

A Study on Financial Statement Analysis of Maruti Suzuki India Limited Company

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Abstract:

The Indian automobile company Maruti Suzuki, which had partnered with the Japanese automobile company, started to produce by combining both companies' technologies in their cars. With this, they are not only selling the cars in both countries but also exporting their vehicles to nearly 100 countries. This study is based on the Statement Analysis of Maruti Suzuki India Ltd. from the financial year of 2020–2025 and concentrates on the comparative statement analysis of the year, financial position analysis, and trend analysis of the year. The study exists at very low growth at the start of 2021 of only 66,571, but it increases up to 145,109 in 2025, and in the trend analysis the net profit has a higher growth of 337% compared to deposit and revenue, which both of them also have the same level of growth. In comparison, the net profit is -11.9% in 2021–2022, but in the next year it has increased to 116.1%, and in the final financial year, it increased by 7.7%. Comparing all the financial results, Maruti Suzuki is performing well.

KEYWORDS: Analysis, Profit & Loss, Comparative Analysis, Balance Sheet, Trend analysis, Ratio Analysis

INTRODUCTION

Maruti Suzuki India Limited is one of the fastest-growing four-wheeler vehicle manufacturers in the Indian automobile industry in the country. It is partnered with the Suzuki Motor of the Japan company to show the India economy liberalization to other countries also. On the financial side, Maruti Suzuki company's operations from the financial year 2020–2021 to 2024–2025 rise up to ₹66,571 crore, and in the year 2024–2025, it is ₹145,109 crore. Even though in the years 2020 to 2022 it had low increases in performance, it has totally changed. With the net profit of 11.9% of high input costs up to 116.1% in 2023, it will continue to grow to 337% in 2024–2025 by improved operating efficiency, and the EBITDA will also increase from ₹1,551.40 crore to ₹12,353.20 crore till 2024–2025 with minimal or no long-term debt during the last year. Maruti Suzuki exports vehicles to nearly 100 countries, contributing to foreign exchange in India. This analysis of the financial statements of Maruti Suzuki India Limited focuses on 2020–2021 to 2024–2025 using comparative analysis, trend analysis, and ratio analysis to evaluate the company's overall financial performance and growth.

REVIEW OF LITERATURE

- **Megha Jain¹, Abhikrati Shukla², and Swati Gupta³ in their study focused on their study(2019);** they made it very essential to evaluate the financial performance in both companies. They are used in that both internal management and external users, such as analysts, creditors, and investors of the financial statements, need to evaluate a company. The present study is based on secondary data. Financial position is analyzed by using different ratios. From the study, the positions of Maruti Suzuki & Tata Motors are there in the market.
- **Fentaw Leykun A CASE STUDY (2019):** It is about Maruti Suzuki India Limited, the leading company for vehicles in India. The company has two manufacturing facilities in Gurgaon and Manesar and is headquartered in New Delhi, India. They hired 904 people into their workforce in 2013-14 and also 12,547 regular employees, of whom 366 are women. As of Dec. 2013, the market share was 49.24% due to an increase in input material prices,

higher inflation, an increase in fuel prices, a rise in interest rates, and low availability of skilled human resources.

- **Biswajit Rout¹ Abinash Dash² Baisali Das³ their financial statement (2020):** The aim of financial statement analysis is to bag profit for the growth of the business by the efficiency and performance of the company's management, as shown in the books of record. The profit comes from investment, and the profitability ratios are used. These ratios are the tools to estimate the overall financial performance of Maruti Suzuki in particular. By these ratios, the management can do the needful for the growth of their business. In this paper, the profitability of Maruti Suzuki from 2009 to 2019 is stated.
- **Dr. M.A. Lokhande¹ and Vishal Sunil Rana² (2017):** Marketing Strategies In today's competitive world, 'strategy' is very crucial for all businesses. Presently, organizations started realizing that customer marketing strategies play a vital role in becoming a successful leader. Because of this, competition strategy must be unique, different, and advantage-making in marketing strategy. That makes Maruti Suzuki the leading & largest seller of automobiles in India.
- **MR.VISHAL.S.RANA¹, DR.MURLIDHAR A.LOKHANDE² Performance Overview (2013):** Maruti Suzuki India Ltd is India's leading & largest passenger car manufacturer, with nearly 50 percent of the total sales. By creating a demand of all types of customers. They are very conscious about safeguarding the environment from vehicle pollution, so they are launching K-Series engines. Maruti Suzuki India Limited with respect to export, sales, production, and sales network.

STATEMENT OF THE PROBLEM

Maruti Suzuki faced a drawback in 2018 from the sudden adverse foreign exchange rate and slow rural demand following poor monsoons; this has led to the market drop. It stopped at 2019, and after that, from 2020, Maruti Suzuki got its track on the market with a strategy of noting the company value, and each year they fixed the goal that the market value had to break from the last year's market value. In this study we realize that the company improving in the market after 2020 is to find in which place they have improved and how they have improved.

OBJECTIVES OF THE STUDY:

- To know Profitability, solvency position of the company.
- To analyse the performance of the company income
- To study the trend of company financial performance.

RESEARCH METHODOLOGY:

The methodology is based on the secondary data. This secondary data is collected from journals, books, company websites.

Data collection:

The financial information is collected from the annual financial report publisher websites of Maruti Suzuki India Limited from the financial years 2020–2021 to 2024–2025. The collected data includes information from the balance sheet and profit and loss account, and also data collected from many journals and books related to the company, and also for making analysis.

Tools used:

- Ratio analysis
- Profitability, Return, Debt, Turnover, and Growth Ratios.
- Comparative analysis
- Trend analysis

ANALYSIS AND INTERPRETATION

Ratio Analysis:

Table 1
profitability ratio

Ratios	2021	2022	2023	2024	2025
Profitability Ratios					
Operating Margin	2.205	1.332	5.067	8.170	8.079
EBIT Margin	-2.107	-1.826	2.664	4.465	4.411
NPM	5.757	4.127	6.711	9.067	9.027

Interpretation:

In the year 2024, they have a better performance in earnings, earning 8.17%, and also in interest on tax, at 4.46%. The net profit also increases to 9%. In the years 2021 and 2022, we see that it has no earnings in EBIT.

Table 2
Return on Equity

Return Ratios					
Return on Equity	27.95	24.62	53.20	84.19	90.69
Return on Capital Employe	-2.32	-3.03	2.29	33.28	42.91

Interpretation:

In the returns on equity, there is no negative; it has a study and reaped income after 2022, but as the opposite on capital employed, in 2022, it has a very low of -3.03% compared to 2021, but in the next year from that, also, it has been recovered.

Table 2
Solvency Ratio

Debt Ratios					
Debt / Equity	3.26	2.53	8.05	0.21	0.00
Interest Coverage Ratio	-14.56	-12.74	16.75	32.72	34.73

Interpretation:

On the debt side at the end of the financial year, we can see that there is NO debt, and it also covered interest of 34.7%.

Table 3
Turnover Ratio

Turnover Ratios					
Fixed Asset Turnover	4.04	5.02	5.43	3.79	3.55
Inventory Turnover	21.83	23.72	26.27	25.37	20.99
Receivable Turnover	52.01	41.19	34.08	29.35	22.19
Payable Turnover	6.55	8.58	9.55	7.94	7.08

Interpretation:

In the total turnover ratios of the company, the receivable turnover has the most use in 2021 at 52%, and the least is fixed assets at 4%. As for 2025, the turnover ratio use has been less in that the payable turnover use only has an increase of 0.53%.

Table 4
Growth Analysis

Growth Analysis					
Revenue from Operation	66,571.80	83,799.80	1,12,511.30	1,34,921.70	1,45,109.90
EBITDA	1,551.40	1,176.20	5,957.70	11,589.80	12,353.20

Interpretation:

As for the growth, the company's revenue has increased up to 145,109.90, and the EBITDA also has a great improvement in it, from 1,551.40 to 12,353.20 within 5 years.

**Table 5
Comparative Analysis**

Particulars	2021-2022		2022-2023		2023-2024		2024-2025	
	Absolute change	% of change	Absolute change	% of change	Absolute change	% of change	Absolute change	% of change
INCOME:								
Operating Incom	17,958	25	29241.5	33.1	24286.9	20.7	11054.8	7.8
EXPENDITURE:								
Interest Expense	24.8	24.4	60.4	47.7	6.6	4.8	0.6	0.3
Total Expenses	17382.9	25.5	24027.1	28.1	19215	17.5	9777.8	7.6
Operating profit	-616.7	-12	5610.4	123.7	7024.7	69.2	2205.7	12.8
Proviton & contingencies(Tax Expenses)	-114.2	-12.3	1294.4	158.3	1824.2	22.7	1183.5	30.1
Net Profit for the Year	-502.5	-11.9	4316	116.1	5200.5	64.7	1022.2	7.7
Total Profit / Loss(Consolidation)	-509.6	-11.6	4331.5	111.7	5277.2	64.3	1012	7.5

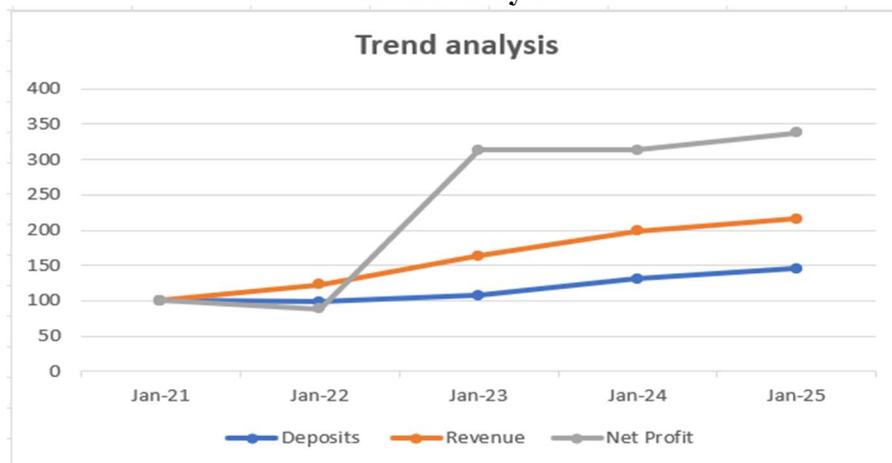
Interpretation

- At the start of the company’s financial year, the net profit is -11.9% in 2021–2022, but in the next year it has increased to 116.1% in 2022–2023, with more expectation, and in the next year the changes are 69.7% from 2023–2024, but in the final financial year there is only 7.7% of change compared to all the absolute changes. It is not very bad, but it may lead to a problem for the company if there is not much of a good increase in it.

**Table 6
Trend analysis**

Year	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Deposits	100	98.01	107.03	13072	145.28
Revenue	100	122.87	163.31	199.09	215.43
Net Profit	100	88.09	313.59	313.59	337.81

**Chart 1
Trend analysis**



Interpretation

- At from the start of 2021, all the terms have the same percentage, but in the next year, it goes down to 98 percent, but it starts to increase in 2023 till the end of the current year, 2025.
- Similarly for the revenue as deposits, but it is not down like deposits; it is only increasing till the year ending 2025, up to 215%.
- As for the net profit compared to both deposit and revenue, it decreases more in 2022, up to 88%, but it has the upside-down change of the most increase, 313%, and it increases up to 2025 as 337%.

Findings:

- The findings show that Maruti Suzuki India Ltd. has an overall financial improvement in this time period from 2020–2021 to 2024–2025. At the start, all can see the company experienced low growth and losses during 2021–2022 because of the unfavorable market condition, but after that, it shows a strong recovery from 2022–2023.
- At first the net profit shows a sharp increase of 116.1% in 2022–2023, by effective cost control and by improving operational efficiency. The trend analysis shows that the net profit has a high growth of 337%, which is higher compared to revenue and deposits; it gives a better profitability performance in the company.
- The EBIT and EBITDA levels show that it has improved by showing that the company's operating efficiency over the years and the return on equity improved after 2022 by better utilization of shareholders' funds.
- In this study you can see that Maruti Suzuki operates with minimal or no debt at the end of the financial year of 2024-2025 by highlighting its strong capital structure and lower financial risk. Turnover ratios also indicate that asset

utilization was efficient, mainly in receivables turnover during some ratios of later years.

- Comparative analysis shows that although profit growth has slowed down to 7.7% in the final year. Overall, the financial position of Maruti Suzuki India Limited is stable and has a continuous improvement in profitability and financial strength.

CONCLUSION

The study on the financial statement analysis of Maruti Suzuki India Limited shows that the company has maintained strong and stable financial growth from 2021–2022 to 2024–2025. Even though the company had financial challenges and lower performance till 2021–2022, it had the best recovery in the following years. The analysis of profitability, return, turnover, and growth ratios shows the operational efficiency and profitability of the company, with the net profit showing the highest growth of the period. The company also gets the ability to operate with minimal or no debt for a year. Finally, the finances of Maruti Suzuki India Limited are well-managed for long-term growth and strong recovery; efficient resource utilization and stable finances show its position in the Indian automobile industry.

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