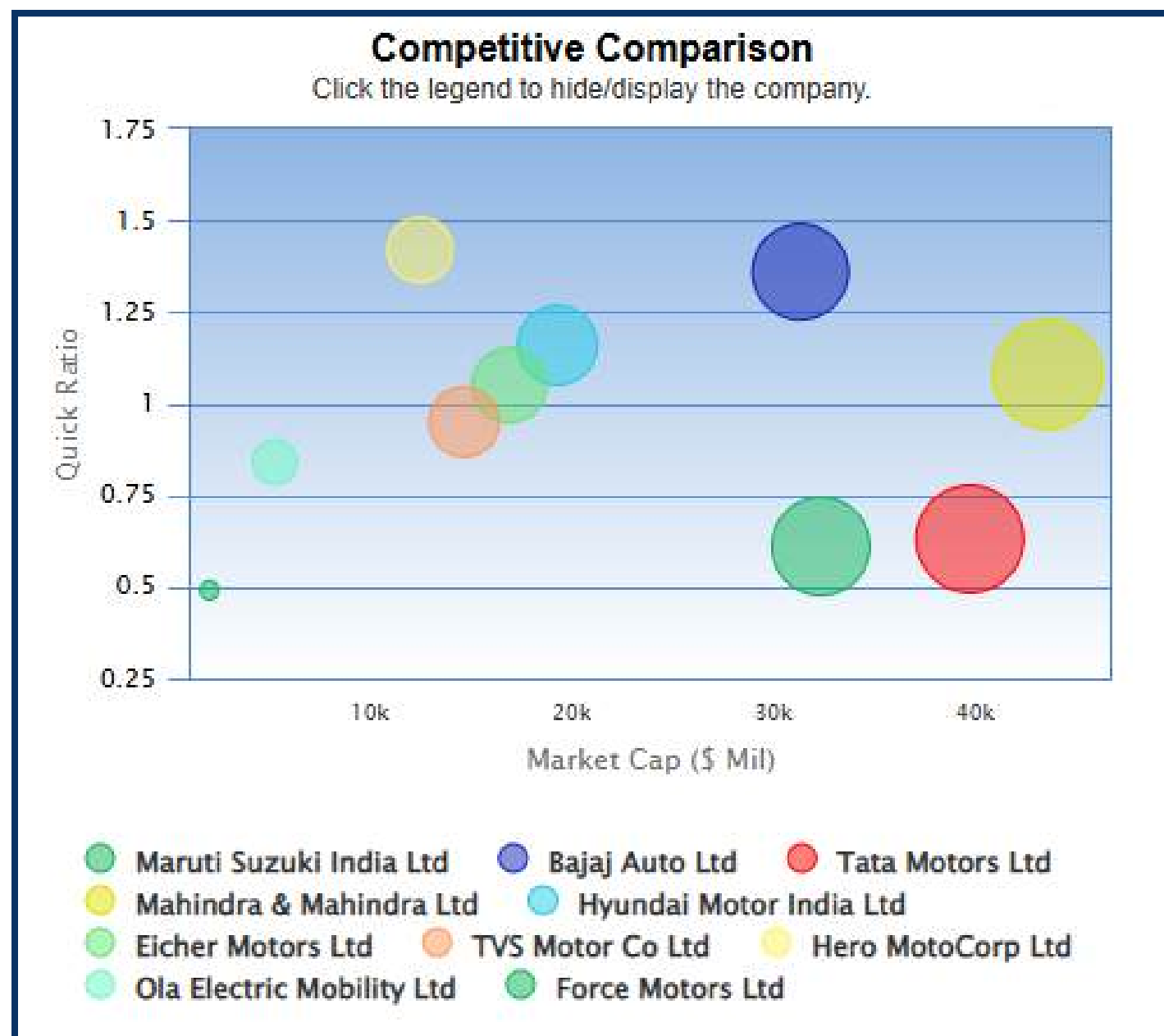
FY - Historical Quick Ratio of Maruti Suzuki India Ltd.

Period	Mar-24	Mar-23	Mar-22	Mar-21	Mar-20	Mar-19	Mar-18
Quick Ratio	0.667	0.365	0.779	0.961	0.462	0.639	0.309



Comparison of Quick Ratio of Maruti Suzuki vs other competitors

For the Auto Manufacturers subindustry, Maruti Suzuki India's Quick Ratio, along with its competitors' market caps and Quick Ratio data, can be viewed below:
* Competitive companies are chosen from companies within the same industry, with headquarter located in same country, with closest market capitalization; x-axis shows the market cap, and y-axis shows the term value; the bigger the dot, the larger the market cap.

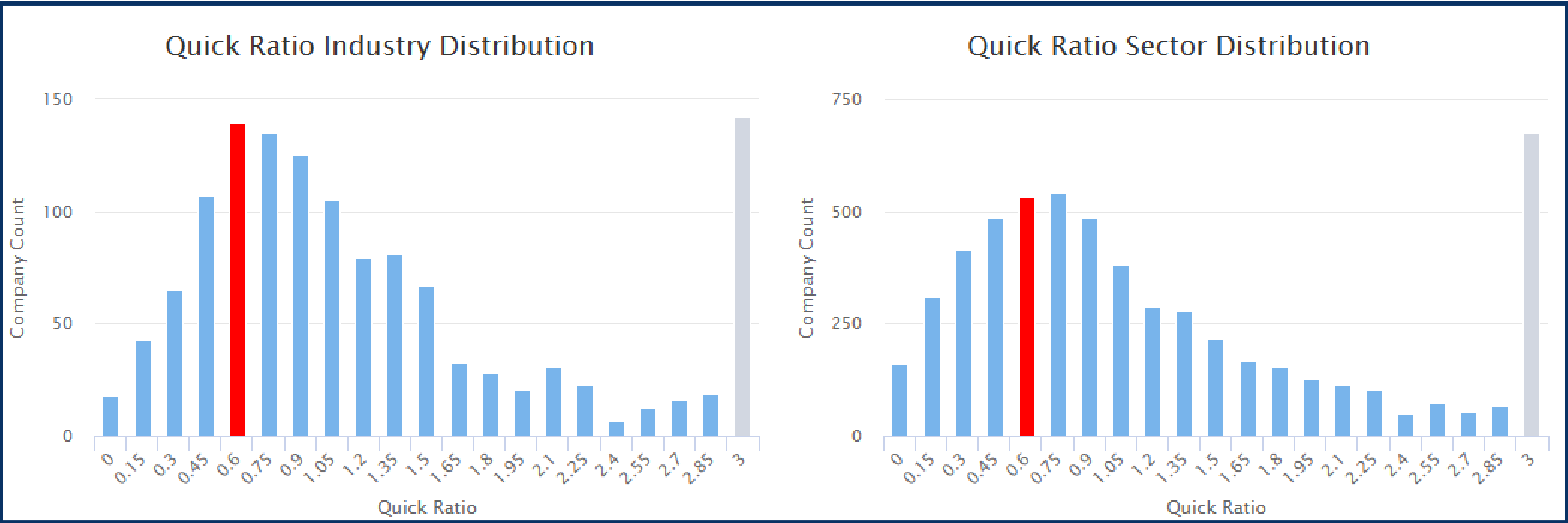


Competitive Comparison Data

Company	Market Cap (M)	Quick Ratio
Maruti Suzuki India Ltd	\$ 31,400.80	0.61
Bajaj Auto Ltd	\$ 30,380.42	1.36
Tata Motors Ltd	\$ 38,791.85	0.63
Mahindra & Mahindra ...	\$ 42,642.35	1.08
Hyundai Motor India Ltd	\$ 18,349.28	1.16
Eicher Motors Ltd	\$ 15,959.72	1.05
TVS Motor Co Ltd	\$ 13,722.94	0.95
Hero MotoCorp Ltd	\$ 11,534.26	1.42
Ola Electric Mobility Ltd	\$ 4,348.28	0.84
Force Motors Ltd	\$ 1,090.90	0.49

Quick Ratio- Industry Analysis

For the Vehicles & Parts industry and Consumer Cyclical sector, Maruti Suzuki India's Quick Ratio distribution charts can be found below:
* The bar in red indicates where Maruti Suzuki India's Quick Ratio falls into.



Profitability Ratios

- Net Sales
- Return on Funds invested

GROSS PROFIT MARGIN?

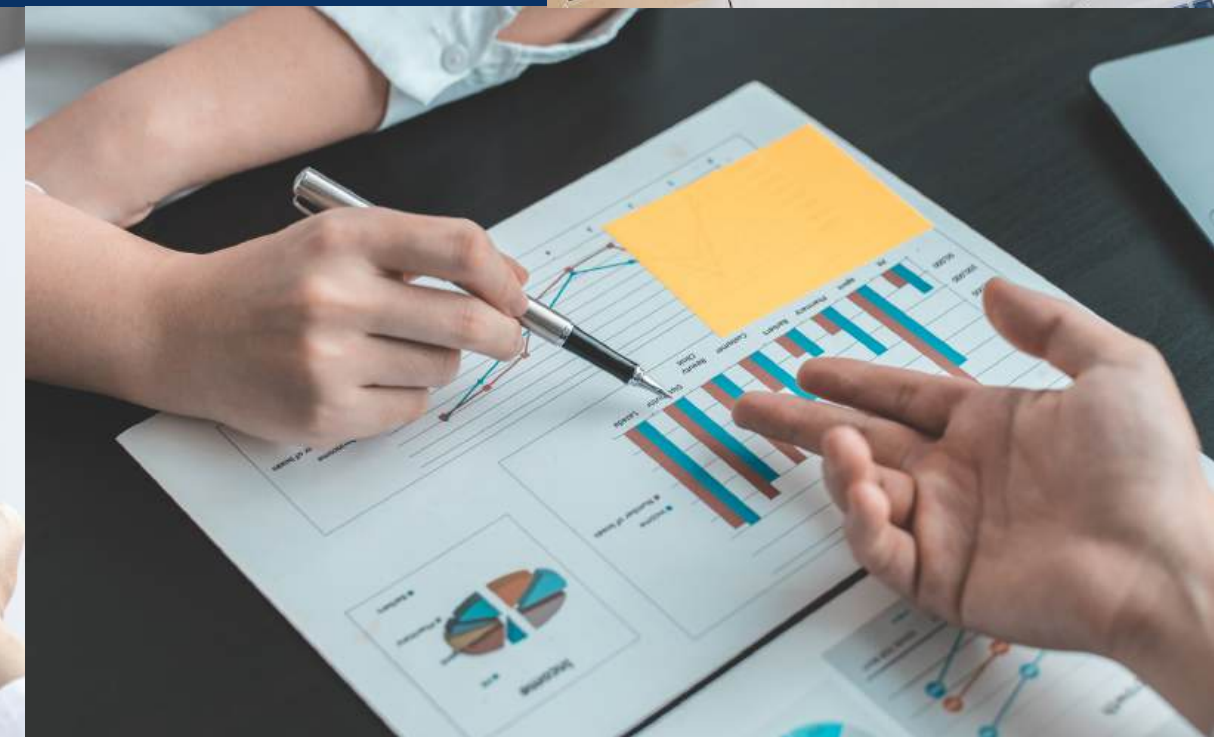
Gross Margin Formula = (Sales – Costs of Goods Sold)/Net Sales = Gross Profit / Net Sales

- Gross Margin can vary drastically between industries. For example, digital products sold online will have extremely high Gross Margin as compared to a company that sells Laptop.
- Gross margin is extremely useful when we look at the historical trends in the margins.
- If the Gross Margins has increased historically, then it could be either because of price increase or control of direct costs.
- However, if the Gross margins show a declining trend, then it may be because of increased competitiveness and therefore resulting in decreased sales price.



Correct Decision Making

With ratios, a business can avoid losses and the worst possibility.



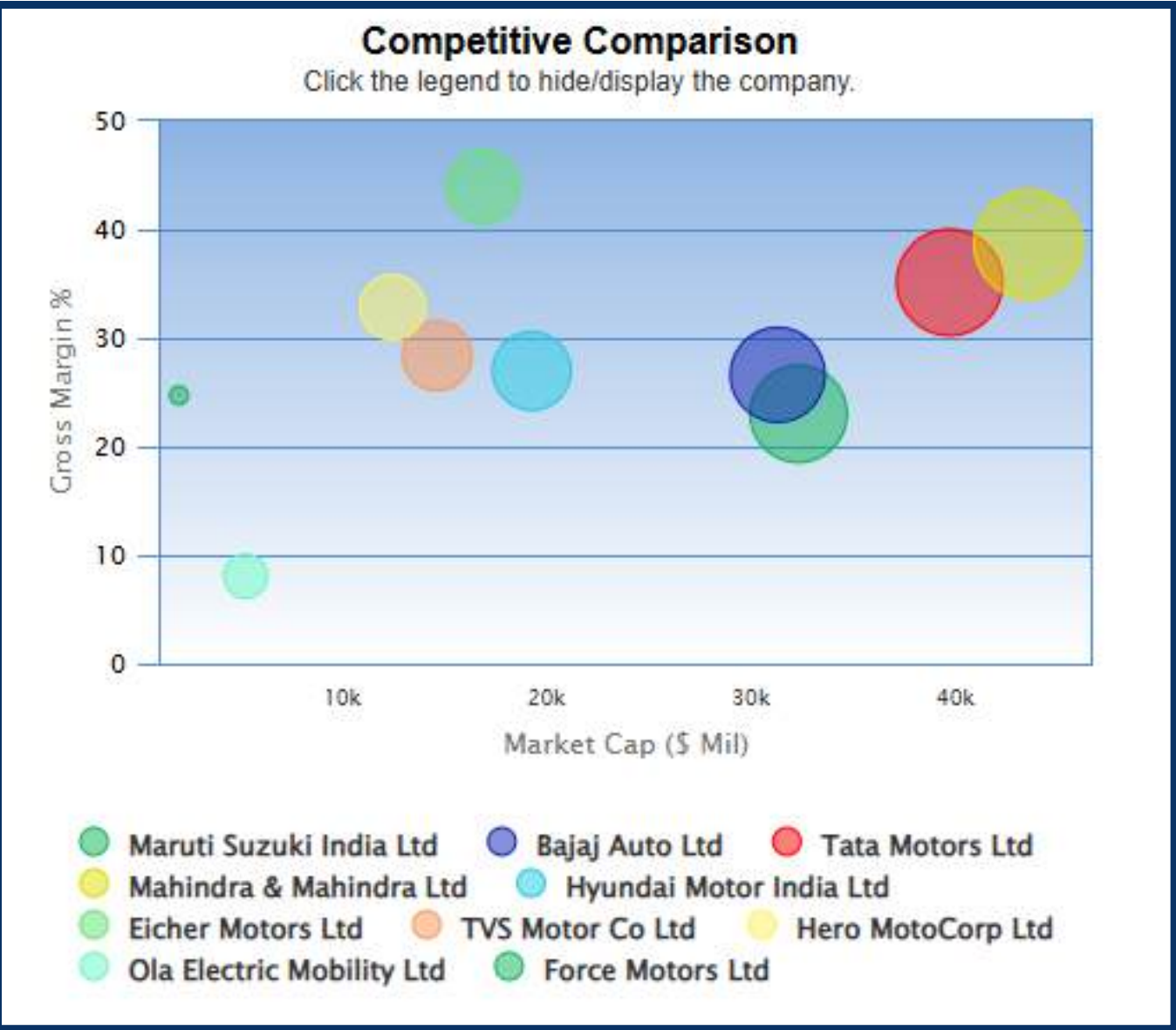
GROSS PROFIT MARGIN RATIO ANALYSIS – MARUTI SUZUKI

Gross Margin % is calculated as gross profit divided by its revenue. Maruti Suzuki India's Gross Profit for the three months ended in **Sep. 2024 was \$1,092.98 Mil.** Maruti Suzuki India's **Revenue for the three months ended in Sep. 2024 was \$4,247.06 Mil.** Therefore, Maruti Suzuki India's **Gross Margin %** for the quarter that ended in **Sep. 2024 was 25.74%.**

During the **past 13 years, the highest Gross Margin % of Maruti Suzuki India was 24.09%.** The lowest was 18.48%. And the median was 21.35%. The 5-Year average **Growth Rate of Gross Margin** for Maruti Suzuki India was **0.10% per year.**

For the Auto Manufacturers subindustry, Maruti Suzuki India's Gross Margin %, along with its competitors' market caps and Gross Margin % data, can be viewed below:

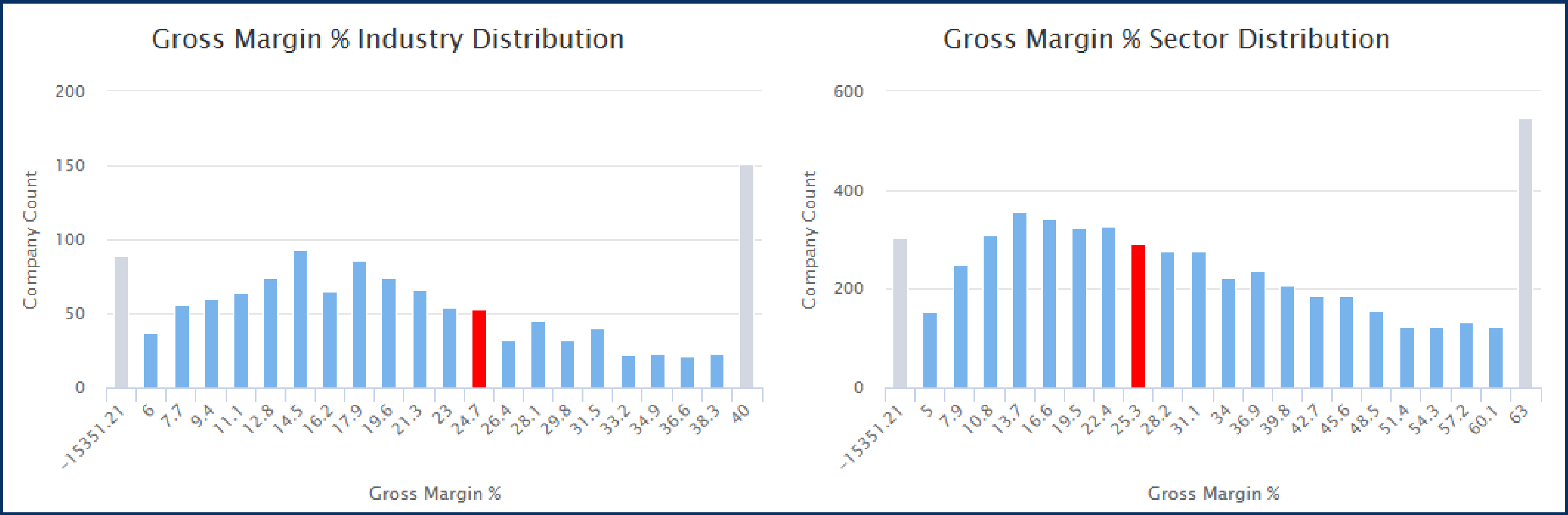
* Competitive companies are chosen from companies within the same industry, with headquarter located in same country, with closest market capitalization; x-axis shows the market cap, and y-axis shows the term value; the bigger the dot, the larger the market cap. Note that "N/A" values will not show up in the chart.



Competitive Comparison Data		
Company	Market Cap (M)	Gross Margin
Maruti Suzuki India Ltd	\$ 31,400.80	23.74
Bajaj Auto Ltd	\$ 30,380.42	26.10
Tata Motors Ltd	\$ 38,791.85	35.10
Mahindra & Mahindra Ltd	\$ 42,642.35	38.10
Hyundai Motor India Ltd	\$ 18,349.28	26.10
Eicher Motors Ltd	\$ 15,959.72	43.10
TVS Motor Co Ltd	\$ 13,722.94	28.10
Hero MotoCorp Ltd	\$ 11,534.26	32.10
Ola Electric Mobility Ltd	\$ 4,348.28	8.10
Force Motors Ltd	\$ 1,090.90	24.10

GROSS PROFIT MARGIN RATIO INDUSTRY ANALYSIS – MARUTI SUZUKI

For the Vehicles & Parts industry and Consumer Cyclical sector, Maruti Suzuki India's Gross Margin % distribution charts can be found below:
* The bar in red indicates where Maruti Suzuki India's Gross Margin % falls into.



Operating Profit Margin (Operating ability)

Operating profit or Earnings Before Interest and Taxes (EBIT) margin measures the rate of profit on sales after operating expenses. Operating income can be thought of as the “bottom line” from operations.

Operating Profit Margin = EBIT / Net Sales or = EBITDA/Net Sales (Assume, Dep as Non-operating)



Correct Decision Making

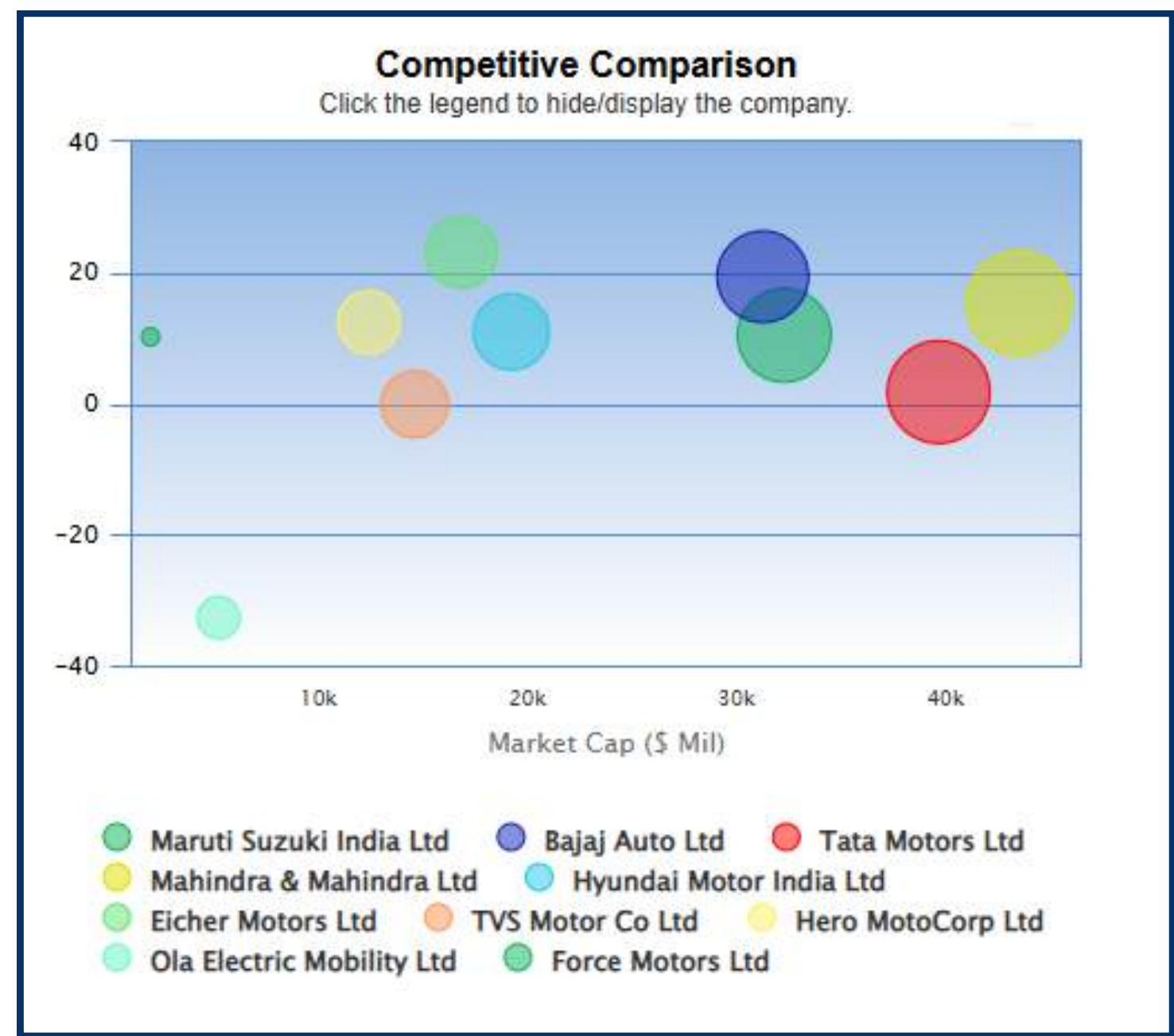
With ratios, a business can avoid losses and the worst possibility.



OPERATING PROFIT ANALYSIS – MARUTI SUZUKI

Operating Margin % is calculated as Operating Income divided by its Revenue. Maruti Suzuki India's **Operating Income** for the **three months ended in Sep. 2024** was **\$431.20 Mil.** Maruti Suzuki India's Revenue for the three months ended in Sep. 2024 was \$4,247.06 Mil. Therefore, Maruti Suzuki India's **Operating Margin % for the quarter that ended in Sep. 2024** was **10.15%.**

Maruti Suzuki India Ltd operating margin is expanding. Margin expansion is usually a good sign. Competitive companies are chosen from companies within the same industry, with headquarter located in same country, with closest market capitalization; x-axis shows the market cap, and y-axis shows the term value; the bigger the dot, the larger the market cap. Note that "N/A" values will not show up in the chart.

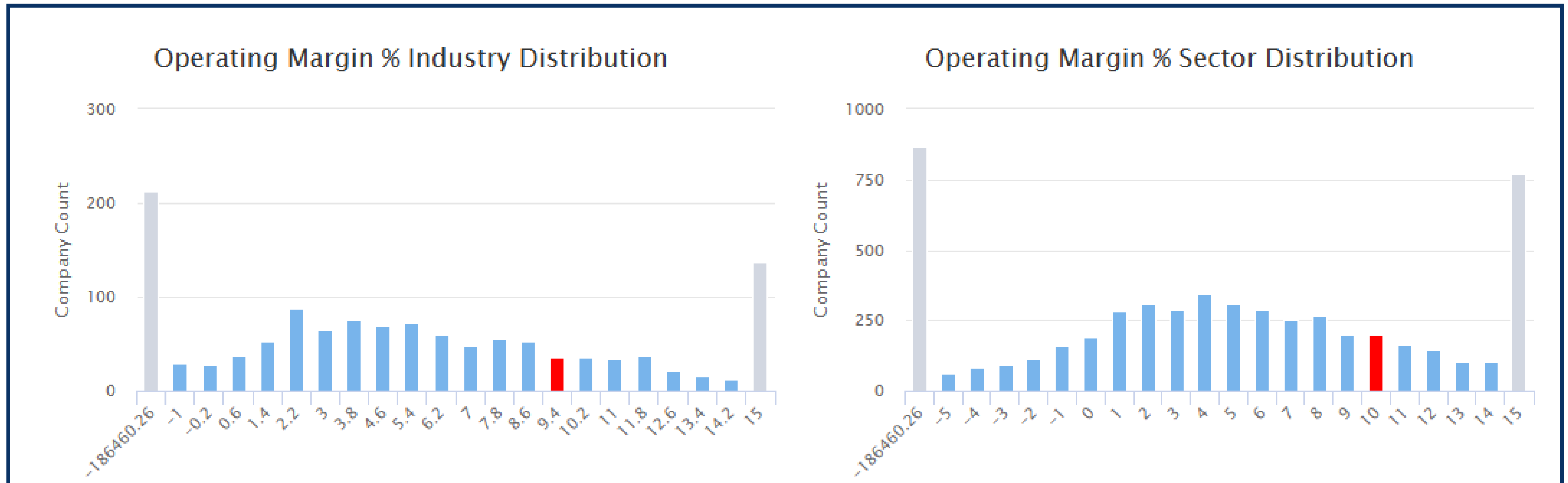


Competitive Comparison Data		
Company	Market Cap (M)	Operating Ma
Maruti Suzuki India Ltd	\$ 31,400.80	
Bajaj Auto Ltd	\$ 30,377.76	
Tata Motors Ltd	\$ 38,788.45	
Mahindra & Mahindra...	\$ 42,638.62	
Hyundai Motor India Ltd	\$ 18,347.67	
Eicher Motors Ltd	\$ 15,958.32	
TVS Motor Co Ltd	\$ 13,721.74	
Hero MotoCorp Ltd	\$ 11,533.25	
Ola Electric Mobility Ltd	\$ 4,347.90	
Force Motors Ltd	\$ 1,090.81	

OPERATING PROFIT INDUSTRY ANALYSIS – MARUTI SUZUKI

For the Vehicles & Parts industry and Consumer Cyclical sector, Maruti Suzuki India's Operating Margin % distribution charts can be found below:

*** The bar in red indicates where Maruti Suzuki India's Operating Margin % falls into.**



Net Profit Margin (Operating & Financial ability)

Net Profit Margin Formula = Net Income / Net Sales

Net Profit Margin Ratio indicates the proportion of sales revenue that translates into net profit. For example, a net profit margin of 35% means that every \$1 sale contributes 35 cents towards the net profits of the business.

Measuring the trend of NP margin over several periods in comparison to industry benchmarks is crucial for identifying performance gaps that could be overcome to improve the profitability of business in the future.



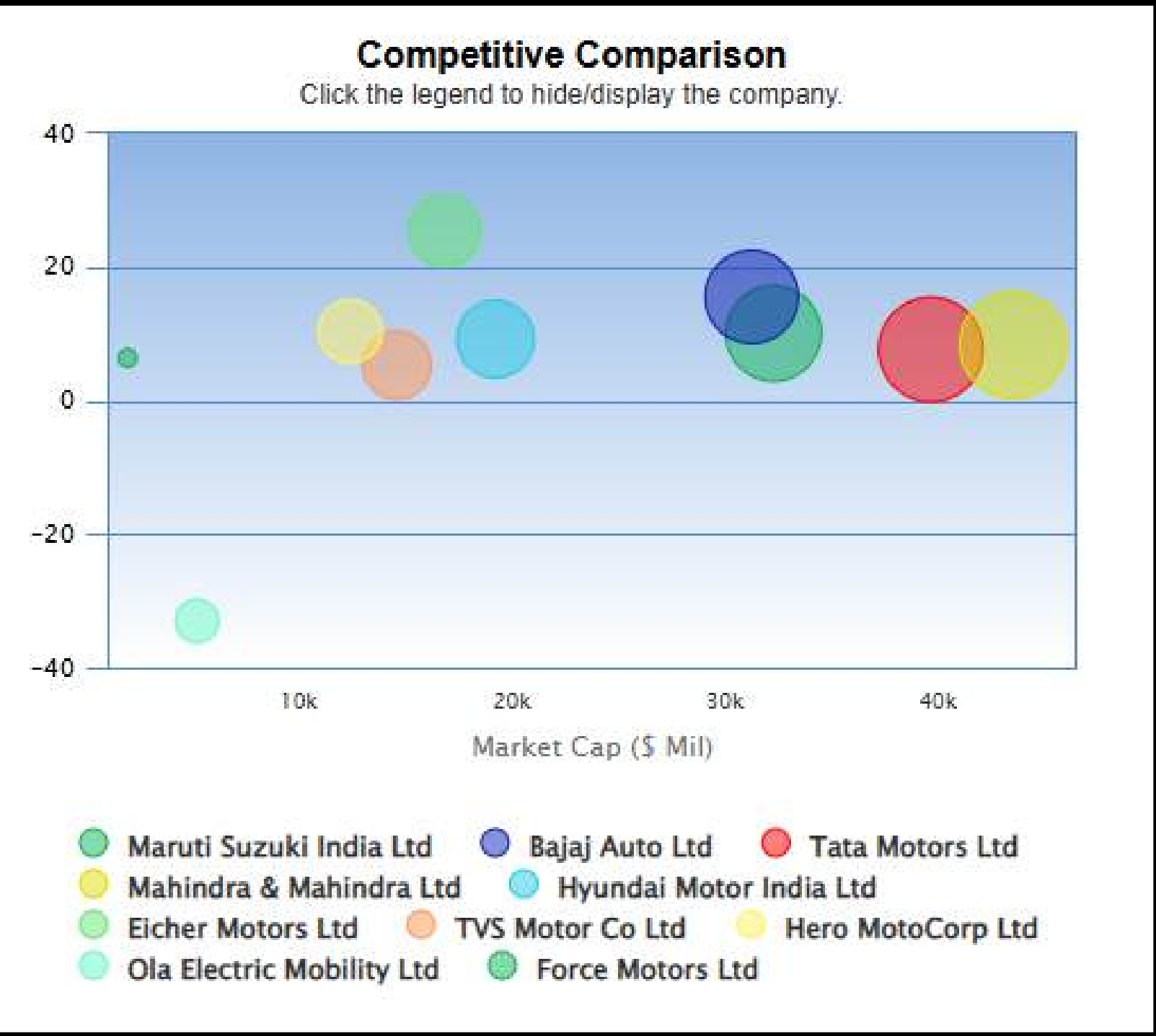
Correct Decision Making

With ratios, a business can avoid losses and the worst possibility.



NET PROFIT ANALYSIS – MARUTI SUZUKI

Net margin is calculated as Net Income divided by its Revenue. Maruti Suzuki India's **Net Income** for the **three months ended in Sep. 2024** was **\$370.27 Mil.** Maruti Suzuki India's Revenue for the three months ended in Sep. 2024 was \$4,247.06 Mil. Therefore, Maruti Suzuki India's **net margin** for the quarter that ended in **Sep. 2024** was **8.72%**

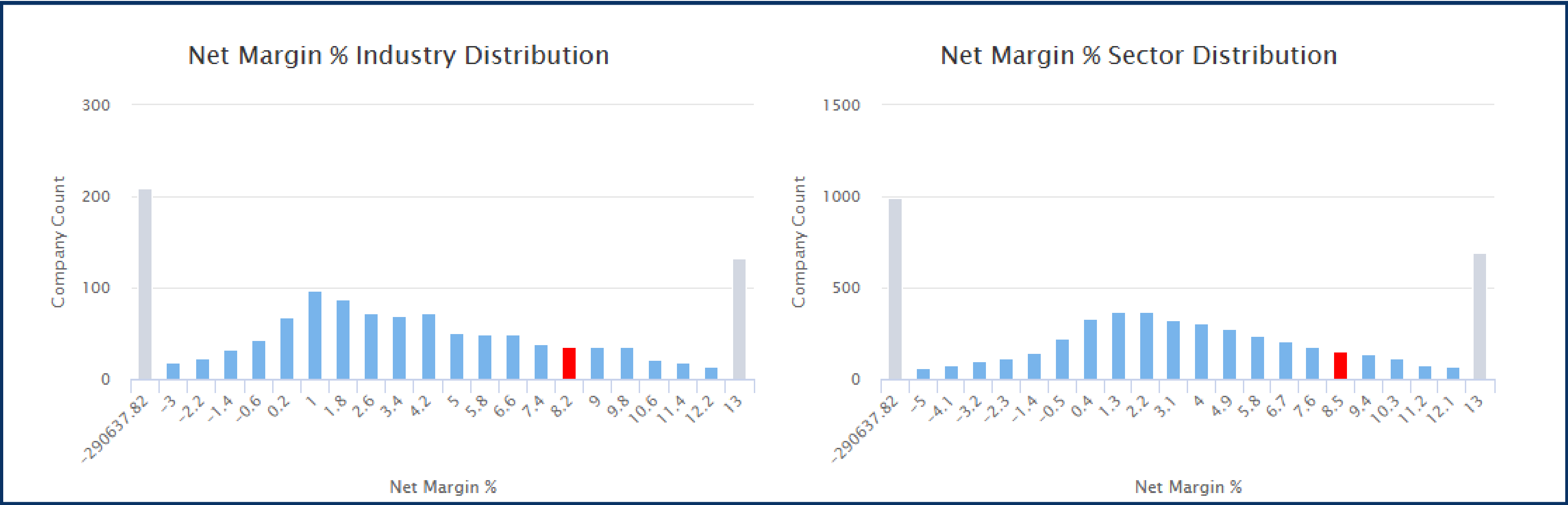


Competitive Comparison Data

Company	Market Cap (M)	Net Margin %
Maruti Suzuki India Ltd	\$ 31,400.80	10.05
Bajaj Auto Ltd	\$ 30,377.76	15.51
Tata Motors Ltd	\$ 38,788.45	7.63
Mahindra & Mahindra...	\$ 42,638.62	8.31
Hyundai Motor India Ltd	\$ 18,347.67	9.19
Eicher Motors Ltd	\$ 15,958.32	25.42
TVS Motor Co Ltd	\$ 13,721.74	5.28
Hero MotoCorp Ltd	\$ 11,533.25	10.37
Ola Electric Mobility Ltd	\$ 4,347.90	-33.02
Force Motors Ltd	\$ 1,090.81	6.38

NET PROFIT MARGIN INDUSTRY ANALYSIS

For the Vehicles & Parts industry and Consumer Cyclical sector, Maruti Suzuki India's Net Margin % distribution charts can be found below:
* The bar in red indicates where Maruti Suzuki India's Net Margin % falls into.



Return on Equity

Return on equity (ROE) is the amount of net income returned as a percentage of shareholders' equity. Return on equity (also known as "return on net worth" [RONW]) measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.

Return on Equity = Net Income/Shareholder's Equity

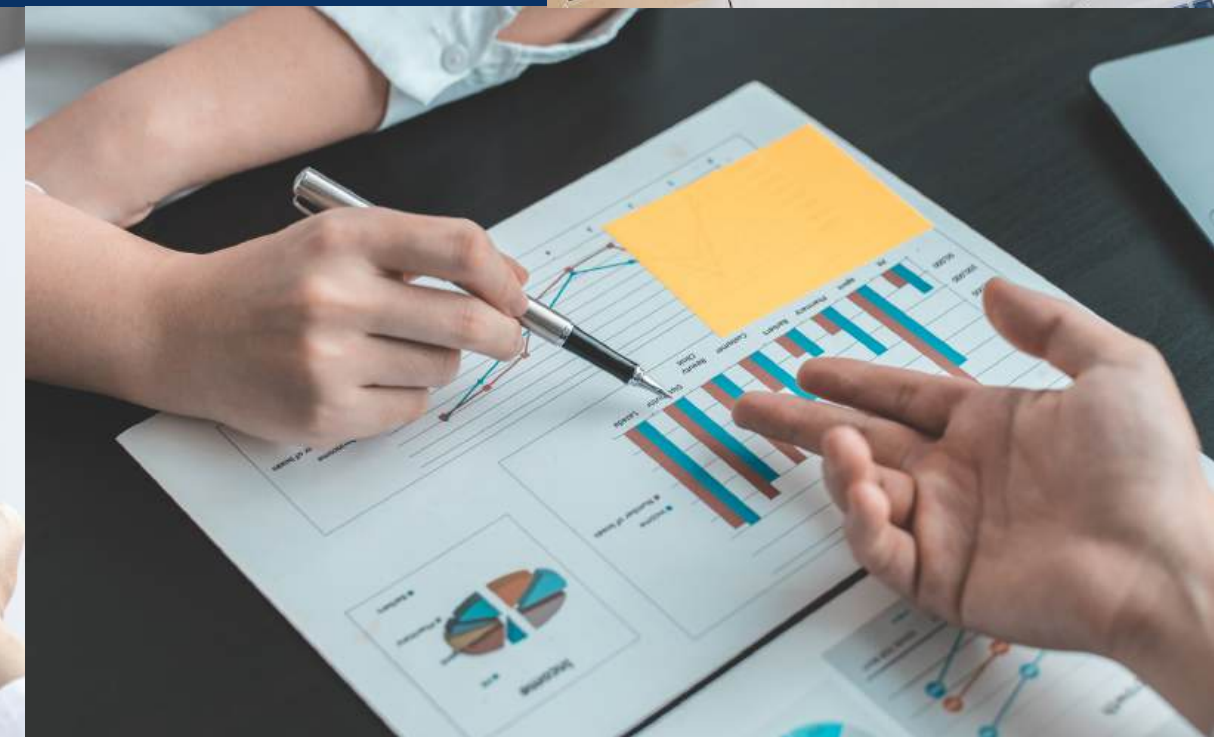
Although ROE is a popular measure of performance in the analyst community, there is a important drawback to it from an analytical point of view:

ROE is a function of both operating profitability and the financing choices made by management. Therefore, if ROE increases or decreases, without further analysis we cannot say whether this change is a function of changes in the underlying profitability of the business or whether it is a function of changes in how the company finances its assets



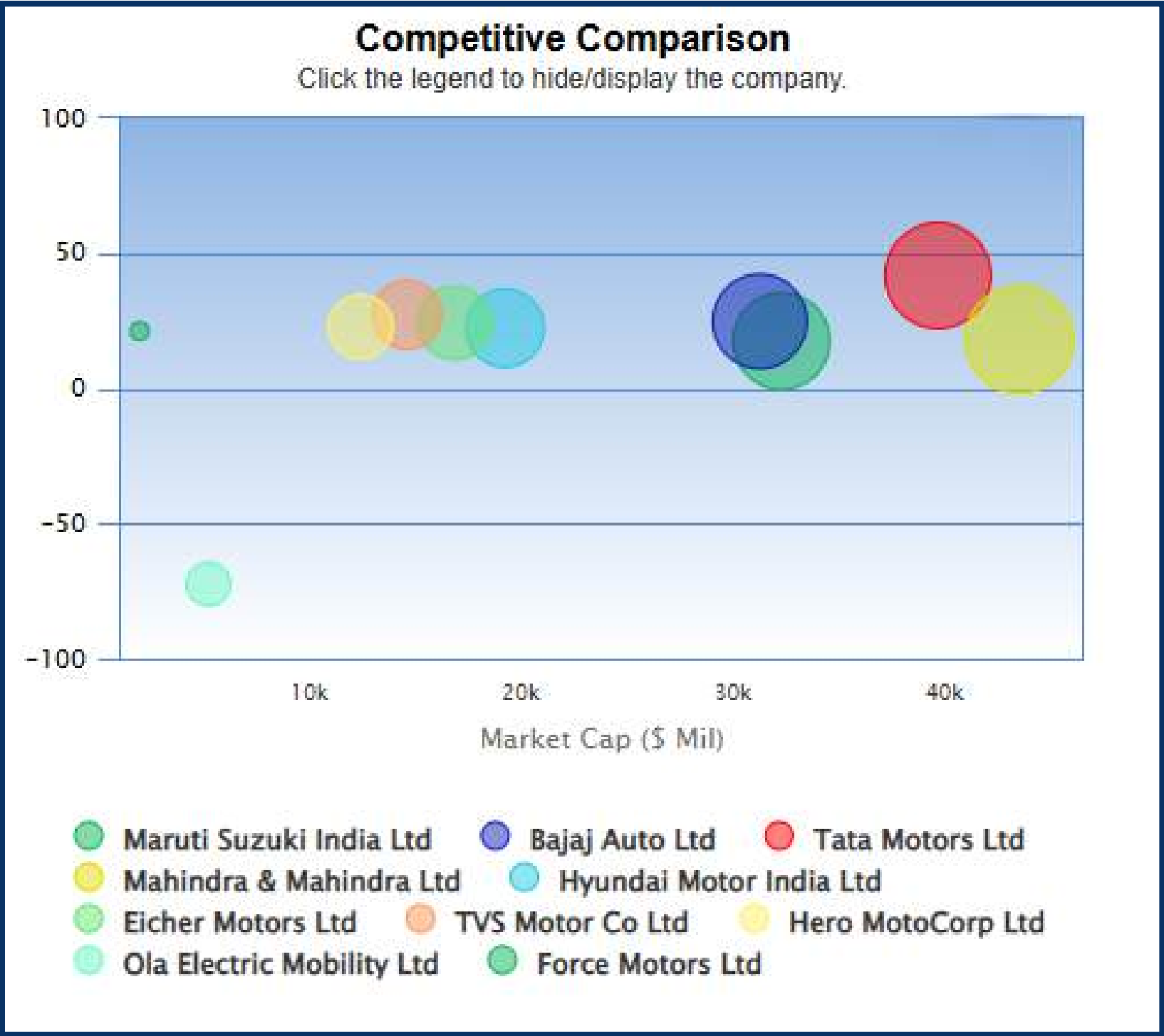
Correct Decision Making

With ratios, a business can avoid losses and the worst possibility.



ROE ANALYSIS - MARUTI SUZUKI

ROE % is calculated as Net Income divided by its average Total Stockholders Equity over a certain period of time. Maruti Suzuki India's annualized net income for the quarter that ended in Sep. 2024 was \$1,481.06 Mil. Maruti Suzuki India's average Total Stockholders Equity over the quarter that ended in Sep. 2024 was \$10,636.70 Mil. Therefore, Maruti Suzuki India's annualized **ROE % for the quarter that ended in Sep. 2024 was 13.92%**.



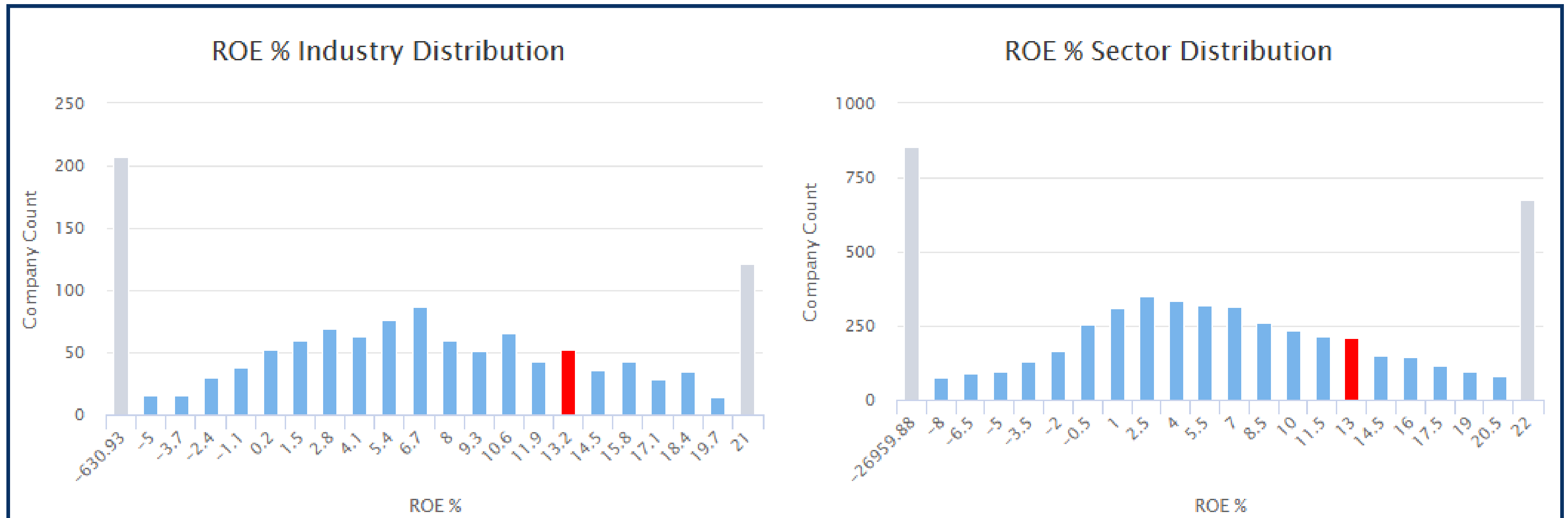
Competitive Comparison Data

Company	Market Cap (M)	ROE %
Maruti Suzuki India Ltd	\$ 31,400.80	17.49
Bajaj Auto Ltd	\$ 30,377.76	24.77
Tata Motors Ltd	\$ 38,788.45	41.74
Mahindra & Mahindra Ltd	\$ 42,638.62	18.05
Hyundai Motor India Ltd	\$ 18,347.67	22.31
Eicher Motors Ltd	\$ 15,958.32	24.18
TVS Motor Co Ltd	\$ 13,721.74	27.14
Hero MotoCorp Ltd	\$ 11,533.25	22.83
Ola Electric Mobility Ltd	\$ 4,347.90	-72.42
Force Motors Ltd	\$ 1,090.81	21.13

ROE INDUSTRY ANALYSIS - MARUTI SUZUKI

For the Vehicles & Parts industry and Consumer Cyclical sector, Maruti Suzuki India's ROE % distribution charts can be found below:

*** The bar in red indicates where Maruti Suzuki India's ROE % falls into.**



RETURN ON CAPITAL EMPLOYED

Company's ability to utilize its capital employed (Debt & Equity) in the business

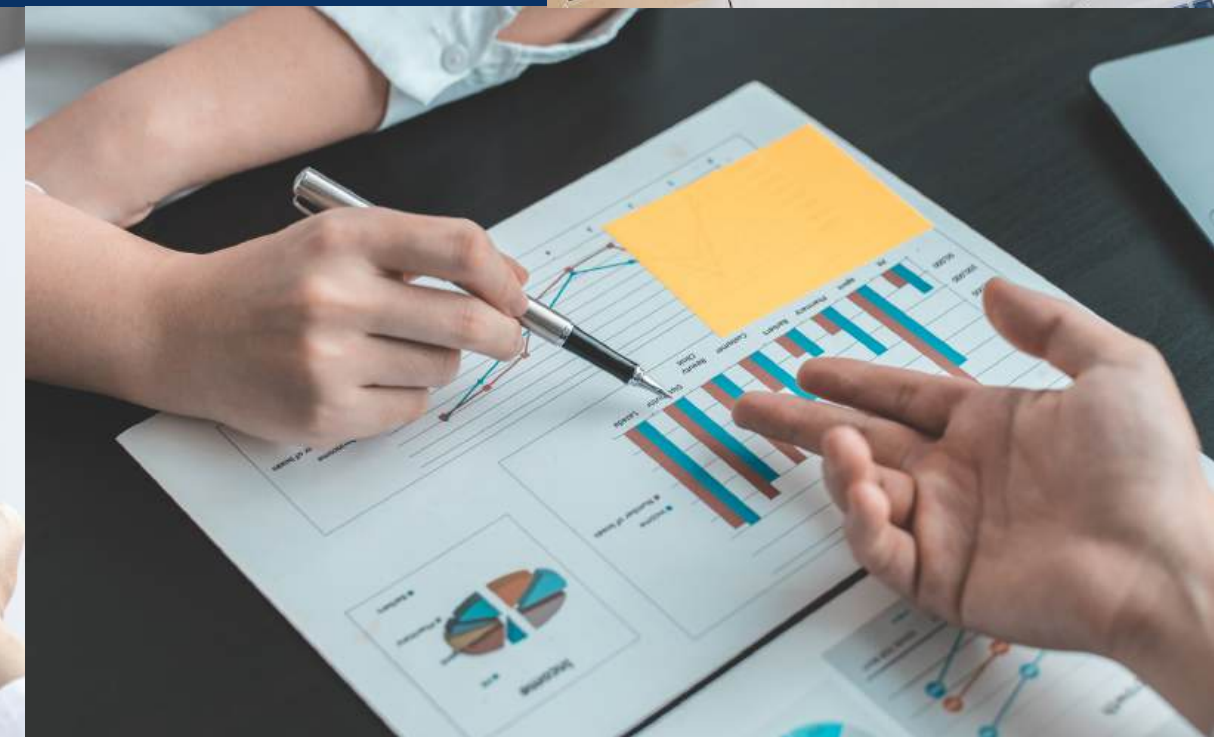
ROCE Ratio = Net Operating Income (EBIT) / (Total Assets – Current Liabilities)

ROCE = Higher the Better



Correct Decision Making

With ratios, a business can avoid losses and the worst possibility.

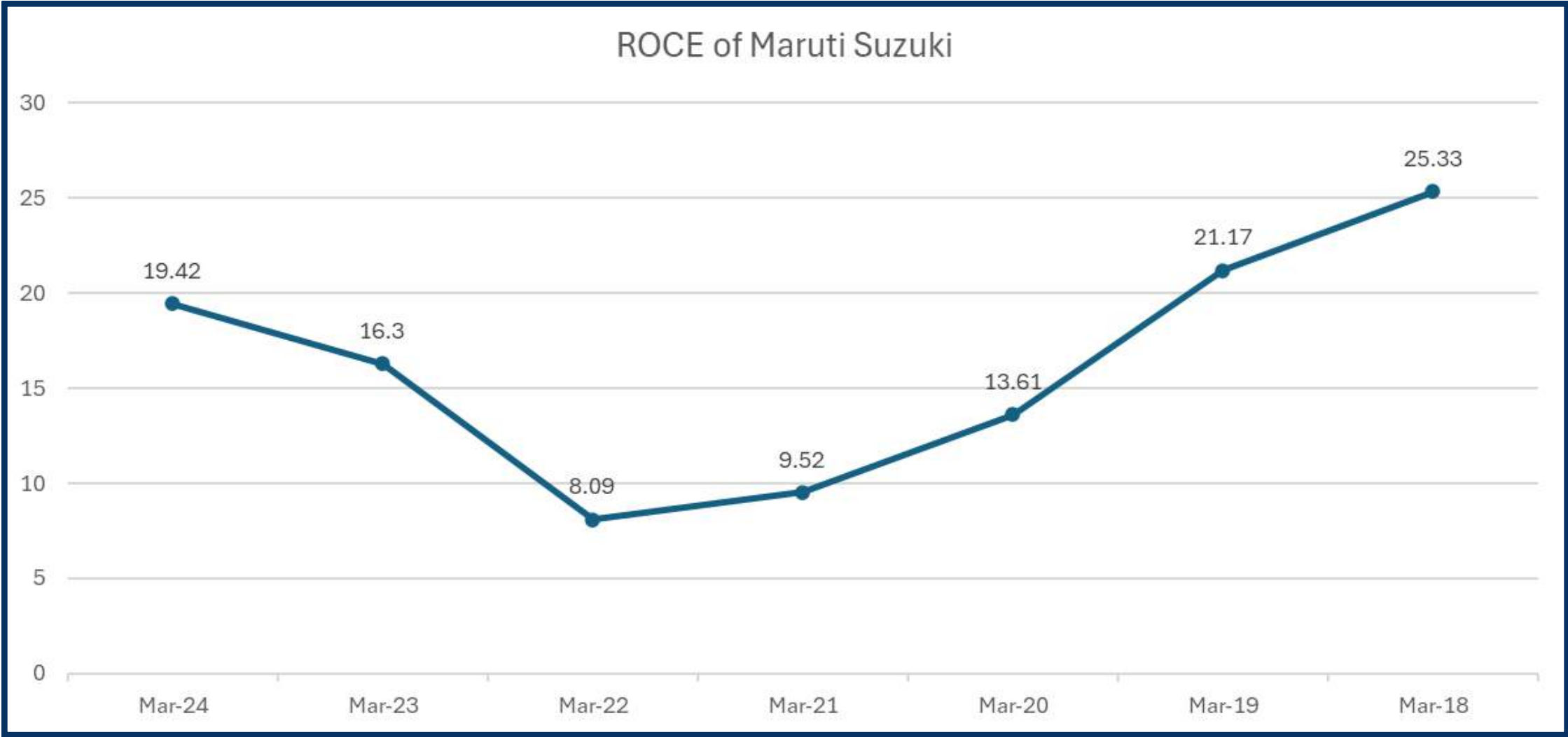


ROCE ANALYSIS - MARUTI SUZUKI

ROCE % measures how well a company generates profits from its capital. It is calculated as EBIT divided by Capital Employed, where Capital Employed is calculated as Total Assets minus Total Current Liabilities. Maruti Suzuki India's annualized **ROCE %** for the quarter that ended in **Sep. 2024 was 22.00%**.

ROCE Ratio of MARUTI has **grown by 19.18 %** Compared to previous Financial Year. ROCE Ratio with value of 19.42 was highest in Year Mar-24 in last Five Years. ROCE Ratio with value of 8.09 was lowest in Year Mar-22 in last Five Years. Latest ROCE Ratio with value of 19.42 is Greater than Average ROCE of 13.39 in last five years.

FY - Historical Return On Capital Employed of Maruti Suzuki India Ltd.							
Period	Mar-24	Mar-23	Mar-22	Mar-21	Mar-20	Mar-19	Mar-18
ROCE	19.42	16.30	8.09	9.52	13.61	21.17	25.33
Change	19.18 %	101.47 %	-15.07 %	-30.00 %	-35.73 %	-16.44 %	-2.33 %



Limitations

There are a couple of disadvantages of ROCE.

First, you can't depend on ROCE alone because you need to calculate other ratios to get the whole picture. Moreover, ROCE is calculated on EBIT and not on Net Income which can turn out to be a great disadvantage.

Second, ROCE seems to favor older companies. Because older companies are able to depreciate their assets more than newer companies, and as a result, for older companies, ROCE becomes better.



Correct Decision Making

With ratios, a business can avoid losses and the worst possibility.



Return on Assets

Return on assets (ROA) is a financial ratio that shows the percentage of profit a company earns in relation to its overall resources.

Return on Total Assets = EBIT / Average Total Assets

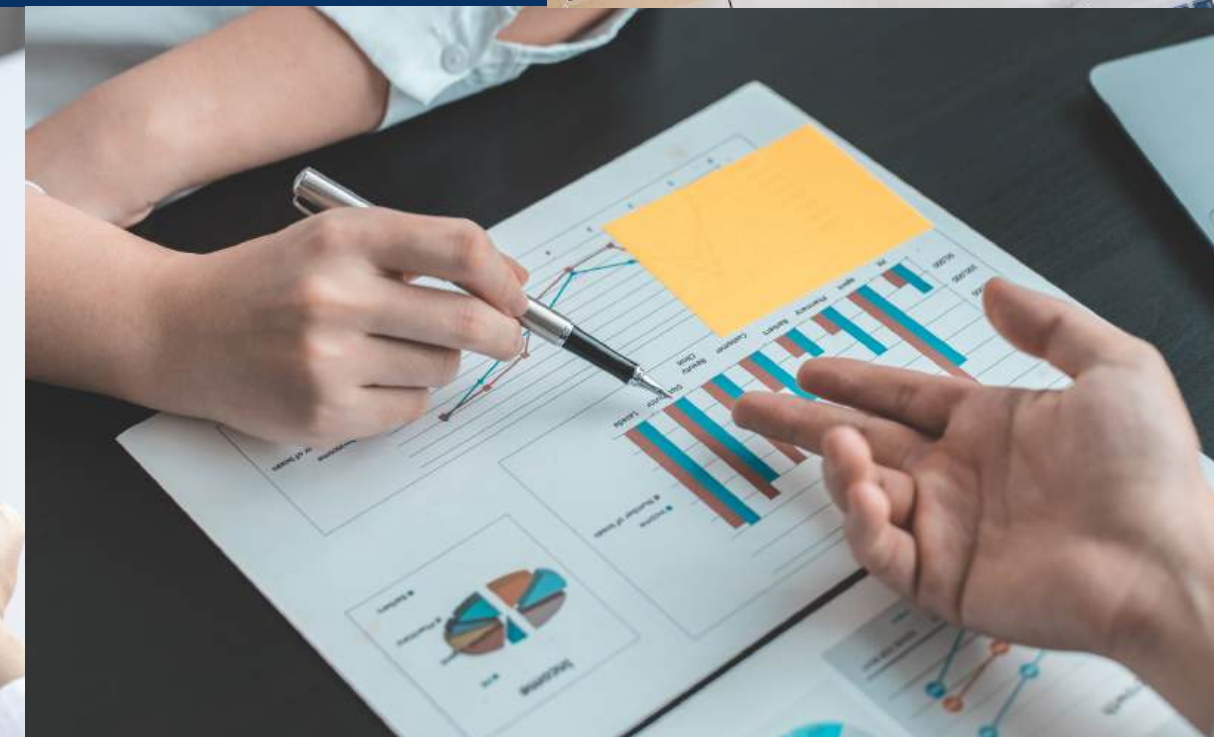
Return on Total Assets of a company is more than 20% for the last 5 years. Do you think it's a good measure to invest into the company for future benefits?

In simple terms, we can say that increase in the Return on Total Assets means better use of assets to generate returns for the firm and decrease in the Return on Total Assets means that the firm has a room for improvement – maybe the firm needs to reduce few expenses or to replace few old assets that are eating out the profits of the company



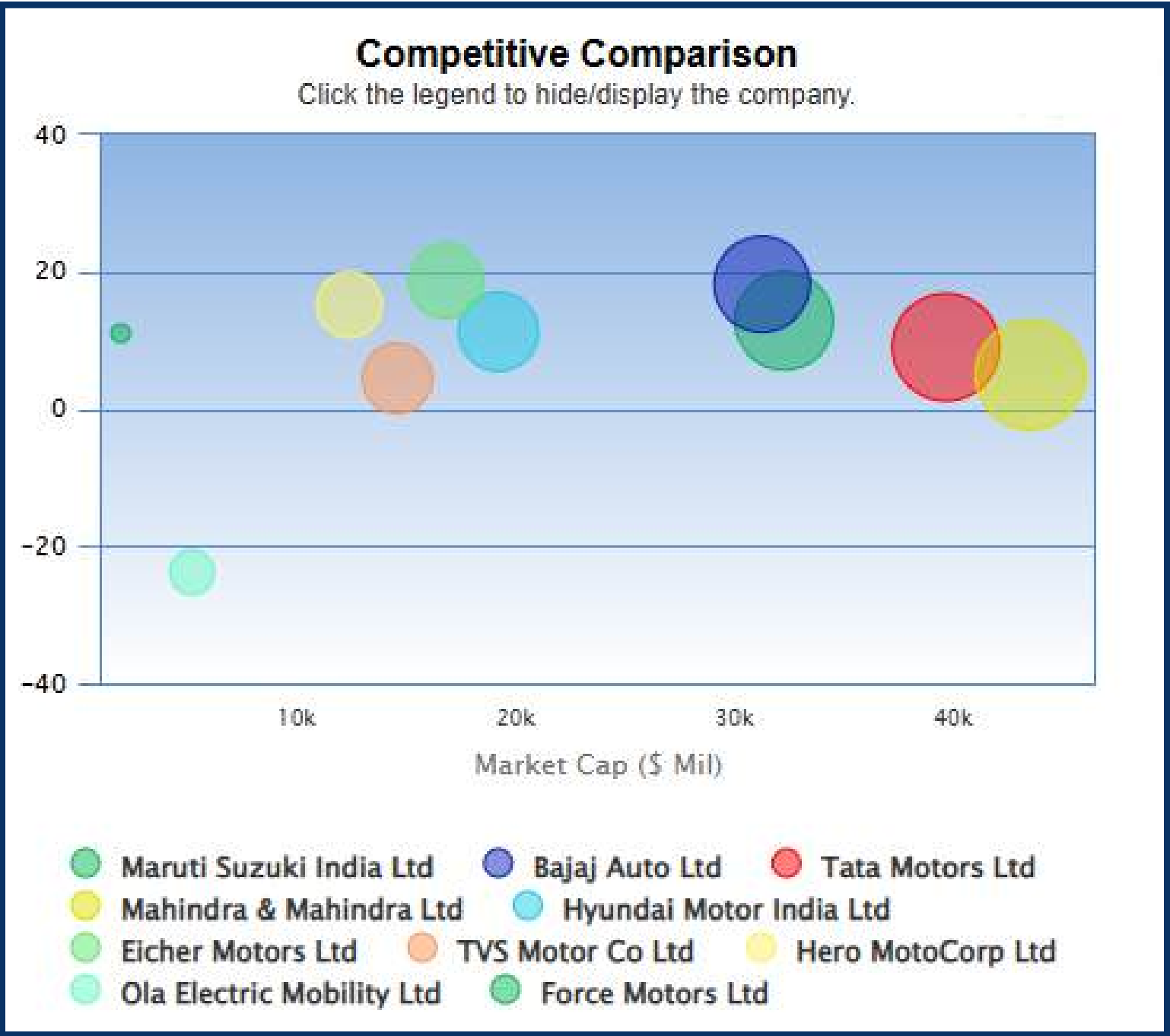
Correct Decision Making

With ratios, a business can avoid losses and the worst possibility.



ROA ANALYSIS - MARUTI SUZUKI

ROA % IS CALCULATED AS NET INCOME DIVIDED BY ITS AVERAGE TOTAL ASSETS OVER A CERTAIN PERIOD OF TIME. MARUTI SUZUKI INDIA'S ANNUALIZED NET INCOME FOR THE QUARTER THAT ENDED IN SEP. 2024 WAS \$1,481.06 MIL. MARUTI SUZUKI INDIA'S AVERAGE TOTAL ASSETS OVER THE QUARTER THAT ENDED IN SEP. 2024 WAS \$14,523.82 MIL. THEREFORE, MARUTI SUZUKI INDIA'S ANNUALIZED **ROA % FOR THE QUARTER THAT ENDED IN SEP. 2024 WAS 10.20%.**

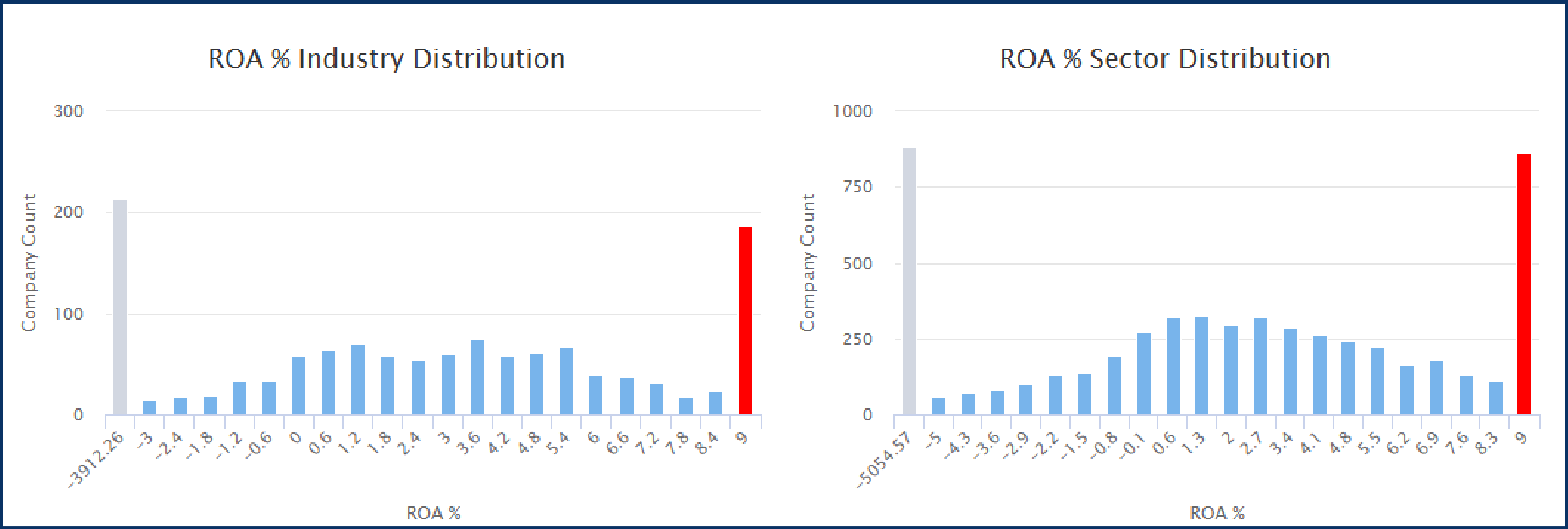


Competitive Comparison Data

Company	Market Cap (M)	ROA %
Maruti Suzuki India Ltd	\$ 31,400.80	12.84
Bajaj Auto Ltd	\$ 30,377.76	18.18
Tata Motors Ltd	\$ 38,788.45	9.02
Mahindra & Mahindra Ltd	\$ 42,638.62	5.00
Hyundai Motor India Ltd	\$ 18,347.67	11.28
Eicher Motors Ltd	\$ 15,958.32	18.67
TVS Motor Co Ltd	\$ 13,721.74	4.44
Hero MotoCorp Ltd	\$ 11,533.25	15.19
Ola Electric Mobility Ltd	\$ 4,347.90	-23.81
Force Motors Ltd	\$ 1,090.81	11.04

ROA INDUSTRY ANALYSIS - MARUTI SUZUKI

FOR THE VEHICLES & PARTS INDUSTRY AND CONSUMER CYCLICAL SECTOR, MARUTI SUZUKI INDIA'S ROA % DISTRIBUTION CHARTS CAN BE FOUND BELOW:
* THE BAR IN RED INDICATES WHERE MARUTI SUZUKI INDIA'S ROA % FALLS INTO.



Earnings Per Share (EPS)

Every investor invests into a company's stock mainly for two reasons –

Firstly, the investors invest in a company's stock because they expect a handsome dividend from the company.

Secondly, the investors may see a great growth potential of the company in near future.

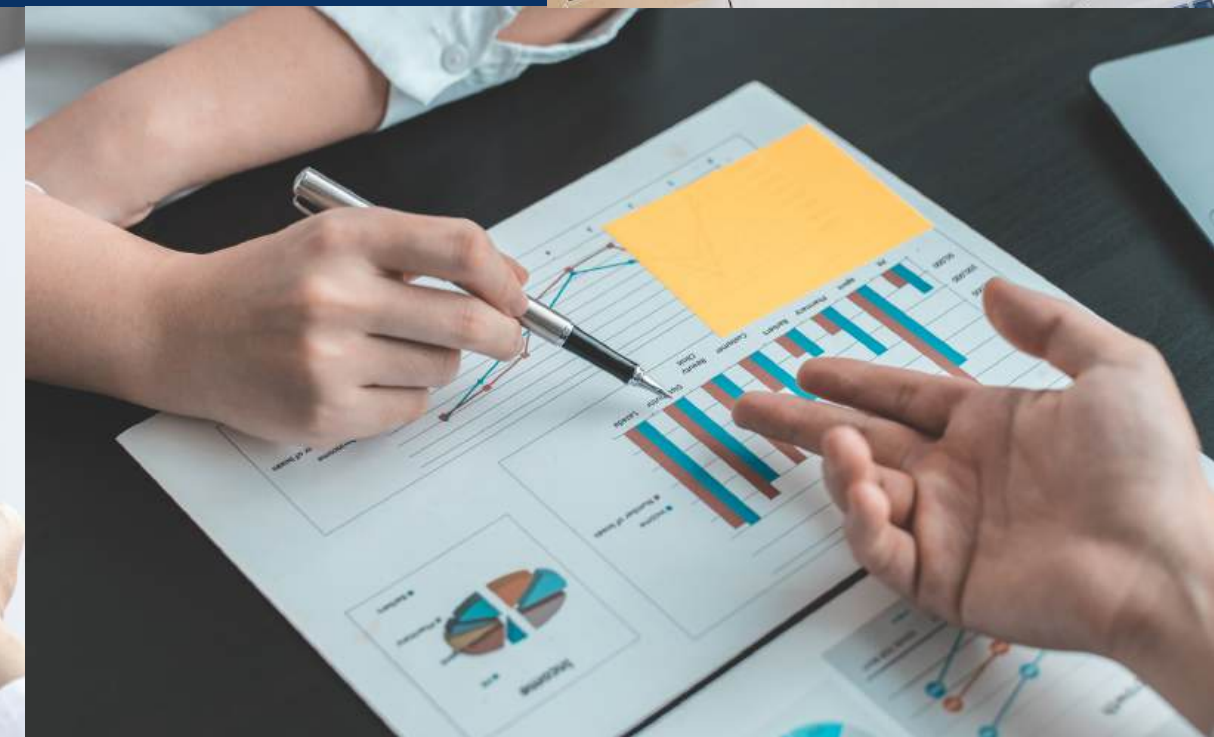
If the company grows, the share price will also rise and that will only help investors in ensuring a great return on their investments.

$$\text{Earnings per Share} = \frac{(\text{Net Income} - \text{Preferred Dividend})}{\text{Weighted Average Number of Shares Outstanding}}$$



Correct Decision Making

With ratios, a business can avoid losses and the worst possibility.

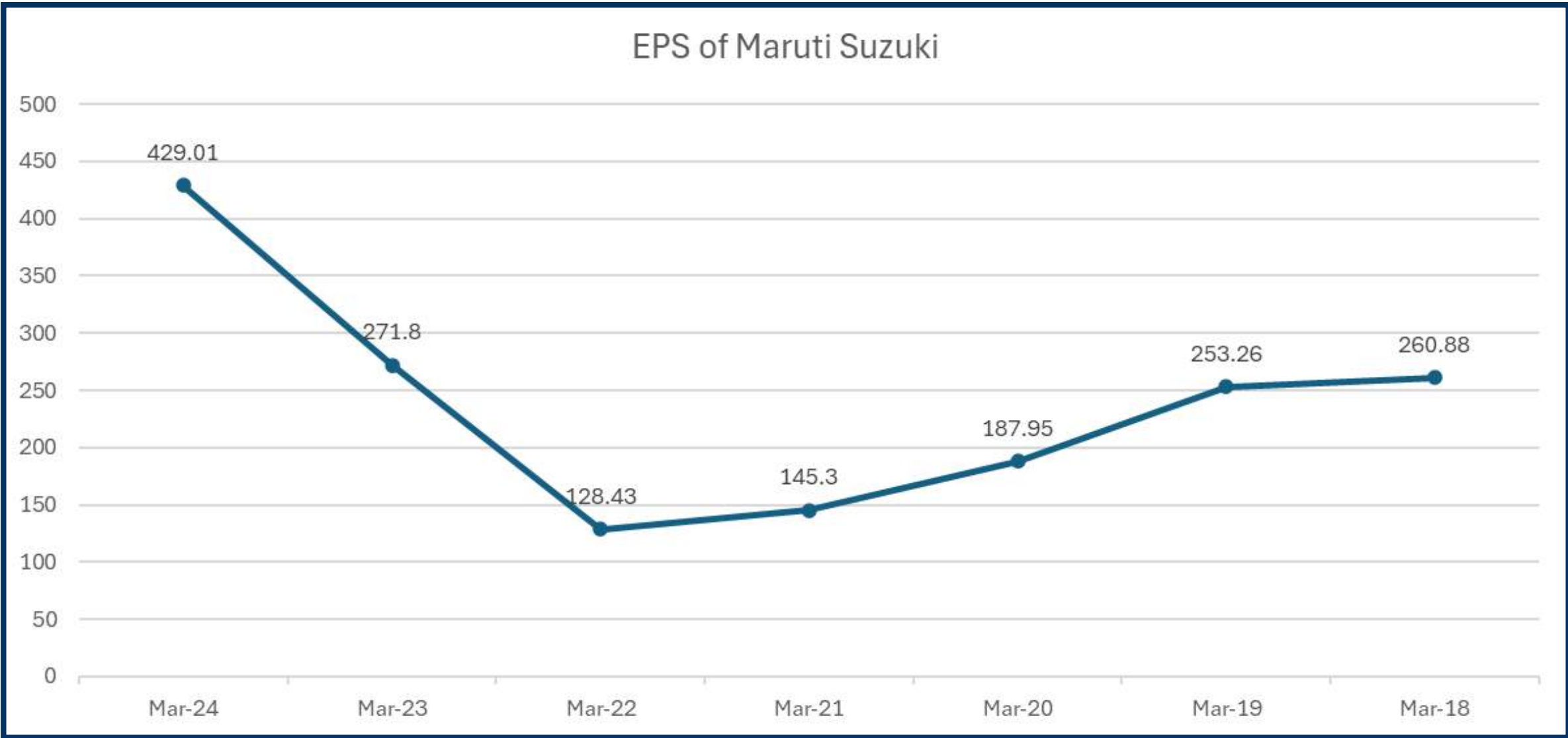


EPS ANALYSIS - MARUTI SUZUKI

EPS Ratio of MARUTI rose handsomely by 57.84 % this year. EPS Ratio with value of 429.01 was highest in Year Mar-24 in last Five Years. EPS Ratio with value of 128.43 was lowest in Year Mar-22 in last Five Years. Latest EPS Ratio with value of 429.01 is Greater than Average EPS of 232.50 in last five years.

FY - Historical Earning Per Share of Maruti Suzuki India Ltd.

Period	Mar-24	Mar-23	Mar-22	Mar-21	Mar-20	Mar-19	Mar-18
EPS	429.01	271.80	128.43	145.30	187.95	253.26	260.88



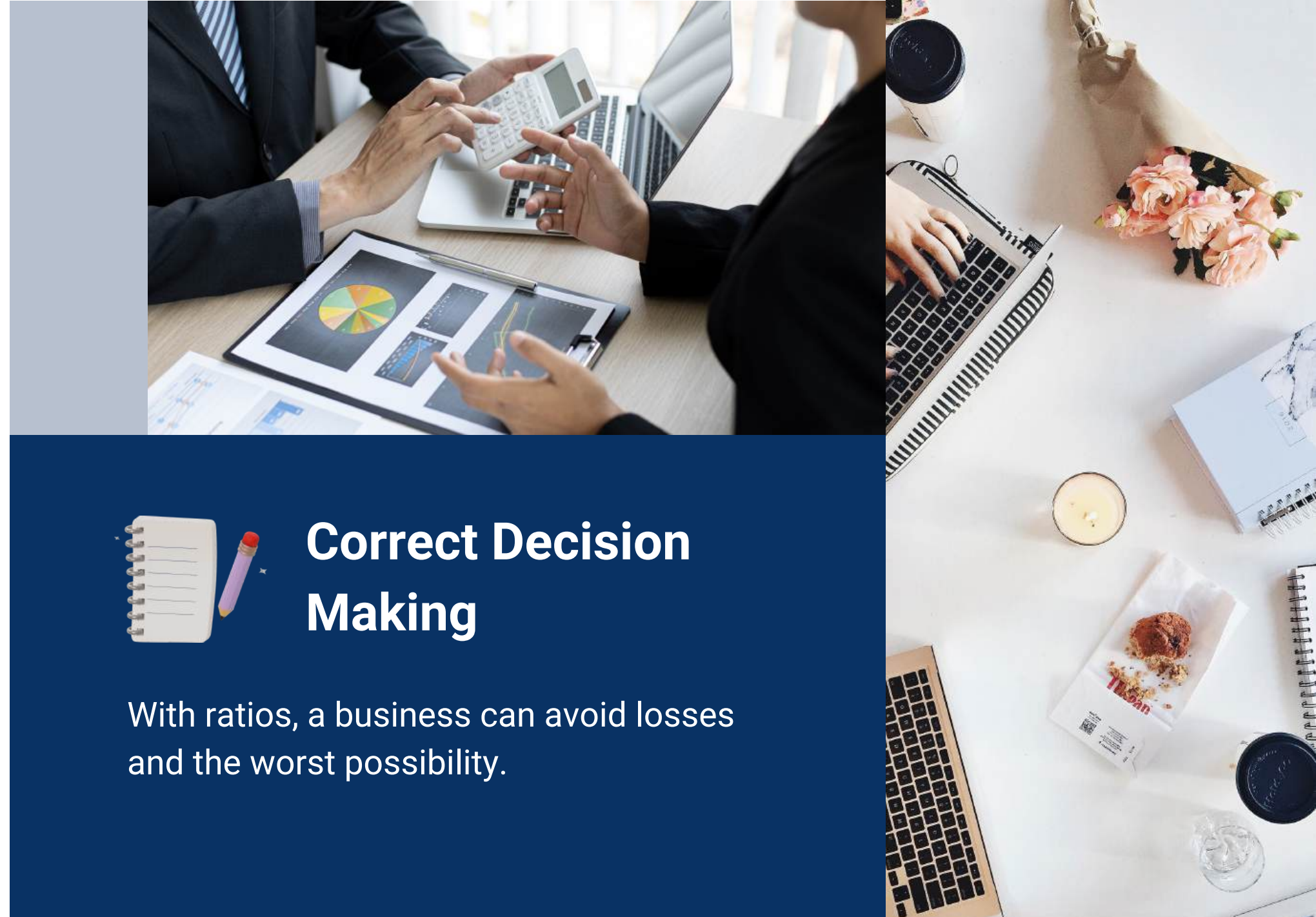
Activity/Turnover Ratios

- An activity ratio, also known as an efficiency ratio or asset management ratio, is a financial metric that measures how well a company uses its assets to generate revenue and cash.
- Activity ratios are used to assess a company's asset efficiency and can help analysts gauge how a company manages its inventory




Correct Decision Making

With ratios, a business can avoid losses and the worst possibility.




Inventory Turnover Ratio

- It dictates how fast a company replaces a current batch of inventories and transforms the inventories into sales.



Inventory Turnover
Ratio Formula

$$= \frac{\text{Cost of Goods Sold}}{\text{Average Inventories}}$$




Correct Decision Making

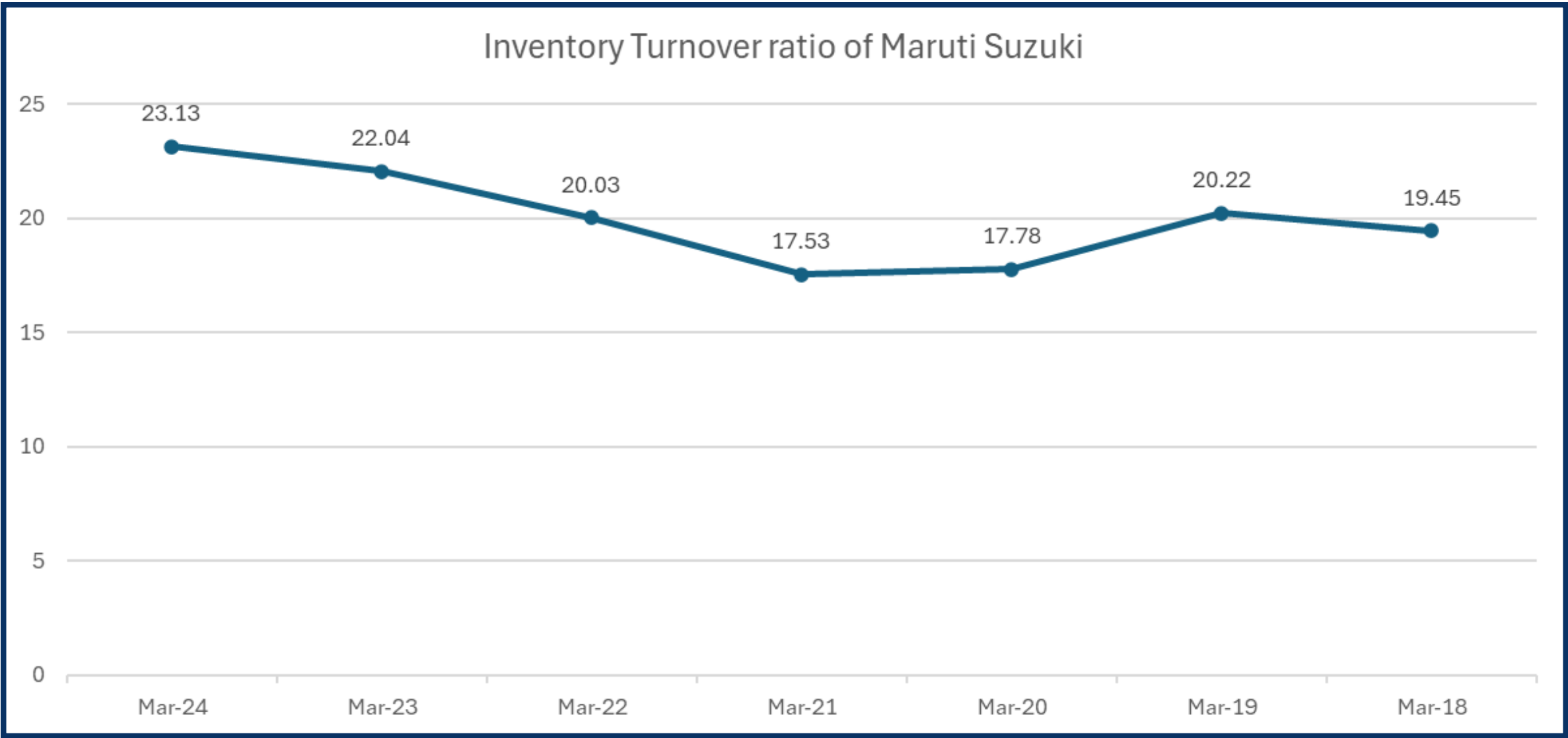
With ratios, a business can avoid losses and the worst possibility.



ITR ANALYSIS - MARUTI SUZUKI

Inventory Turnover Ratio of Maruti Suzuki India Ltd. with **value of 23.13** shows the company is selling its goods or service quickly because there is high demand for its products in market. Inventory Turnover Ratio of MARUTI has **grown by 4.96 % Compared to previous Financial Year**. Inventory Turnover Ratio of MARUTI trending up for at least three Years. Inventory Turnover Ratio with value of 17.53 was lowest in Year Mar-21 in last Five Years. **Latest Inventory Turnover Ratio with value of 23.13 is Greater than Average Inventory Turnover Ratio of 20.10 in last five years.**

FY - Historical Inventory Turnover Ratio of Maruti Suzuki India Ltd.							
Period	Mar-24	Mar-23	Mar-22	Mar-21	Mar-20	Mar-19	Mar-18
Inventory Turnover Ratio	23.13	22.04	20.03	17.53	17.78	20.22	19.45



Accounts Receivables Turnover Ratio

- This ratio is a measure that computes that how easily a company can convert its receivables into cash

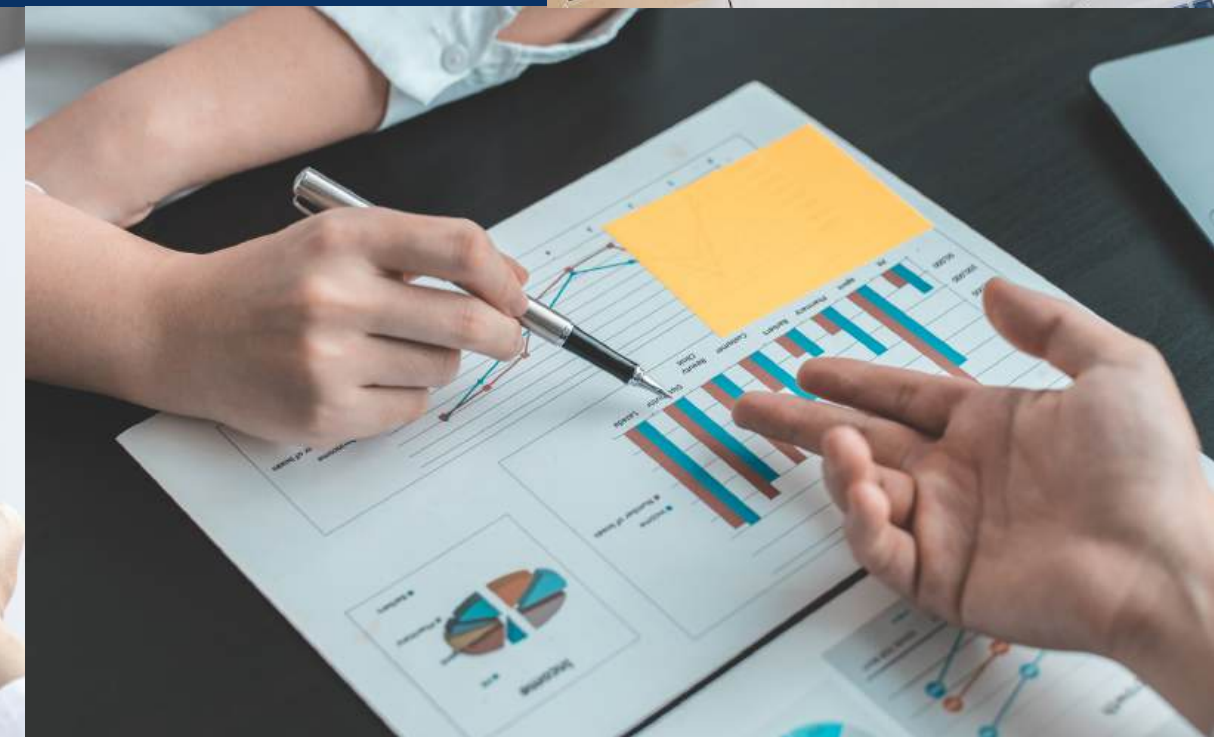
$$\text{Receivables Turnover Ratio Formula} = \frac{\text{Net Credit Sales}}{\text{Average Accounts Receivables}}$$

- A higher Accounts receivables turnover is healthy for a company. It denotes that the time interval between the credit sales and the receipt of money is lower. And that means the firm is quite efficient in collecting the accounts receivables
- On the other hand, a lower Accounts receivables turnover is not good enough for a company. It indicates that the time interval between the credit sales and the receipt of money is higher. And as a result, there's always a risk of not receiving the due amount.
- When an investor looks at the Accounts receivables turnover, he/she needs to know how efficient the firm is in collecting the due amount. If there's any risk in delaying or not receiving the payment, it may directly affect the cash flow of the company.



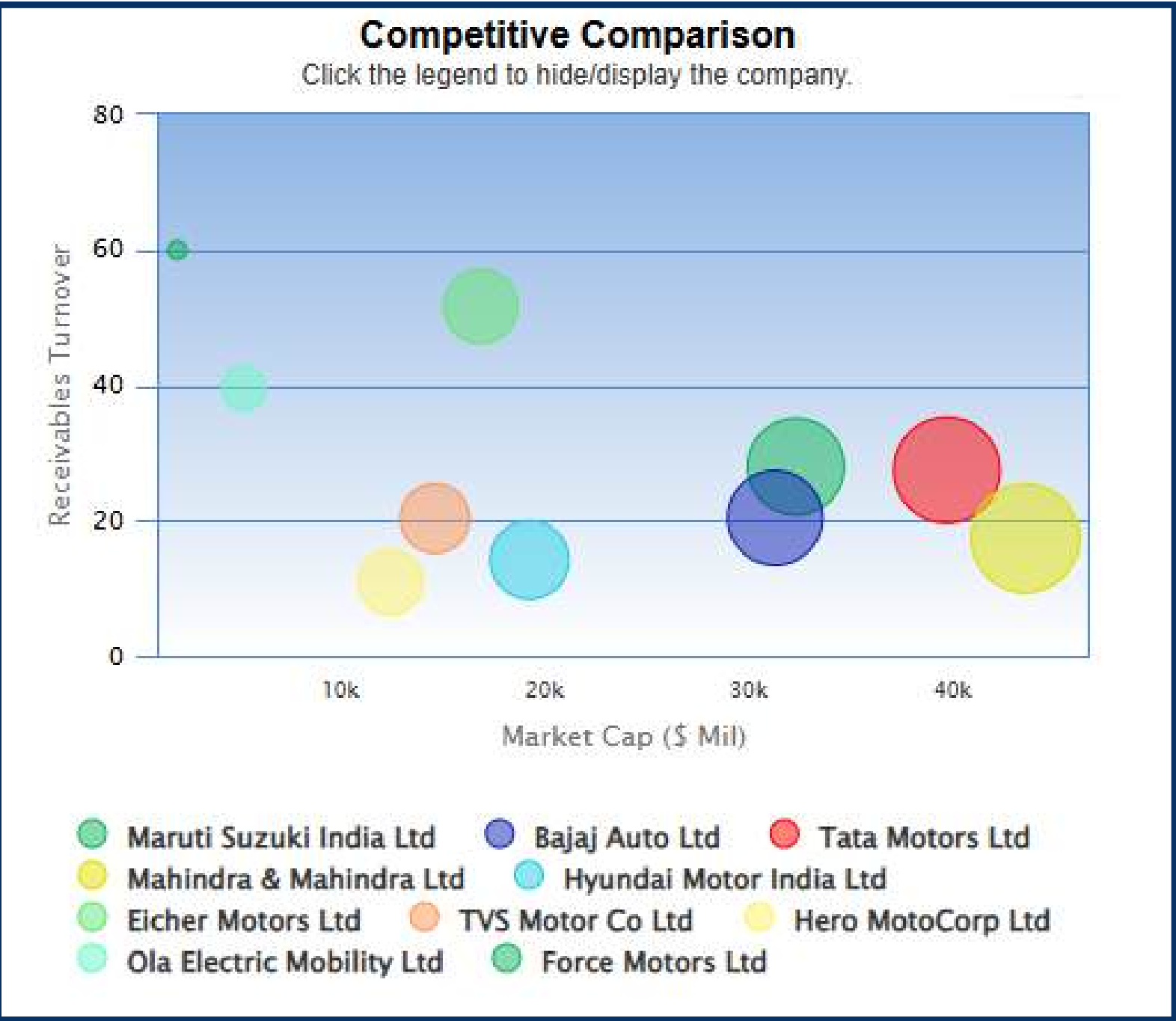
Correct Decision Making

With ratios, a business can avoid losses and the worst possibility.



ACCOUNT RECEIVABLES - MARUTI SUZUKI

The Receivables Turnover ratio measures the number of times a company collects its average accounts receivable balance. It is calculated as Revenue divided by average Accounts Receivable. An efficient company has a higher accounts receivable turnover ratio while an inefficient company has a lower ratio. Maruti Suzuki India's **Revenue for the three months ended in Sep. 2024 was \$4,247.06 Mil.** Maruti Suzuki India's average Accounts Receivable for the three months ended in Sep. 2024 was \$704.59 Mil. Hence, Maruti Suzuki India's **Receivables Turnover for the three months ended in Sep. 2024 was 6.03.**

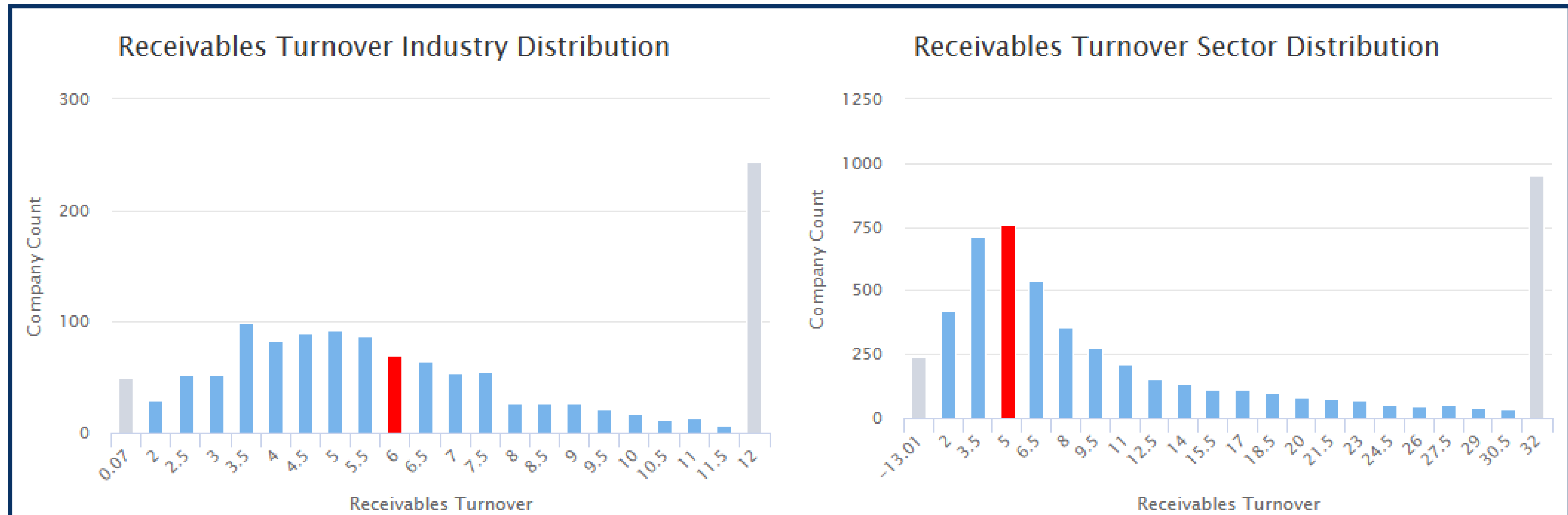


Competitive Comparison Data		
Company	Market Cap (M)	Receivables Turnover
Maruti Suzuki India Ltd	\$ 31,400.80	27.98
Bajaj Auto Ltd	\$ 30,377.76	20.41
Tata Motors Ltd	\$ 38,788.45	27.46
Mahindra & Mahindra...	\$ 42,638.62	17.40
Hyundai Motor India Ltd	\$ 18,347.67	14.20
Eicher Motors Ltd	\$ 15,958.32	51.66
TVS Motor Co Ltd	\$ 13,721.74	20.33
Hero MotoCorp Ltd	\$ 11,533.25	10.91
Ola Electric Mobility Ltd	\$ 4,347.90	39.53
Force Motors Ltd	\$ 1,090.81	59.96

ACCOUNT RECEIVABLES INDUSTRY ANALYSIS - MARUTI SUZUKI

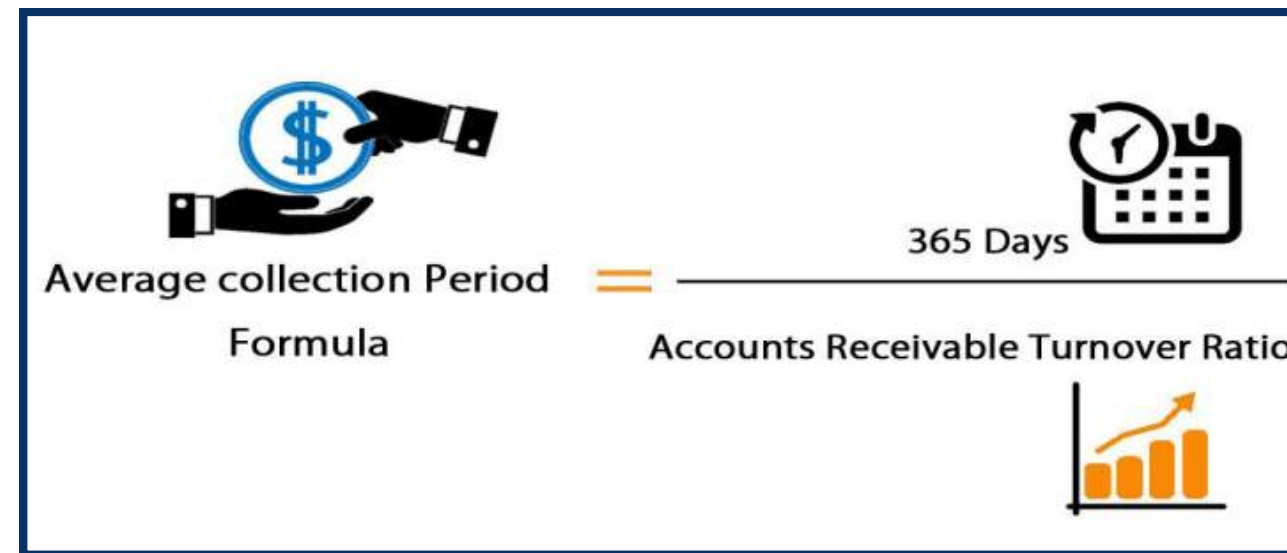
For the Vehicles & Parts industry and Consumer Cyclical sector, Maruti Suzuki India's Receivables Turnover distribution charts can be found below:

*** The bar in red indicates where Maruti Suzuki India's Receivables Turnover falls into.**

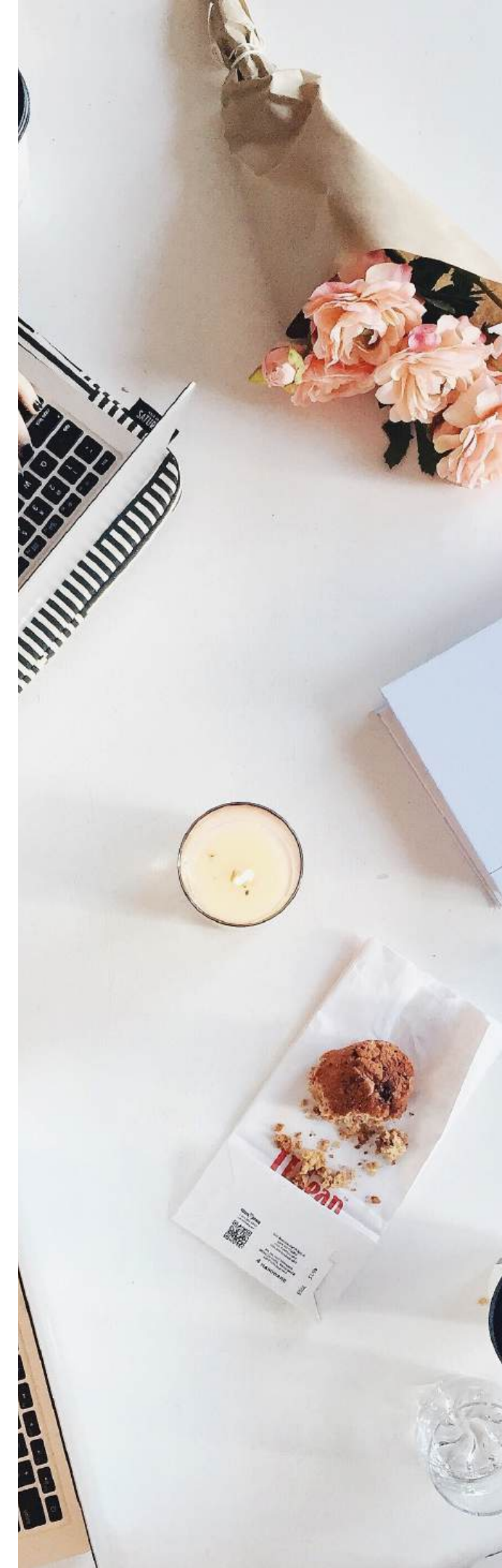


AVERAGE COLLECTION PERIOD

- This ratio is a measure that computes that how easily a company can convert its receivables into cash

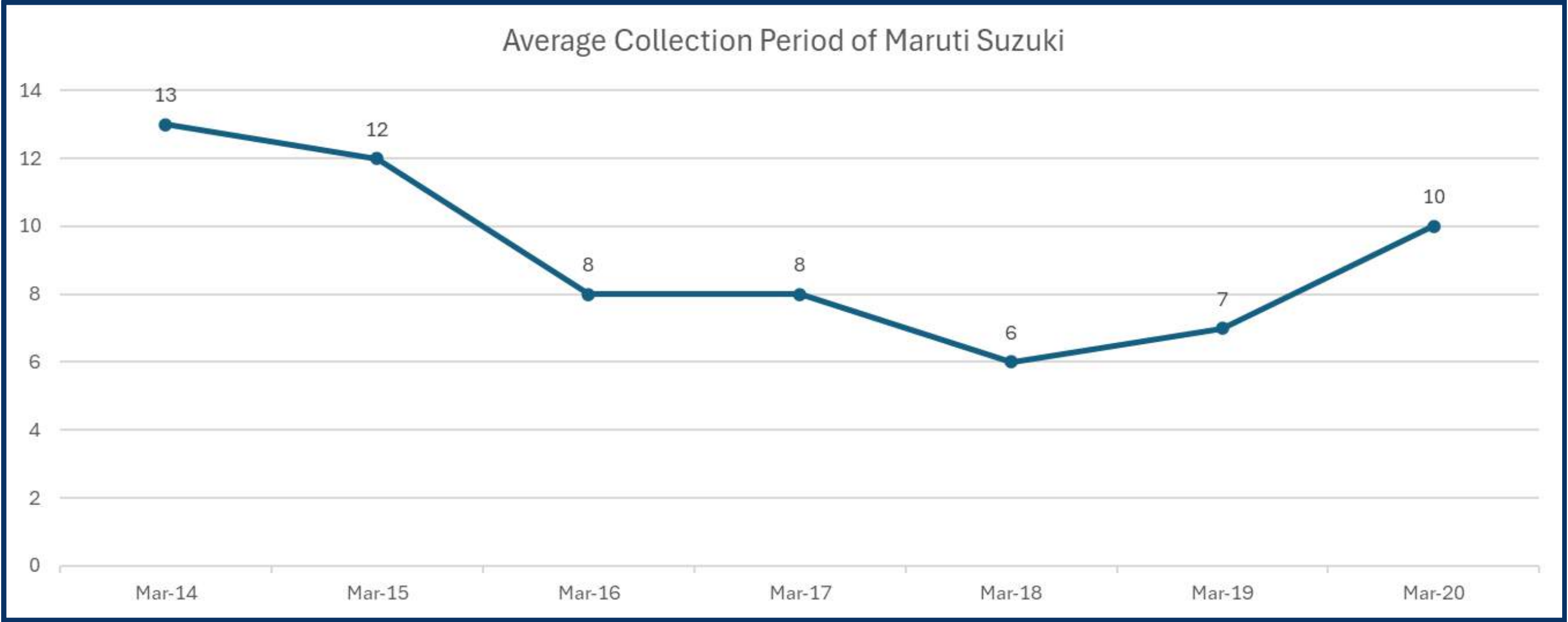


- BIG Company decides to increase its credit term. The top management of the company requests the accountant to find out the collection period of the company in current scenario.
- Here is the information available to the accountant
 - Net Credit Sales for the year
 - ₹150,000 Accounts Receivables at the beginning of the year
 - ₹20,000 Accounts Receivables at the end of the year
 - ₹30,000 As an accountant, find out the collection period of BIG Company.
- For example, if a company has a collection period of 40 days, it should provide the term as 30-35 days. Knowing the collection period is very useful for any company.
- There are two reasons for this
 - First, a huge percentage of company's cash flow depends on the collection period.
 - Second, knowing the collection period beforehand helps a company decide means to collect the money that is due on the market.



AVERAGE COLLECTION PERIOD - MARUTI SUZUKI

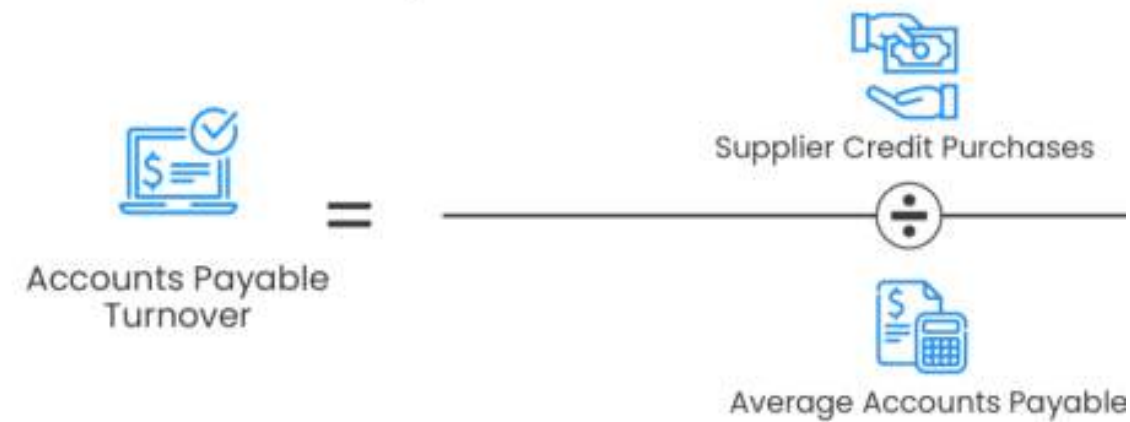
	Mar 2013	Mar 2014	Mar 2015	Mar 2016	Mar 2017	Mar 2018	Mar 2019	Mar 2020	Mar 2021	Mar 2022	Mar 2023	Mar 2024
Debtor Days	13	12	8	8	6	7	10	10	7	8	10	12



CASH CONVERSION CYCLE (CCC)

- Cash Conversion Cycle- The Cash Conversion Cycle (CCC) is a metric that measures how long it takes for a company to convert its investments in inventory and other resources into cash from sales.
- It incorporates the time needed to sell inventory, collect receivables, and pay payables.

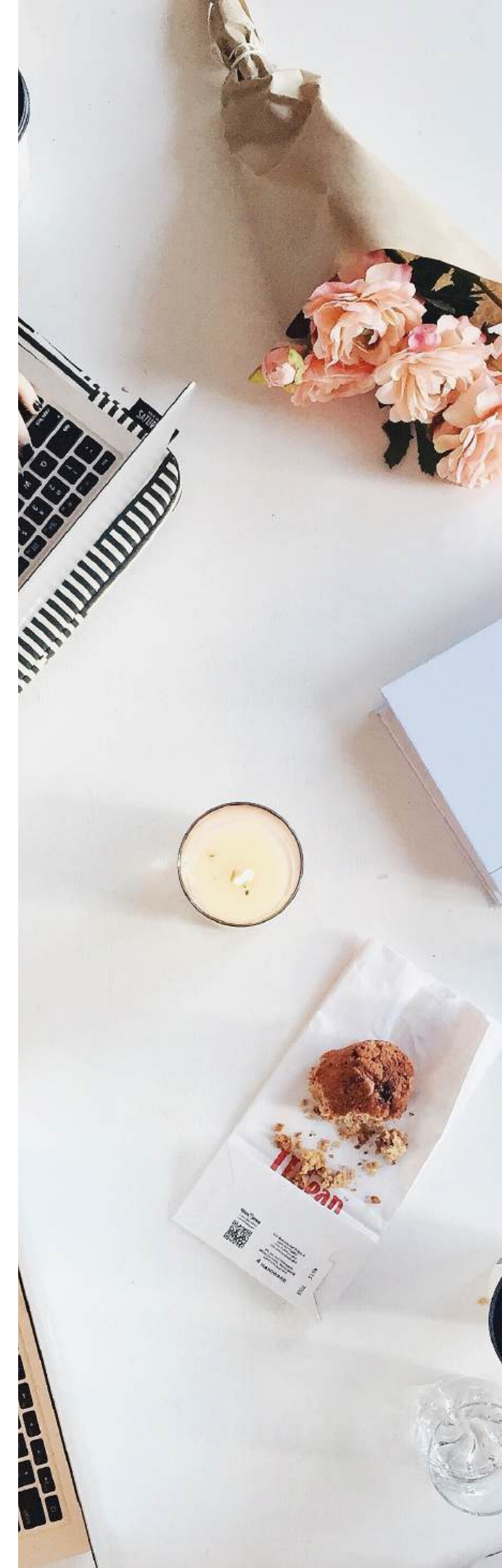
Accounts Payable Turnover Ratio



The diagram illustrates the formula for the Accounts Payable Turnover Ratio. On the left, the text "Accounts Payable Turnover" is accompanied by an icon of a laptop with a dollar sign and a checkmark. This is followed by an equals sign. To the right of the equals sign is a horizontal line with a division symbol (÷) in the center. Above the line is the text "Supplier Credit Purchases" with an icon of hands exchanging a document. Below the line is the text "Average Accounts Payable" with an icon of a document with a dollar sign and a calculator.

$$\text{Accounts Payable Turnover} = \frac{\text{Supplier Credit Purchases}}{\text{Average Accounts Payable}}$$

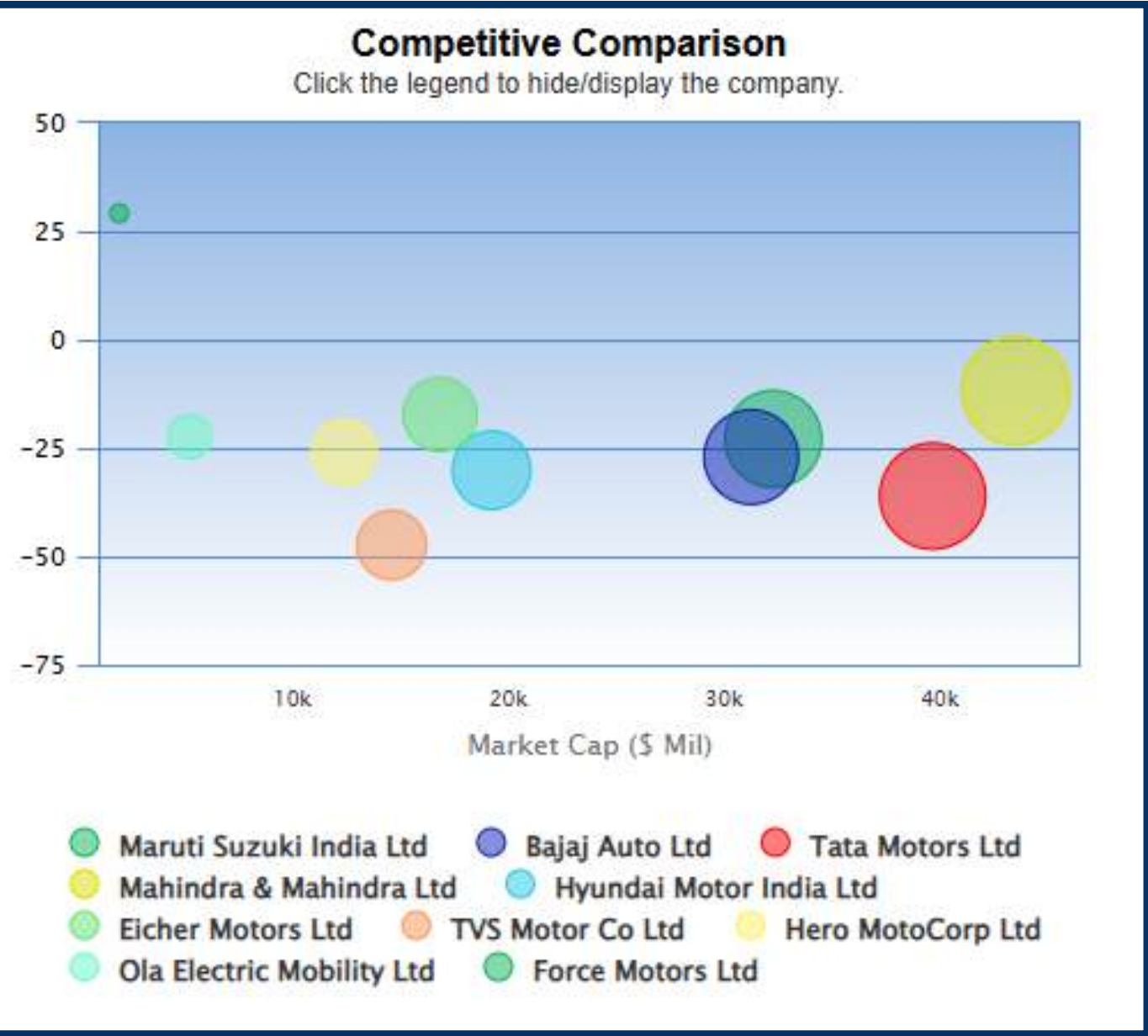
- **Example:**
- Cost of Goods Sold (COGS) for the year: ₹ 500,000
- Net Credit Sales for the year: ₹ 750,000
- Average Inventory: ₹ 100,000
- Average Accounts Receivable: ₹ 90,000
- Average Accounts Payable: ₹ 80,000



CASH CONVERSION CYCLE ANALYSIS - MARUTI SUZUKI

Cash Conversion Cycle is one of several measures of management effectiveness. **It equals Days Sales Outstanding + Days Inventory - Days Payable.** Maruti Suzuki India's Days Sales Outstanding for the three months ended in Sep. 2024 was 15.14. Maruti Suzuki India's Days Inventory for the three months ended in Sep. 2024 was 24.09. Maruti Suzuki India's **Days Payable for the three months ended in Sep. 2024 was 62.05.** Therefore, **Maruti Suzuki India's Cash Conversion Cycle (CCC) for the three months ended in Sep. 2024 was -22.82.**

Generally, **the lower this number is, the better for the company.** Although it should be combined with other metrics (such as ROE % and ROA %), it can be especially useful for comparing close competitors, because the company with the lowest CCC is often the one with better management.



Competitive Comparison Data		
Company	Market Cap (M)	Cash Conversion Cycle
Maruti Suzuki India Ltd	\$ 31,400.80	-22.89
Bajaj Auto Ltd	\$ 30,377.76	-27.07
Tata Motors Ltd	\$ 38,788.45	-36.08
Mahindra & Mahindra...	\$ 42,638.62	-11.73
Hyundai Motor India Ltd	\$ 18,347.67	-30.13
Eicher Motors Ltd	\$ 15,958.32	-17.24
TVS Motor Co Ltd	\$ 13,721.74	-47.38
Hero MotoCorp Ltd	\$ 11,533.25	-25.89
Ola Electric Mobility Ltd	\$ 4,347.90	-22.36
Force Motors Ltd	\$ 1,090.81	29.16

SOLVENCY RATIO

- Solvency ratios are calculated to determine the ability of the business to service its debt in the long run.
- Long term investors are interested in safety of their principal amount and interest.
- Debt-Equity ratio
- Interest Coverage ratio



Correct Decision Making

With ratios, a business can avoid losses and the worst possibility.



Debt-Equity Ratio

- Measures the relationship between long-term debt and equity
- From security point of view, capital structure with less debt and more equity is considered favourable as it reduces the chances of bankruptcy.

- **Debt-Equity Ratio = Long - term Debts/Shareholders' Funds**

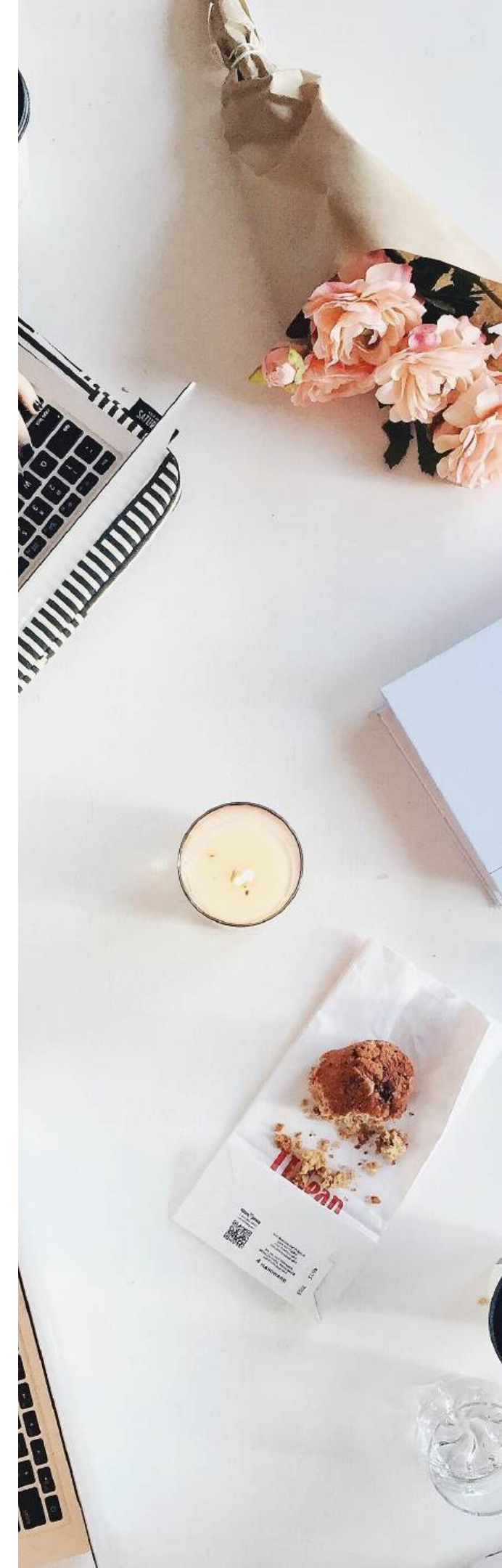
- **Shareholders' Funds (Equity) = Share capital + Reserves and Surplus + Retained Earnings**

Interest Coverage ratio

- It is a measure of security of interest payable on long-term debts. It expresses the relationship between profits available for payment of interest and the amount of interest payable.

- **Interest Coverage Ratio = EBIT/ Interest on long-term debts**

- A higher ratio ensures safety of interest on debts.

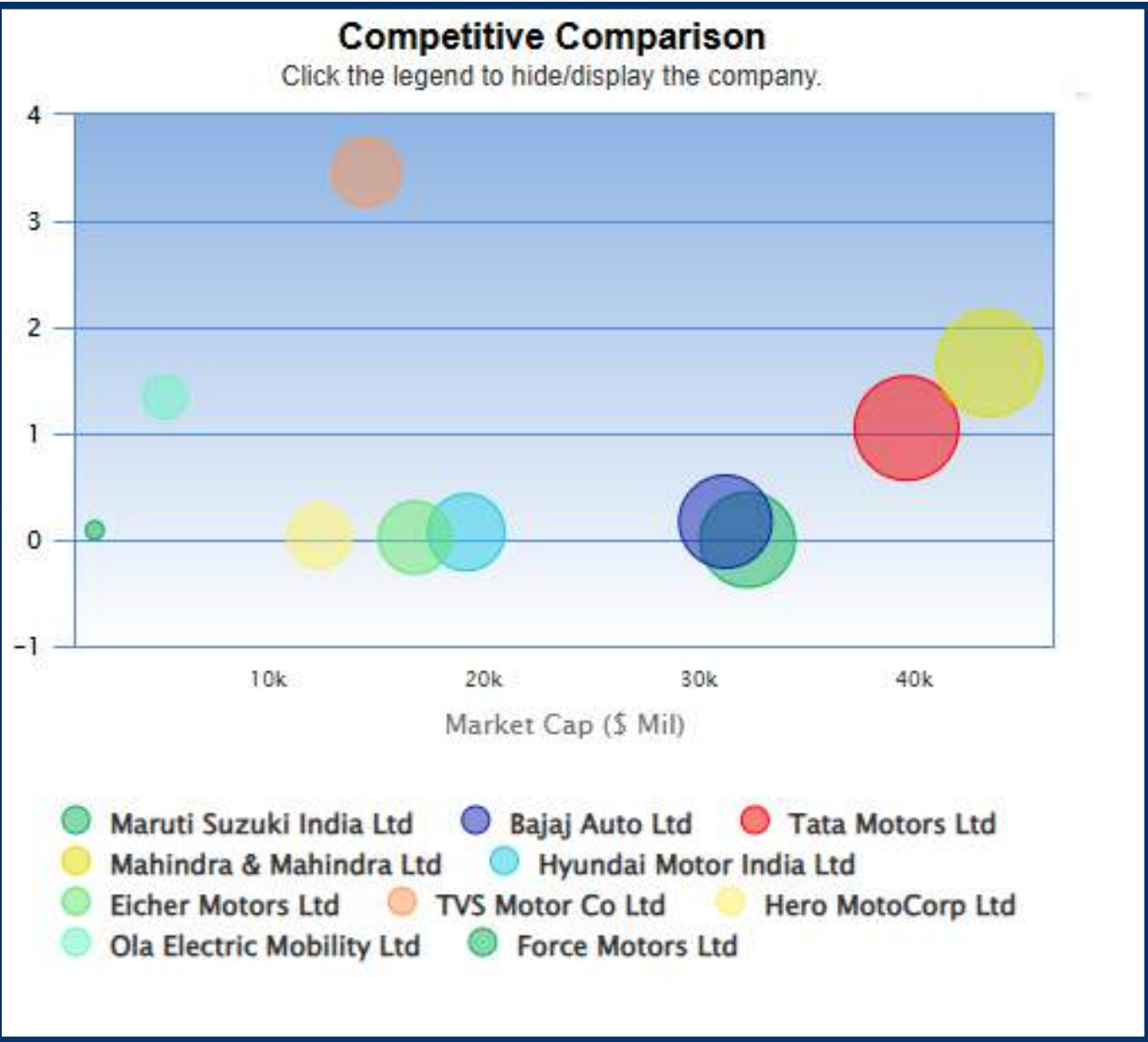


DEBT EQUITY RATIO ANALYSIS - MARUTI SUZUKI

Maruti Suzuki India's Short-Term Debt & Capital Lease Obligation for the quarter that ended in Sep. 2024 was \$6.43 Mil. Maruti Suzuki India's Long-Term Debt & Capital Lease Obligation for the quarter that ended in Sep. 2024 was \$12.47 Mil. Maruti Suzuki India's Total Stockholders Equity for the quarter that ended in Sep. 2024 was \$10,636.70 Mil. **Maruti Suzuki India's debt to equity for the quarter that ended in Sep. 2024 was 0.00.**

A high debt to equity ratio generally means that a company has been aggressive in financing its growth with debt. This can result in volatile earnings as a result of the additional interest expense.

FY - Historical Debt to Equity Ratio of Maruti Suzuki India Ltd.							
Period	Mar-24	Mar-23	Mar-22	Mar-21	Mar-20	Mar-19	Mar-18
Debt to Equity	0.0006	0.0197	0.0069	0.0096	0.0023	0.0033	0.0028

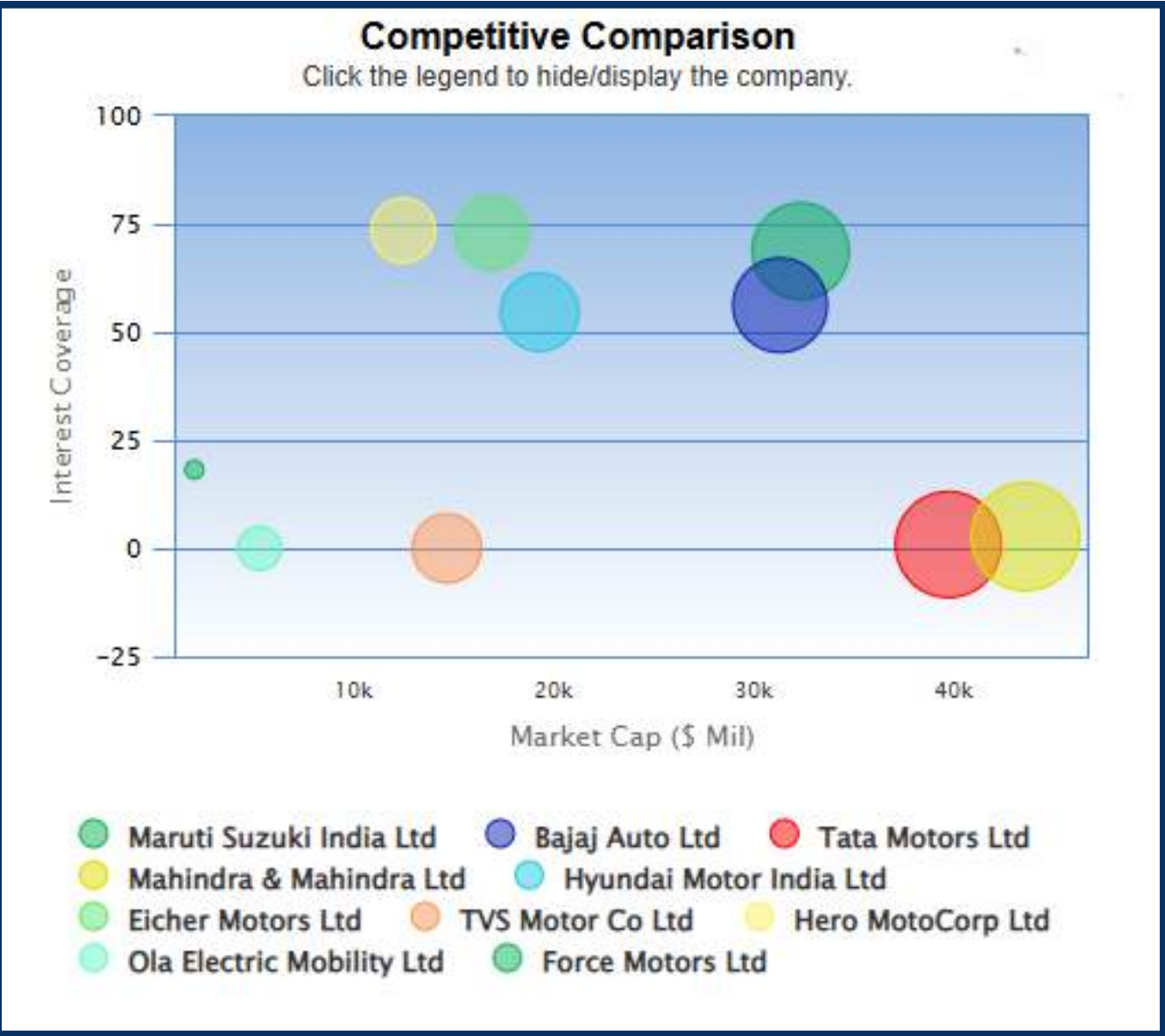


Competitive Comparison Data		
Company	Market Cap (M)	Debt-to-Equity
Maruti Suzuki India Ltd	\$ 31,400.80	0.00
Bajaj Auto Ltd	\$ 30,377.76	0.17
Tata Motors Ltd	\$ 38,788.45	1.05
Mahindra & Mahindra...	\$ 42,638.62	1.66
Hyundai Motor India Ltd	\$ 18,347.67	0.07
Eicher Motors Ltd	\$ 15,958.32	0.02
TVS Motor Co Ltd	\$ 13,721.74	3.46
Hero MotoCorp Ltd	\$ 11,533.25	0.03
Ola Electric Mobility Ltd	\$ 4,347.90	1.34
Force Motors Ltd	\$ 1,090.81	0.09

INTEREST COVERAGE RATIO ANALYSIS - MARUTI SUZUKI

Interest Coverage is a ratio that determines how easily a company can pay interest expenses on outstanding debt. It is calculated by dividing a company's **Operating Income** by its Interest Expense. Maruti Suzuki India's Operating Income for the three months ended in Sep. 2024 was \$431.20 Mil. Maruti Suzuki India's Interest Expense for the three months ended in Sep. 2024 was \$-5.13 Mil. Maruti Suzuki India's interest coverage for the quarter that ended in **Sep. 2024 was 84.02. The higher the ratio, the stronger the company's financial strength is.**

Mar20	Mar21	Mar22	Mar23	Mar24
28.21	27.81	23.56	32.75	69.24

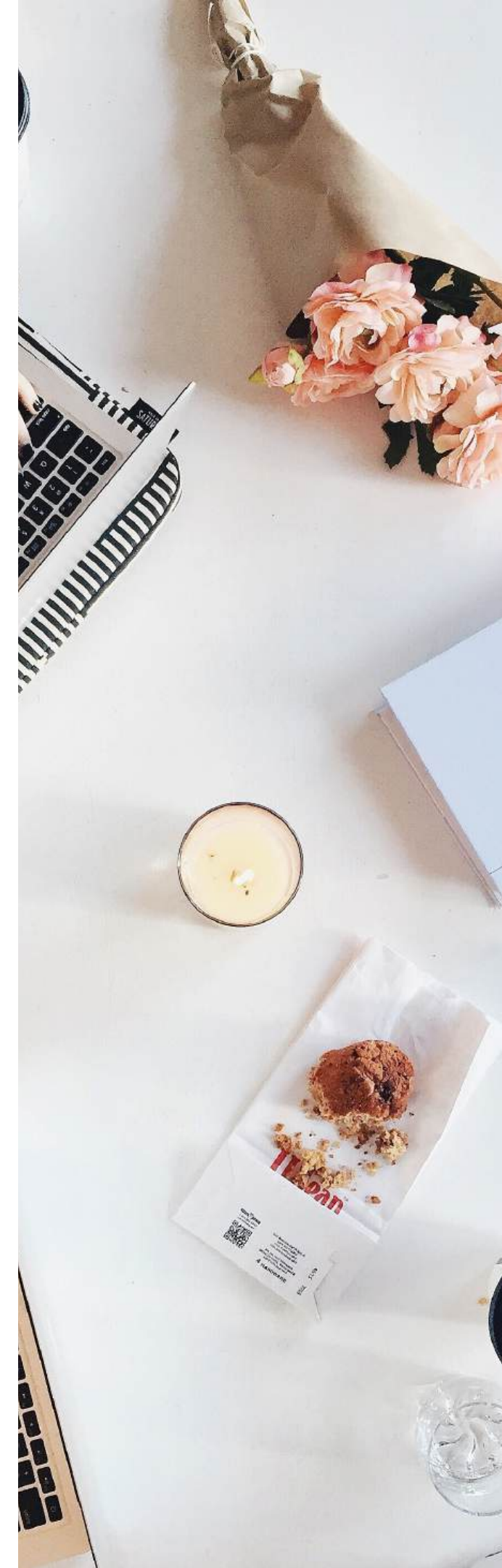


Competitive Comparison Data

Company	Market Cap (M)	Interest Coverage
Maruti Suzuki India Ltd	\$ 31,400.80	68.70
Bajaj Auto Ltd	\$ 30,377.76	56.22
Tata Motors Ltd	\$ 38,788.45	0.87
Mahindra & Mahindra...	\$ 42,638.62	2.70
Hyundai Motor India Ltd	\$ 18,347.67	54.63
Eicher Motors Ltd	\$ 15,958.32	72.94
TVS Motor Co Ltd	\$ 13,721.74	0.00
Hero MotoCorp Ltd	\$ 11,533.25	73.53
Ola Electric Mobility Ltd	\$ 4,347.90	0.00
Force Motors Ltd	\$ 1,090.81	18.19

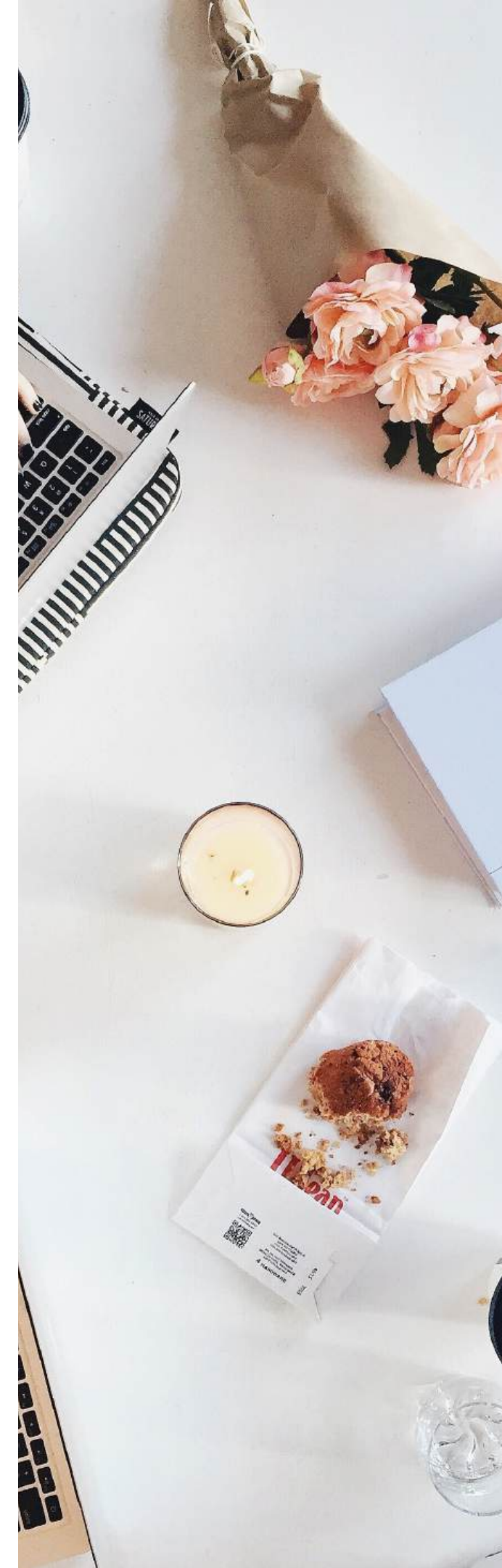
Market Related (valuation Ratio)

- Market value ratios are tools used by investors and analysts to evaluate the valuation of public companies and compare them across industries.
- Market value ratios relate key financial metrics like earnings, assets, and sales with the market price of a company's stock. Some of the most commonly used market value ratios include price-to-earnings ratio, price-to-book ratio, price-to-sales ratio, and dividend yield.
- These ratios provide a standardized and normalized way to compare company valuations and screen for potential investment opportunities.
- Common market value ratios include the price-to-earnings ratio (P/E), price-to-book ratio (P/B), and price-to-sales ratio (P/S).
- For example, a stock trading at a P/E of 15 means investors are willing to pay Rs. 15 for every Rs. 1 of earnings per share. This P/E is compared to the company's historical average, competitors' P/E, or the overall market average to judge if it is under or overvalued.



P/E Ratio

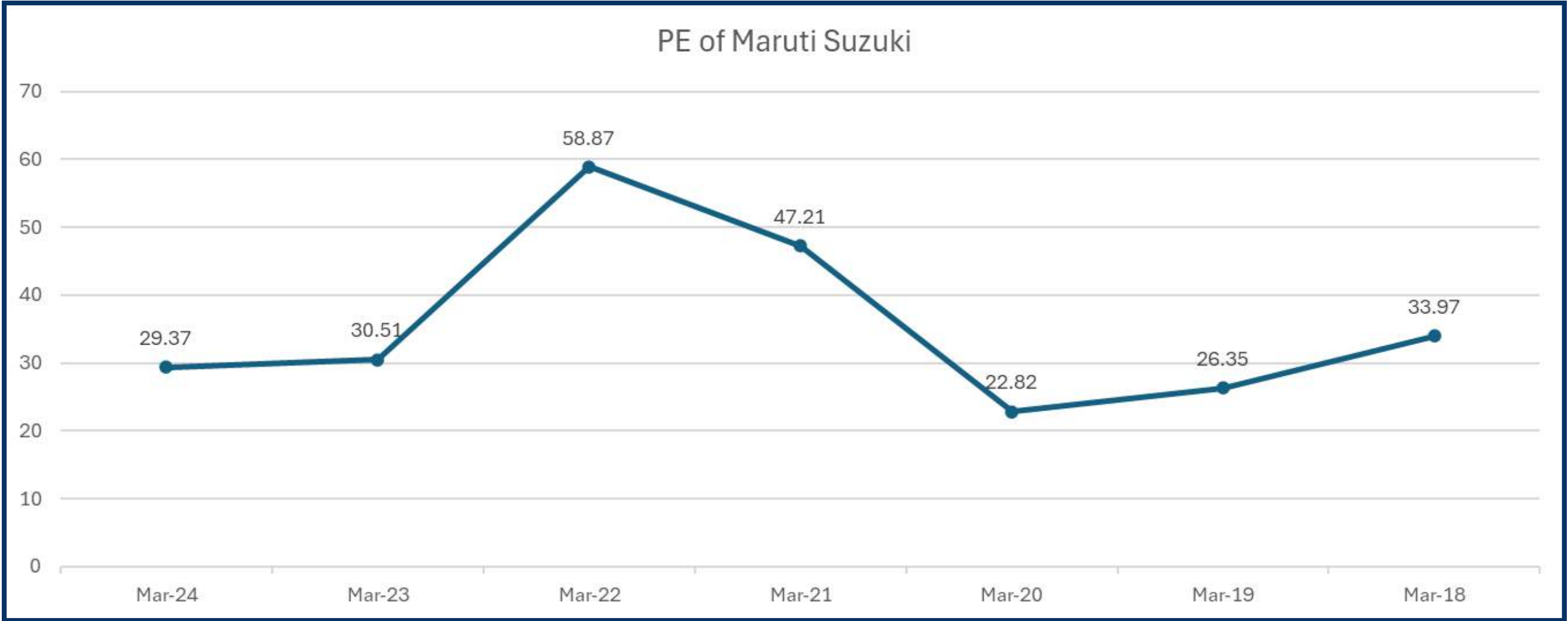
- Used to determine how much investors are willing to pay for a stock relative to the company's earnings.
- **P/E Ratio = Market Value per Share / Earnings per Share**
- P/E is sometimes referred to as the price multiple because it shows how much investors are willing to pay per dollar of earnings.
- Let's say, P/E ratio = 20, An investor is willing to pay ₹20 for ₹1 of current earnings.



P/E RATIO ANALYSIS - MARUTI SUZUKI

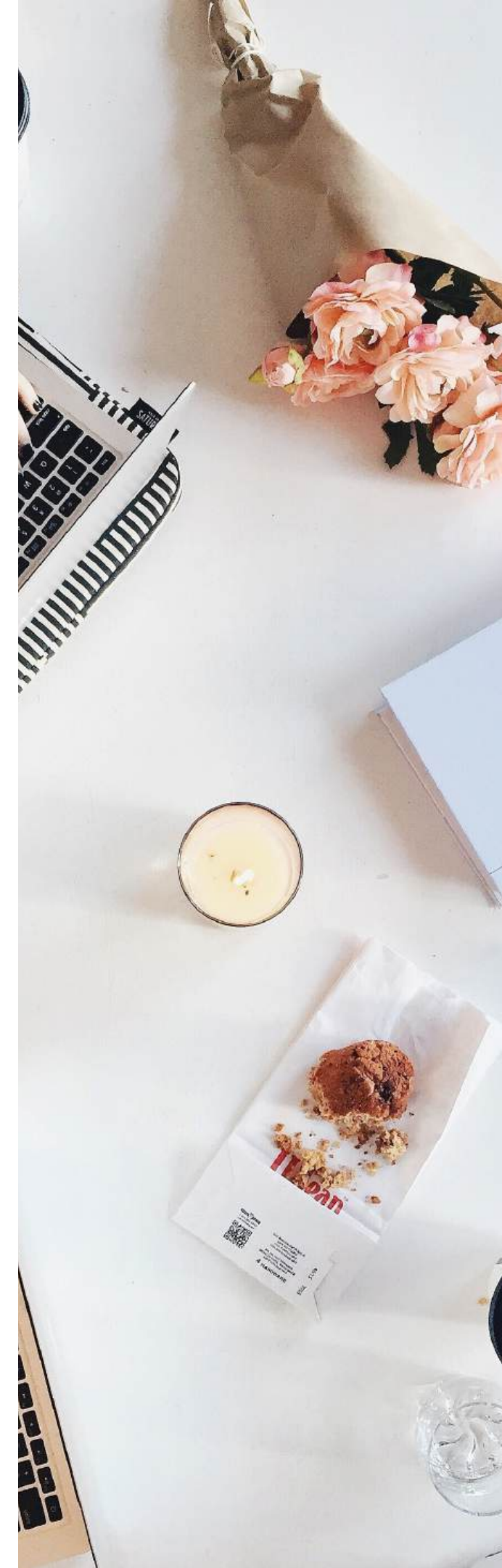
P/E Ratio of Maruti Suzuki India Ltd. with value of 24.31 shows that stock price is high compared to company earnings and may be overvalued. PE Ratio of MARUTI has fallen by -3.73 % Compared to previous Financial Year. PE Ratio with value of 58.87 was highest in Year Mar-22 in last Five Years. PE Ratio with value of 22.82 was lowest in Year Mar-20 in last Five Years. **Latest PE Ratio with value of 29.37 is lower than Average PE of 37.76 in last five years.**

FY - Historical Price to Earning of Maruti Suzuki India Ltd.							
Period	Mar-24	Mar-23	Mar-22	Mar-21	Mar-20	Mar-19	Mar-18



P/B Ratio

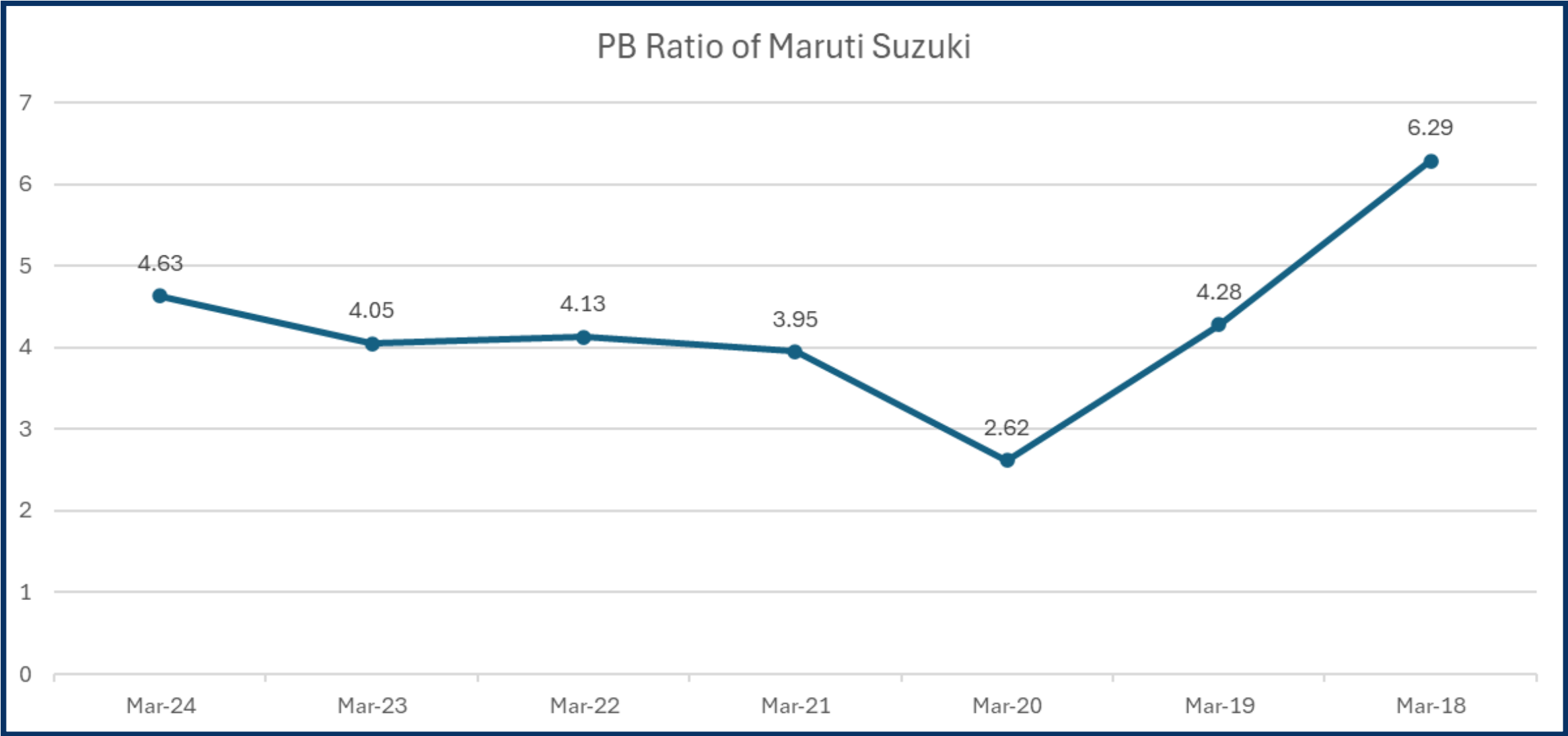
- To compare a company's market value with its book value.
- This ratio also indicates whether you're paying too much for what would remain if the company went bankrupt immediately.
- **P/B ratio = market price per share / book value per share.**
- A lower P/B ratio could mean the stock is undervalued. However, it could also mean something is fundamentally wrong with the company. As with most ratios, this varies by industry.



P/B RATIO ANALYSIS - MARUTI SUZUKI

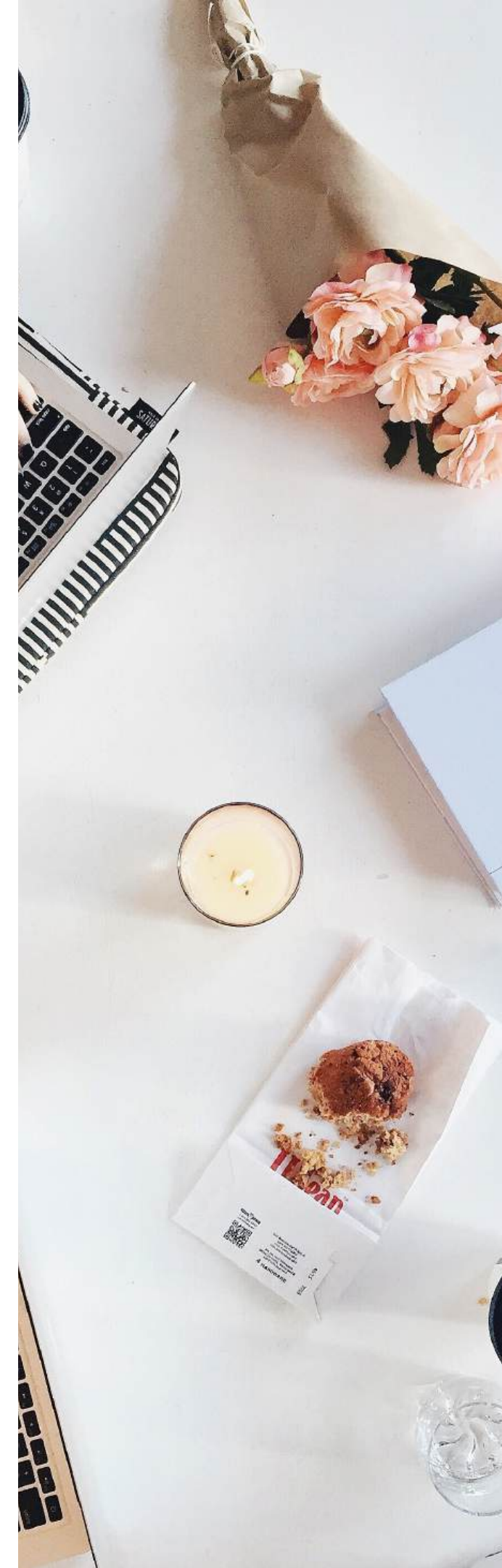
P/B Ratio of Maruti Suzuki India Ltd. with value of 4.35 shows that company is trading much above Book value and may be risky. PB Ratio of MARUTI has grown by 14.11 % Compared to previous Financial Year. PB Ratio with value of 4.63 was highest in Year Mar-24 in last Five Years. PB Ratio with value of 2.62 was lowest in Year Mar-20 in last Five Years. **Latest PB Ratio with value of 4.63 is Greater than Average PB of 3.87 in last five years.**

FY - Historical Price to Book of Maruti Suzuki India Ltd.							
Period	Mar-24	Mar-23	Mar-22	Mar-21	Mar-20	Mar-19	Mar-18
PB	4.63	4.05	4.13	3.95	2.62	4.28	6.29
Change	14.11 %	-1.79 %	4.59 %	50.64 %	-38.76 %	-31.95 %	28.33 %



Dividend Yield Ratio

- A financial ratio that indicates how much a company pays out in dividends each year relative to its share price.
- For Investors' dividend yield is a way to measure how much cash flows they are getting for each dollar invested in a dividend-paying shares.
- **Dividend Yield ratio = Annual dividend per share/ Market Price per share**

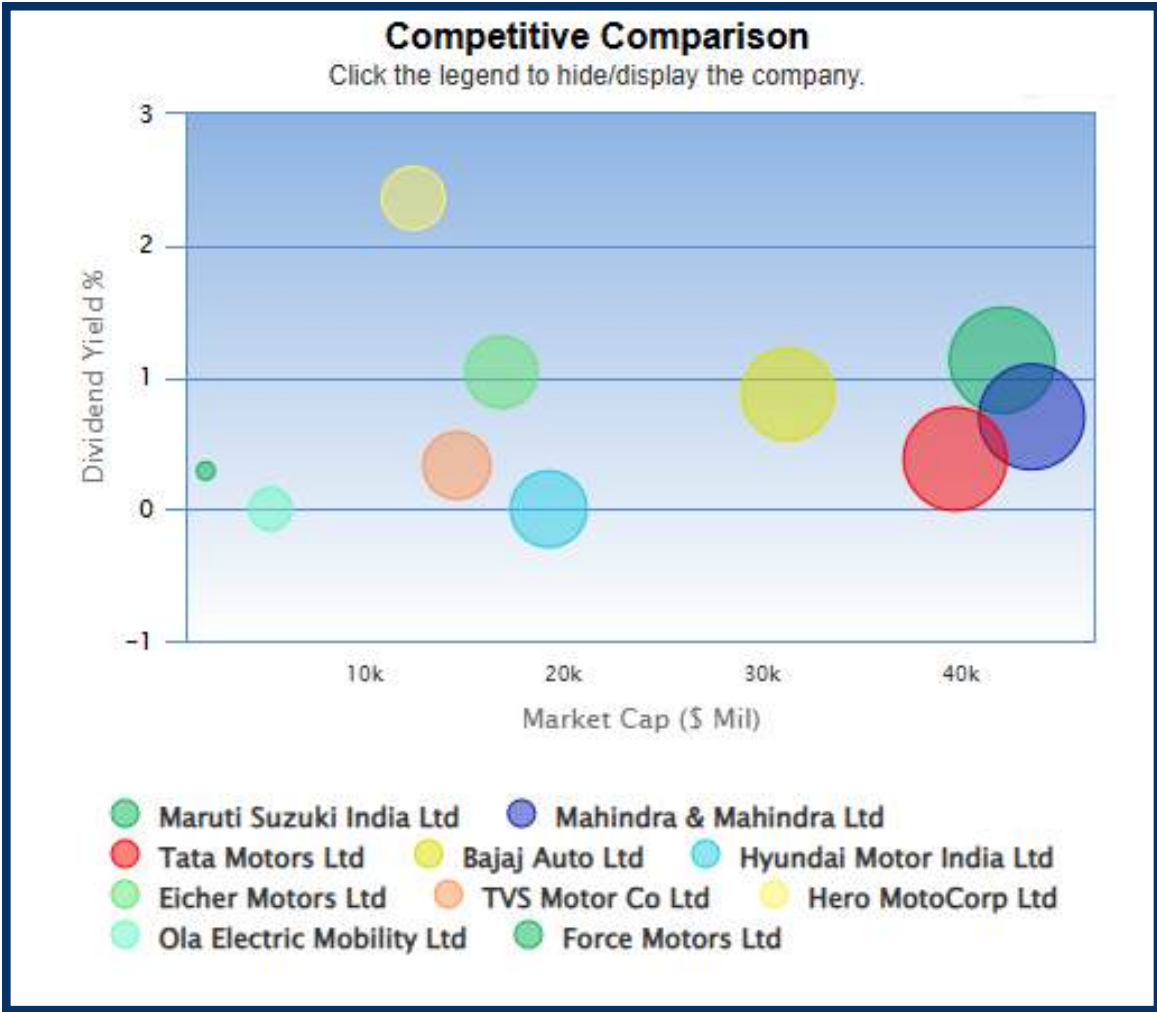


DIVIDEND YIELD RATIO ANALYSIS - MARUTI SUZUKI

Maruti Suzuki India's Dividend Payout Ratio for the three months ended in Sep. 2024 was 1.27. During the past 13 years, the highest Dividend Payout Ratio of Maruti Suzuki India was 0.93. The lowest was 0.11. And the median was 0.31. As of today (2024-11-28), the Forward Dividend Yield % of Maruti Suzuki India is 1.13%. **Maruti Suzuki India's Dividends per Share for the three months ended in Sep. 2024 was ₹125.00.**

During the past 12 months, Maruti Suzuki India's average Dividends Per Share Growth Rate was 38.90% per year. During the past 3 years, the average Dividends Per Share Growth Rate was 14.50% per year. During the past 5 years, the average Dividends Per Share Growth Rate was -1.60% per year. During the past 10 years, the average Dividends Per Share Growth Rate was 21.50% per year. During the past 13 years, the highest 3-Year average Dividends Per Share Growth Rate of Maruti Suzuki India was 84.20% per year. **The lowest was -17.50% per year. And the median was 22.95% per year.**

Mar20	Mar21	Mar22	Mar23	Mar24
1.87	0.87	0.60	0.72	0.71

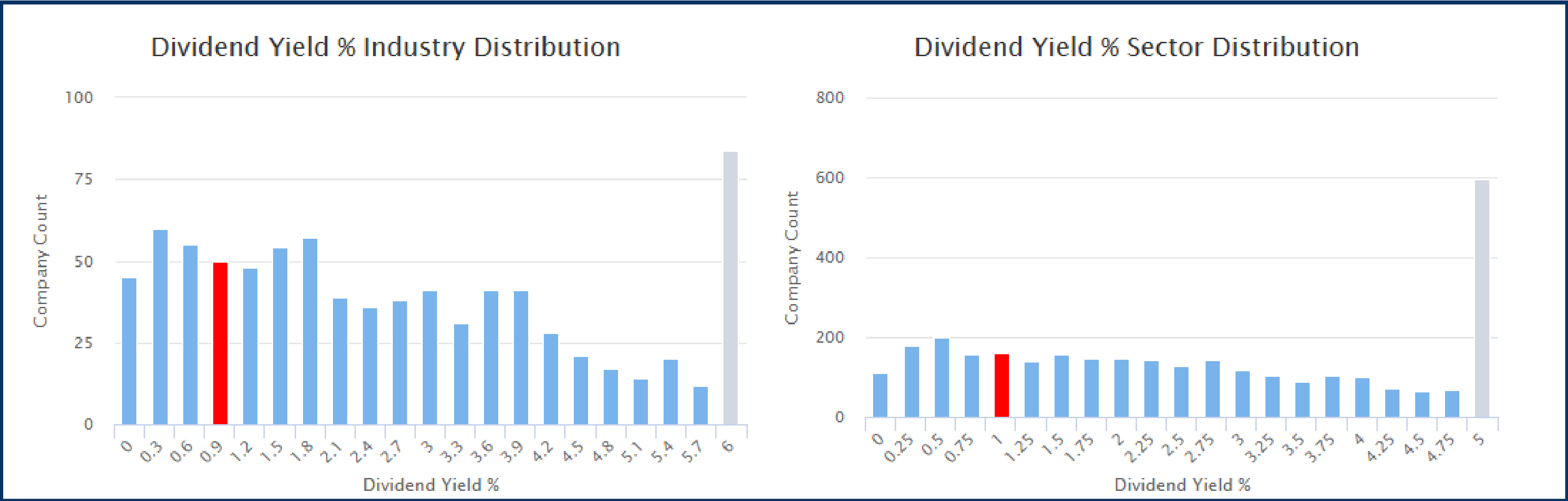


Competitive Comparison Data		
Company	Market Cap (M)	Dividend Yield %
Maruti Suzuki India Ltd	\$ 41,158.44	1.13
Mahindra & Mahindra...	\$ 42,638.62	0.70
Tata Motors Ltd	\$ 38,788.45	0.38
Bajaj Auto Ltd	\$ 30,377.76	0.87
Hyundai Motor India Ltd	\$ 18,347.67	0.00
Eicher Motors Ltd	\$ 15,958.32	1.04
TVS Motor Co Ltd	\$ 13,721.74	0.33
Hero MotoCorp Ltd	\$ 11,533.25	2.36
Ola Electric Mobility Ltd	\$ 4,347.90	0.00
Force Motors Ltd	\$ 1,090.81	0.29

DIVIDEND YIELD RATIO INDUSTRY ANALYSIS - MARUTI SUZUKI

For the Vehicles & Parts industry and Consumer Cyclical sector, **Maruti Suzuki India**'s Dividend Yield % distribution charts can be found below:

* The bar in red indicates where Maruti Suzuki India's Dividend Yield % falls into.

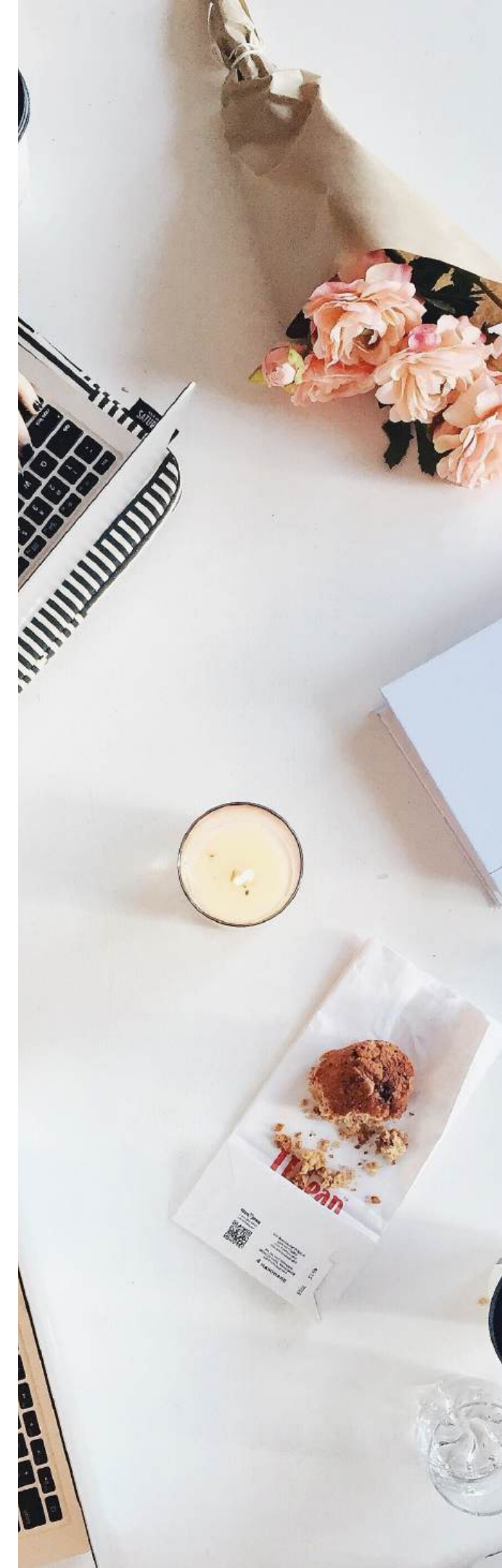


DuPont Analysis

- DuPont analysis is a financial tool that breaks down a company's return on equity (ROE) into three or five components to assess profitability, asset management, and other factors:
- **Net profit margin: The amount of net income generated per dollar of sales**
- **Total asset turnover: The amount of sales generated per dollar of assets**
- **Financial leverage: The ratio of assets to shareholders' equity**

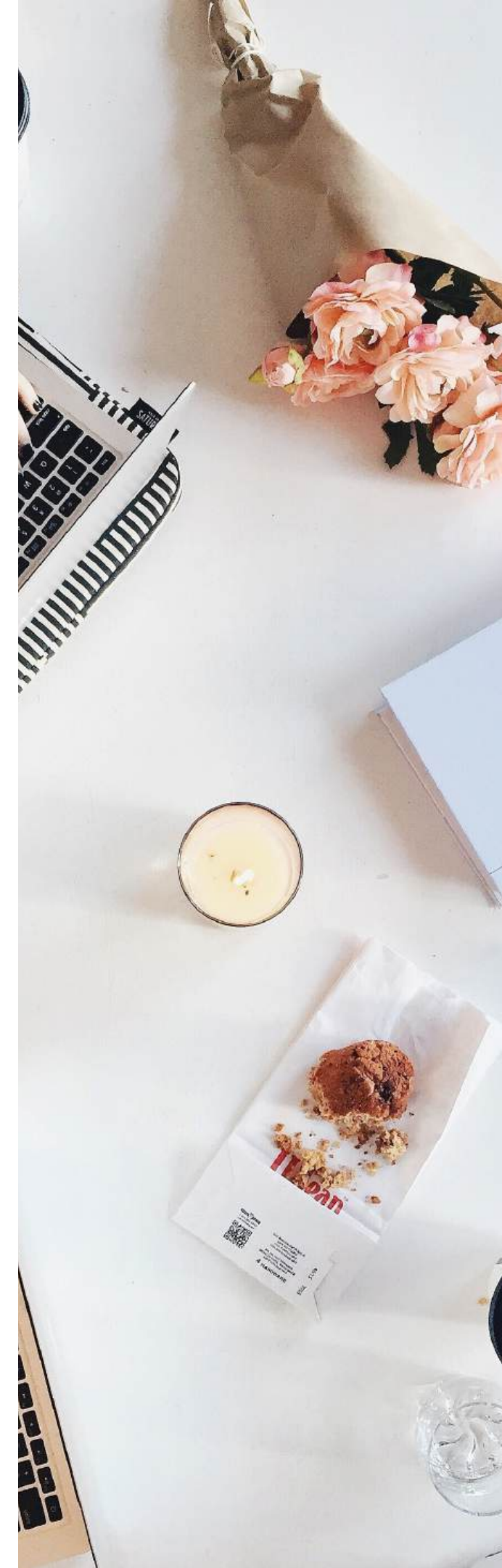
The DuPont analysis can help investors and managers identify a company's strengths and weaknesses, and areas for improvement.

For example, a company with a high total asset turnover ratio is efficiently using its assets to increase sales. However, a higher net profit margin will lower the asset turnover ratio.



Net Profit Margin Ratio

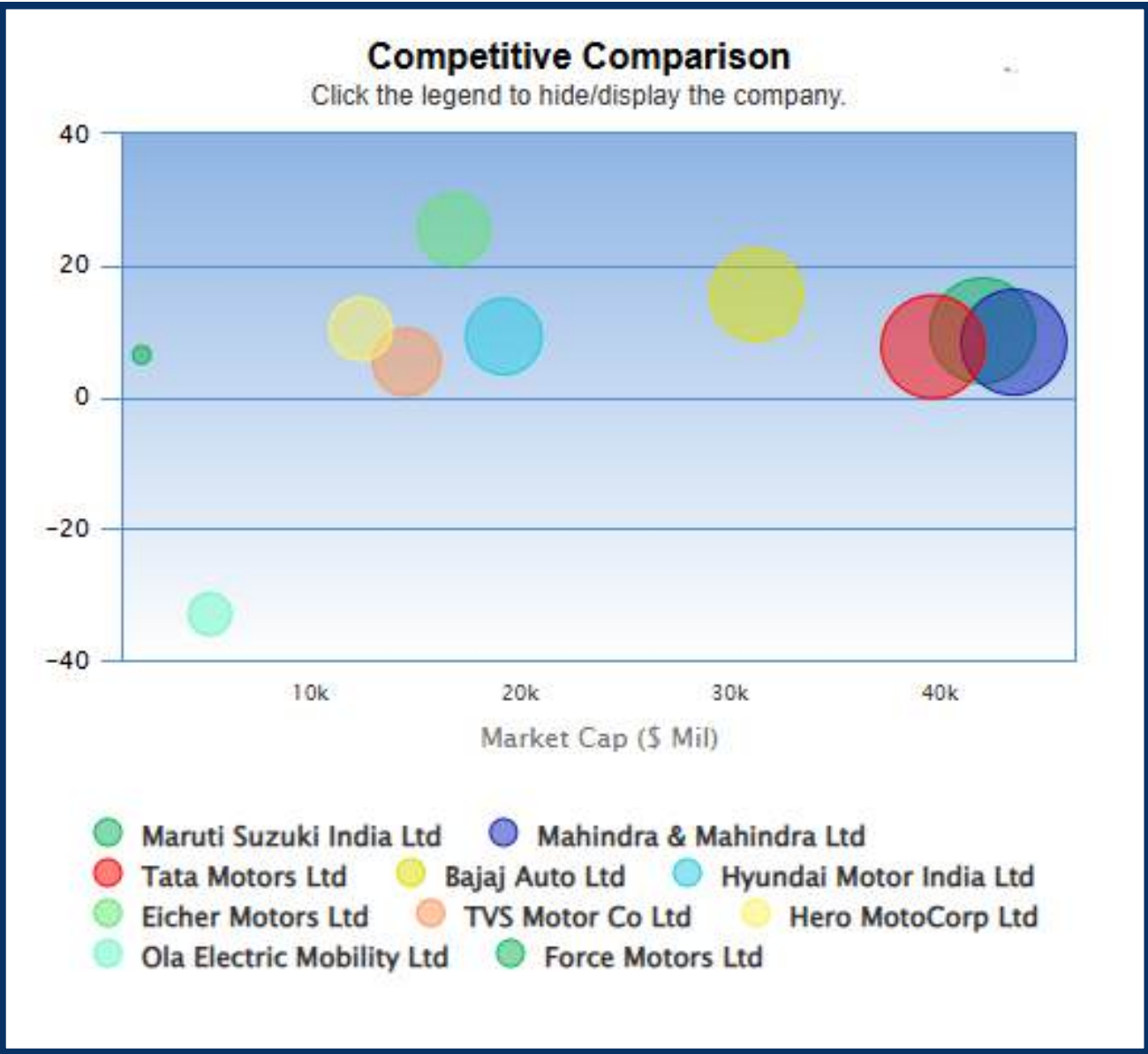
- The net profit margin ratio, also known as the net profit to sales ratio, is a key indicator of a company's financial health and profitability.
- The percentage of a company's sales revenue that remains after all costs, including taxes and interest, are covered.
- A higher net profit margin ratio indicates more cash available for shareholders or new investments.
- Track a company's performance over time or compare businesses in the same industry.
- A positive net profit margin indicates a profitable business, while a negative net profit margin indicates a loss.



NET PROFIT RATIO ANALYSIS - MARUTI SUZUKI

Net margin is calculated as Net Income divided by its Revenue. Maruti Suzuki India's Net Income for the three months ended in Sep. 2024 was ₹31,025 Mil. Maruti Suzuki India's Revenue for the three months ended in Sep. 2024 was ₹355,865 Mil. Therefore, **Maruti Suzuki India's net margin for the quarter that ended in Sep. 2024 was 8.72%.**

Mar20	Mar21	Mar22	Mar23	Mar24
7.78	6.47	4.56	7.26	9.88

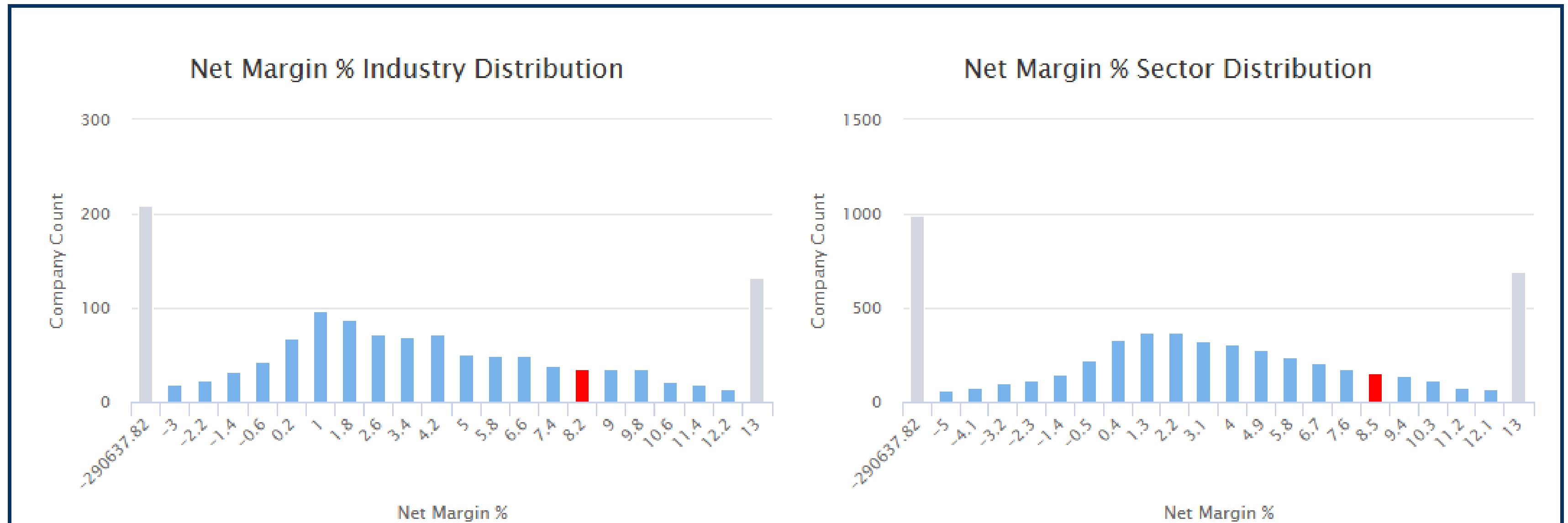


Competitive Comparison Data		
Company	Market Cap (M)	Net Margin %
Maruti Suzuki India Ltd	\$ 41,158.44	10.05
Mahindra & Mahindra Ltd	\$ 42,638.62	8.31
Tata Motors Ltd	\$ 38,788.45	7.63
Bajaj Auto Ltd	\$ 30,377.76	15.51
Hyundai Motor India Ltd	\$ 18,347.67	9.19
Eicher Motors Ltd	\$ 15,958.32	25.42
TVS Motor Co Ltd	\$ 13,721.74	5.28
Hero MotoCorp Ltd	\$ 11,533.25	10.37
Ola Electric Mobility Ltd	\$ 4,347.90	-33.02
Force Motors Ltd	\$ 1,090.81	6.38

NET PROFIT RATIO INDUSTRY ANALYSIS - MARUTI SUZUKI

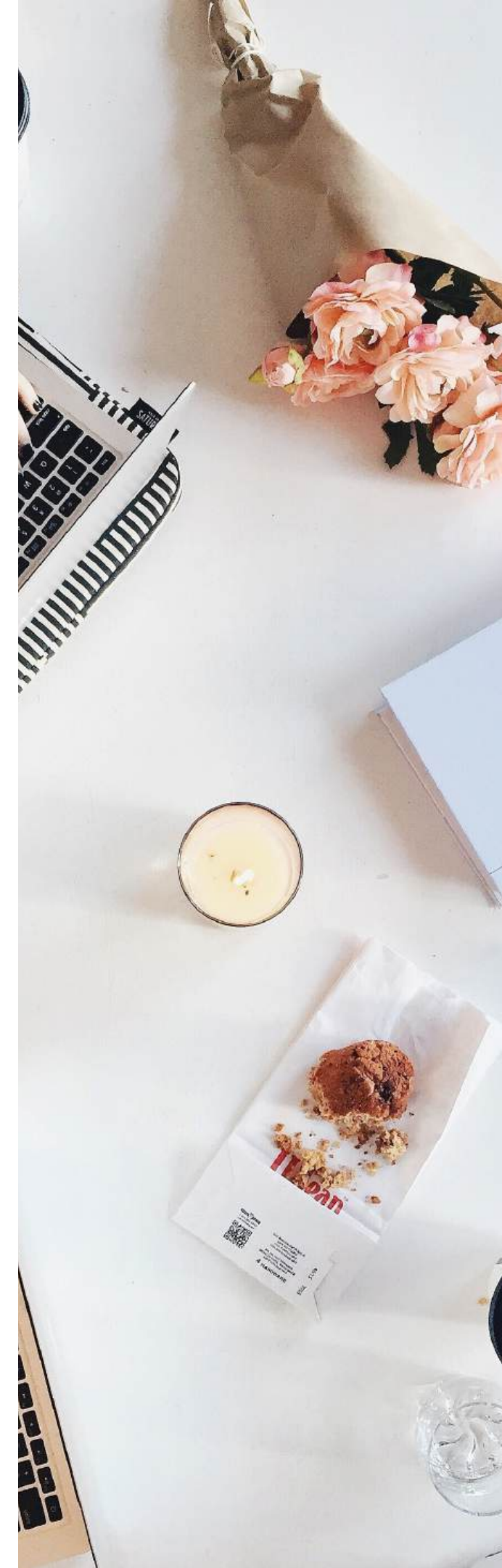
For the Vehicles & Parts industry and Consumer Cyclical sector, Maruti Suzuki India's Net Margin % distribution charts can be found below:

*** The bar in red indicates where Maruti Suzuki India's Net Margin % falls into.**



Asset Turnover Ratio

- The asset turnover ratio is a financial metric that measures how well a company uses its assets to generate revenue.
- **Formula: Asset turnover ratio = Net sales / Average total assets**
- Interpretation: A higher ratio is generally better, indicating that the company is using its assets efficiently
- Example: If a company has ₹750,000 in net sales and ₹1,500,000 in total assets, its asset turnover ratio is 0.5. This means that each dollar in assets generated 50 cents in net sales revenue.
- A low ratio can indicate that a company is not using its resources productively.
- A very high ratio could indicate underinvestment in fixed assets.

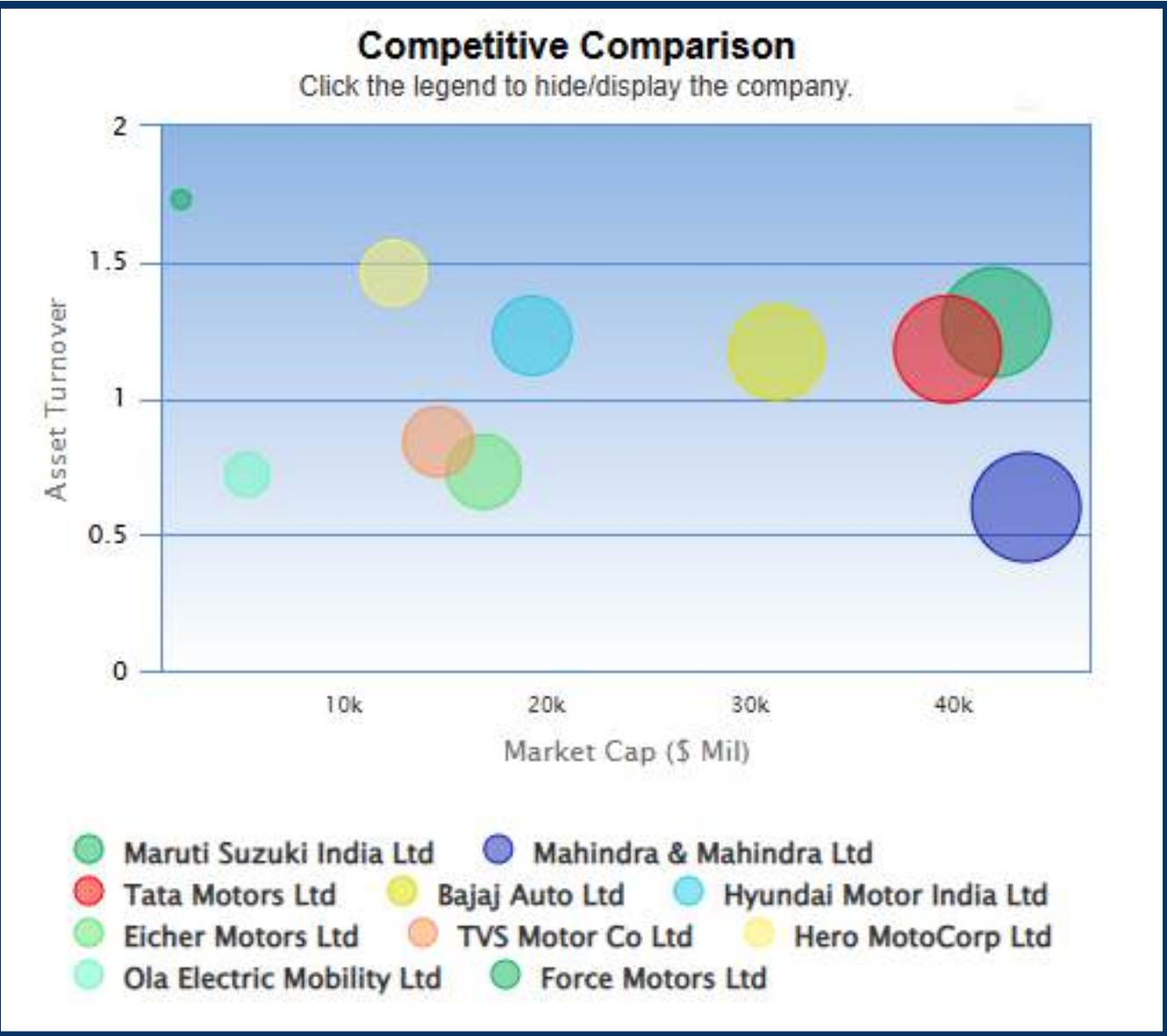


ASSET TURNOVER RATIO - MARUTI SUZUKI

Asset Turnover measures how quickly a company turns over its asset through sales. It is calculated as Revenue divided by Total Assets. Maruti Suzuki India's Revenue for the three months ended in Sep. 2024 was ₹355,865 Mil. Maruti Suzuki India's Total Assets for the quarter that ended in Sep. 2024 was ₹1,216,965 Mil. Therefore, **Maruti Suzuki India's Asset Turnover for the quarter that ended in Sep. 2024 was 0.29.**

Asset Turnover is linked to ROE % through Du Pont Formula. Maruti Suzuki India's annualized ROE % for the quarter that ended in Sep. 2024 was 13.92%. It is also linked to ROA % through Du Pont Formula. Maruti Suzuki India's annualized ROA % for the quarter that ended in Sep. 2024 was 10.20%.

Mar20	Mar21	Mar22	Mar23	Mar24
1.14	1.00	1.17	1.30	1.27

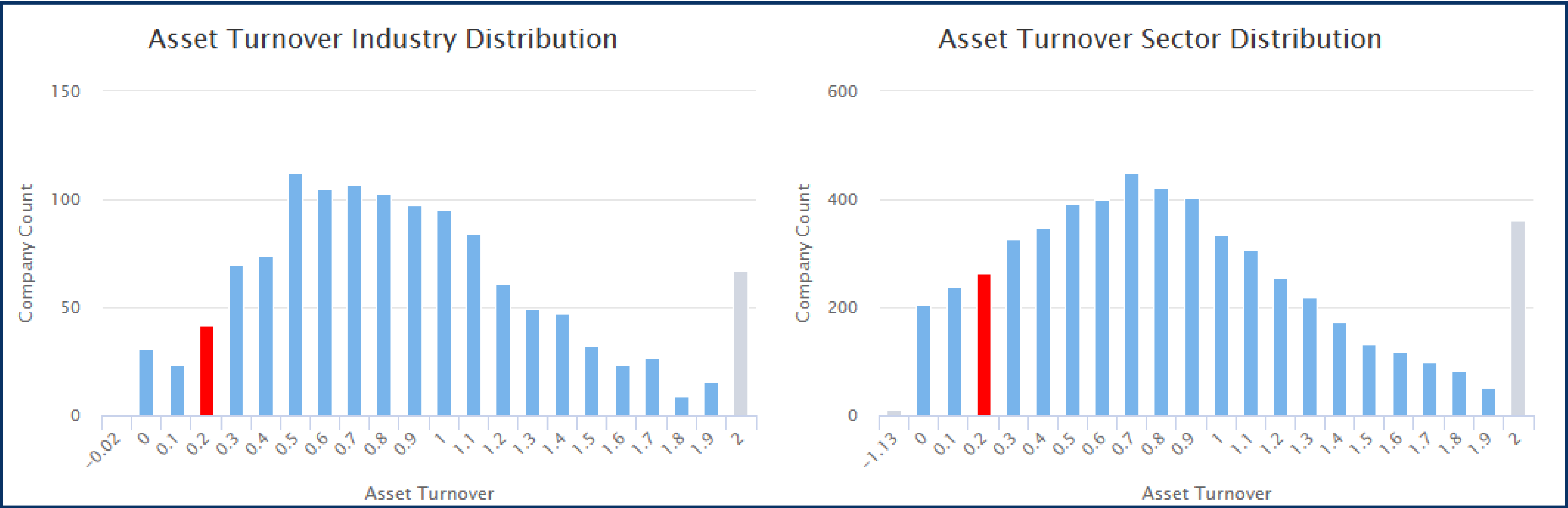


Competitive Comparison Data

Company	Market Cap (M)	Asset Turnover
Maruti Suzuki India Ltd	\$ 41,158.44	1.28
Mahindra & Mahindra...	\$ 42,638.62	0.60
Tata Motors Ltd	\$ 38,788.45	1.18
Bajaj Auto Ltd	\$ 30,377.76	1.17
Hyundai Motor India Ltd	\$ 18,347.67	1.23
Eicher Motors Ltd	\$ 15,958.32	0.73
TVS Motor Co Ltd	\$ 13,721.74	0.84
Hero MotoCorp Ltd	\$ 11,533.25	1.46
Ola Electric Mobility Ltd	\$ 4,347.90	0.72
Force Motors Ltd	\$ 1,090.81	1.73

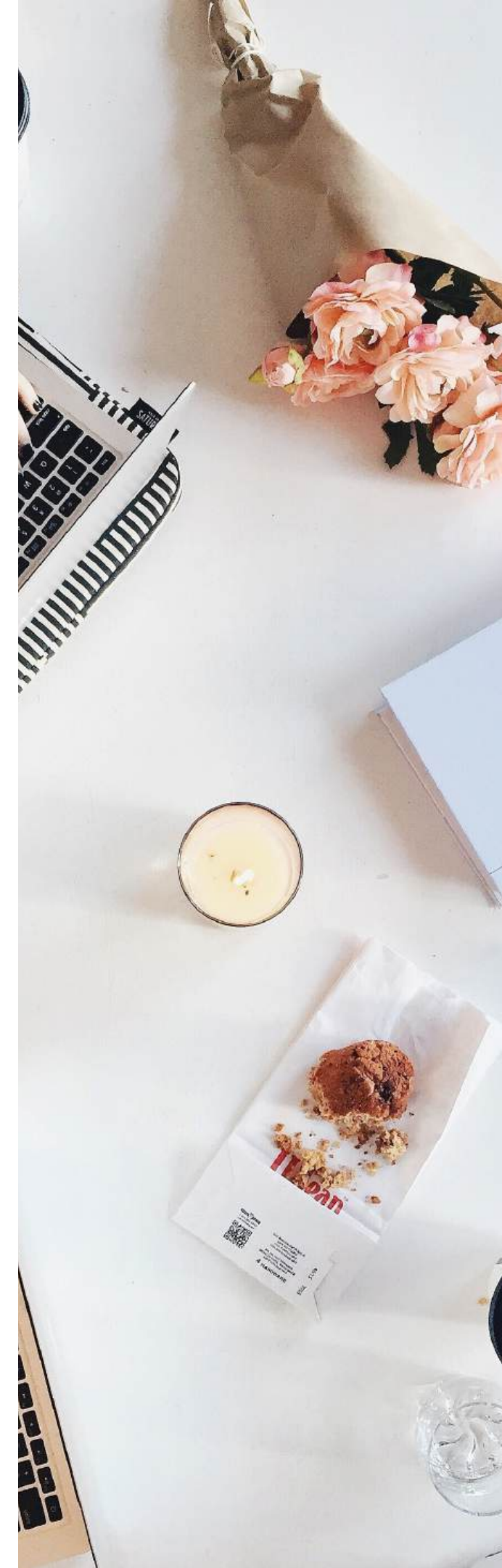
ASSET TURNOVER RATIO INDUSTRY ANALYSIS - MARUTI SUZUKI

For the Vehicles & Parts industry and Consumer Cyclical sector, Maruti Suzuki India's Asset Turnover distribution charts can be found below:
* The bar in red indicates where Maruti Suzuki India's Asset Turnover falls into.



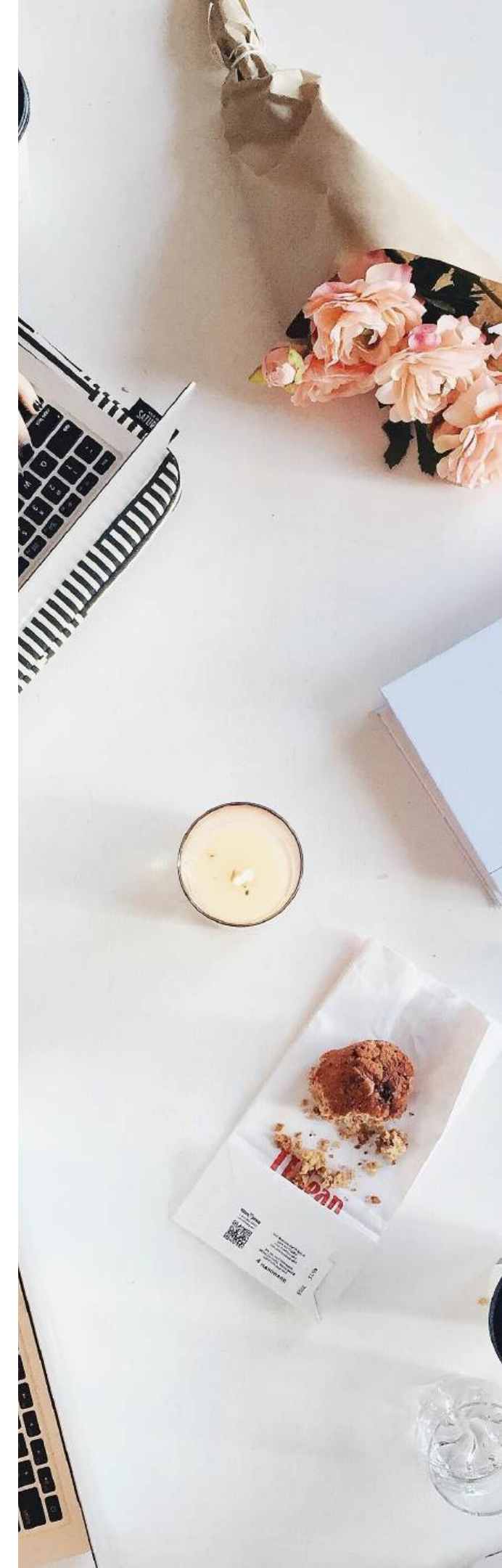
Financial Leverage Ratio

- A financial leverage ratio is a financial metric that assesses a company's debt relative to its equity and capital structure. It's a key indicator of how much debt a company uses to fund its operations, and how likely it is to meet its financial obligations.
- A high financial leverage ratio means a company is more dependent on debt, which can make it more vulnerable during economic downturns. A low ratio means a company is using more equity and less debt, which is generally considered less risky.
- There are several ways to calculate financial leverage ratios, including debt-to-equity (D/E) ratio, debt-to-assets ratio, and degree of financial leverage (DFL).
- A ratio of 3 or higher is generally considered good, but the threshold varies by industry.



Some Terms

- **Liquidity:** measures a firm's ability to meet its short-term obligations, e.g.: Current Ratio, Quick Ratio; Cash Ratio
- **Profitability:** measures the ability of a firm to generate profit, e.g.: ROA, Gross Profit Margin
- **Efficiency:** captures the effectiveness of firm's usage of assets and liability, e.g.: Asset Turnover, Inventory Turnover
- **Financial Soundness/Solvency:** captures the firm's ability to meet long term obligations, e.g.: Total Debt to Equity Ratio, Interest Coverage Ratio
- **Capitalization:** measures the debt component of a firm's total capital structure, e.g.: Capitalization Ratio, Total Debt-to-Invested Capital Ratio
- **Valuation:** estimates the attractiveness of a firm's stock (overpriced or underpriced), e.g.: P/E ratio, Shiller's CAPE ratio
- **Others:** Miscellaneous ratios, e.g.: R&D-to-Sales, Labor Expenses to Sales.



THANK YOU

Business analysis is also useful for increasing profits and helping to achieve business goals and can be used to get to know more about the business from several sides.

